

# Determinants of Cross-Border Online Shopping Behavior: An Analytical Framework and Strategic Responses

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## Abstract:

With the continuous development of cross-border e-commerce, the number of cross-border consumers is constantly increasing. More and more enterprises are making profits through cross-border e-commerce. Research on the factors influencing cross-border consumers' purchasing decisions can help optimize global market strategies, increase conversion rates, and enhance competitiveness. By analyzing key factors such as price, logistics, and payment, enterprises can precisely identify customer needs, reduce costs, avoid risks, and ultimately achieve growth in international business. In the context of booming cross-border e-commerce, these insights will become the key to the success of enterprises. Analyze the current situation of the cross-border e-commerce market and the preferences of two types of cross-border consumers regarding product price priority and logistics priority case. Understanding the influence of product price factors and logistics factors on the purchasing decisions of cross-border consumers also, other factors were studied for their influence, like brand reputation, after-sale service, and payment security. For each question, referencing some successful enterprises, take a look at how they deal with these problems and propose a few feasible solutions or optimization strategies. Financial partnerships like supply chain financing boost cash flow across the entire business network. Building trust through transparency, reliability, and fair risk-sharing creates stronger, longer-lasting partnerships. Clear contracts and systems prevent disputes and keep operations running smoothly. This article holds useful ideas for both cross-border e-commerce enterprises and consumers. It can help enterprises optimize their strategies and enable cross-border consumers to have a better shopping experience.

**Keywords:** Cross-Border E-Commerce; Purchasing Factor; Optimization Strategies

# 1. Introduction

## 1.1 Research Background

In the background of globalization and the rapid growth of digital technology, cross-border e-commerce is flourishing. However, cross-border consumption is different from domestic consumption in that it involves multiple critical factors such as culture, trading rules, etc. Current consumer decision-making studies are more focused on the domestic market and do not include any analysis of cross-border consumption. Therefore, studying what affects cross-border consumers' willingness to buy provides significant value for enterprises to optimize their international marketing strategies. According to UNCTAD, in 2022, global cross-border e-commerce transactions reached \$2.9 trillion, underscoring the urgency of understanding this evolving consumption paradigm.

## 1.2 Literature Review

Li discovered that consumers' purchasing decisions were affected by individual differences, perception, basic information, trading experience, risk assessment, and so on through research on B2C e-commerce platforms [1]. Tang Qian Jun found that platform credibility, seller's credibility, online evaluation, and the external quality of the product have significant effects on consumers' purchasing decisions [2]. Li, from the perspective of credit evaluation, found this issue to be a pain point for Chinese e-commerce [3]. Wang & Li analyzed that the degree of consumer trust in the Internet and the perceived degree of risk influences consumers' purchasing decisions [4]. Ling found the flow experience has a significant impact on cross-border consumers' purchase decisions [5]. Zhang et al.'s research showed that the more lenient the return policy is, the higher the purchase conversion rate of the products it can obtain [6]. Wang et al. studied e-commerce live streaming and found in cross-border e-commerce live streaming, enhancing the flow experience and emotional trust of consumers has a significantly positive impact on their purchasing intentions [7]. Liu discovered that the review ratings and the number of product reviews have an impact on consumers' purchasing decisions [8]. Zhuang found consumers have a high level of satisfaction with the quality and variety of the products [9]. Liang found that social media stimulated the interest and demand of fast consumers for cross-border goods [10].

## 1.3 Research Gap

Despite these valuable findings, existing research suffers from three limitations. Most of the scholars and articles focus mainly on the traditional factors that influence consumers' purchase decisions, including prices, qualities, and product brands. They also look at domestic consumer behavior, how local cultural values are affecting them, and

how they respond to domestic marketing. However, few scholars and articles are focusing mainly on the special challenges and the factors influencing cross-border consumption, including cross-border logistics uncertainties, complex international payment processes, potential tariff costs, and cultural differences between different countries comprehensively affecting the consumer decision-making process, e.g., Hofstede's cultural dimensions impact product preference. There is also a lack of research on the role of trust building for cross-border e-commerce platforms, which includes problems such as cross-border after-sales service and international regulatory differences.

## 1.4 Research Framework

This study aims to find out the key factors overlooked by cross-border consumers when making purchase decisions. First, identify the key factors that are overlooked by cross-border consumers when making purchasing decisions. Then, explore how these factors influence decision-making. Finally, Propose practical strategies for e-commerce enterprises and policymakers. Finally, propose practical strategies based on empirical findings for e-commerce and e-commerce enterprises.

# 2. Case Description

## 2.1 Key Drivers of Cross-border E-commerce Growth

### 2.1.1 Consumer Demand Factors

Globally, consumers' willingness and trust to shop online are ever-growing, and they tend to prefer cost-efficient and original products from cross-border e-commerce platforms, providing huge market opportunities for the sustained growth of the industry, e.g., 73% of global shoppers actively seek cross-border deals for cost savings, as per McKinsey 2023 [5].

### 2.1.2 Policy Support Factors

Optimized policy environment: Governments all over the world have issued a lot of policies to support the development of cross-border e-commerce, such as simplifying customs clearance processes, e.g., China's "9710" customs code for cross-border B2C exports, lowering customs duties, giving financial assistance, which have improved the policy conditions for cross-border e-commerce and promoted its development [6].

### 2.1.3 Branding Strategy Factors

Strengthened branding trend: As competition in the cross-border e-commerce market gets more intense, sellers have gradually paid more attention to brand building. Enhance product quality, improve service experience, shape brands, and increase brand awareness and reputation in order to get more profits and market share. Branding has

become a trend in cross-border e-commerce development.

#### 2.1.4 Consumer Behavior Characteristics

**High brand awareness:** Cross-border consumers have a high awareness and loyalty to internationally well-known brands and are willing to accept a higher price for brand reputation and quality. They'll learn about the backgrounds, histories, and reputations of firms in many ways to make sure the stuff they get matches what they wish.

**Rational consumption:** They would do enough market research and compare products before buying. They are concerned with many factors, such as product price, quality, reputation, and customer service. They would be referring to the evaluations and experiences of other consumers, considering different aspects before making a purchase decision.

**Relying on online channels:** They mostly buy items via cross-border E-commerce platforms, which supplies

#### 2.2 Price-Sensitive Case

Emma is a housewife in Manchester, UK; she needs to buy a new children's bike, but her budget is limited. Local stores and big names like Amazon and eBay sold bikes for 150 - 200 bucks or just under. Emma decided to check if the same bike was available on a new cross-border e-commerce platform from China, where it was being sold for just 80 pounds but with an estimated delivery window of 3-4 weeks, even though she was worried about quality and delivery, she concluded the saving was too good to pass up as her baby's old bike would still be usable [8]. Three weeks later, she got the bike, which was good. She passed it on to other mamas and claimed she would pick low-cost, slow-delivery options for not-so-urgent stuff from now on.

**Logistics.** Emily, a Vancouver office worker, had initially forgotten to purchase a limited-edition perfume for her friend ahead of her birthday; she recalled it a week before. Local malls had nothing. A niche overseas site had it for free, but it would take 10-15 days to ship from France. eBay sellers had it, too, but it was local and expensive. They couldn't give any guarantee about delivery time either, 3-5 - days at best. Amazon Canada has a "2-day delivery" service but also the highest price. Emily rejected the slower shipping site and the uncertain eBay option. She paid more on Amazon to get fast delivery as she wanted to give the gift on time and saved to save. She got the perfume the next day and gifted it to her happy friend, who was happy after getting the gift. Since that day, consumers have always used Amazon for urgent shopping. This highlights that delivery reliability becomes the primary decision factor for time-sensitive purchases, even at a premium price.

### 3. Analysis on the Problem

#### 3.1 Influence Factors

##### 3.1.1 Product & Service Attributes

Firstly, the problem can be divided into two parts. They are the product attributes and the service attributes. **Product Attributes:** When it comes to product attributes, consumers will be influenced by the price of the products. **Service Attributes:** Platforms are chosen according to the logistics timeliness.

**Looking at the price of the product:** The impact of price factors on cross-border consumers' purchase decisions is multidimensional. The first one is the price level. Highly priced products, or ones with unclear price breakouts like product price + freight + tariffs, will dissuade people from buying them. This is because unclear pricing structures increase perceived transaction risks. Second, it can also reflect the price of comparison. Consumers compare goods from cross-border with domestic ones and also products across different platforms; they go for products that are cheaper but have the quality. Thirdly, price fluctuations due to exchange rate changes or promotional events also influence choices. People tend to purchase to buy when local currency appreciates and discourage when depreciation. Sales and discounts will stimulate purchases. And last is the perceived value of the price. People want to get good value for money, and they decide things depending on whether the price matches what they expect.

##### 3.1.2 Logistics

Logistic factors have an obvious effect on cross-border consumers' purchasing decisions. The fast and reliable logistics can shorten the consumer's waiting time and improve the quality of shopping. Therefore, it will further stimulate the desire of consumers to buy. In contrast, slow logistics with long delivery times may lead consumers to abandon their purchases. And logistics costs as well. If these costs are too high and thus increase the price of the product as a whole, then this could make the product less attractive to consumers. However, reliability is very important, and it means that the products must be delivered on time and remain the same. High--Reliability logistics lowers consumer concerns and enhances their trust in buying.

There are differences in the preference for logistics between different regions, such as the difference between Europe, the US, and SE Asia. Consumers in Europe and the US pay more attention to delivery Speed, and they are ready to pay for fast delivery service. They demand much about the type of deliveries and the accuracy of tracking in packages, as well as the demand for returns. Although consumers in Southeast Asia, e.g., 68% of SEA consumers prioritize cost over speed vs. 22% in the US, like other countries, want fast delivery, they are relatively

more patient [9]. They are more sensitive to logistics costs and will choose low-price services. Their requirements for package tracking are not high, and their demand for return service is not high.

### 3.1.3 Comprehensive Influencing Factors

Apart from the above two factors, there are some other factors, such as user reviews and word of mouth.

**User Reviews & Word-of-Mouth:** User reviews and word-of-mouth play a role in cross-border consumer purchase decisions. As social proof mechanisms, positive reviews and reputation will increase the trust of consumers and avoid buying risks, and it will also make people buy. On the contrary, adverse reviews like remarks about product quality or post-sale concerns may reduce consumers' buying enthusiasm and possibly cause them to give up, which will have an immediate impact on product sales and platform reputation.

**Brand Reputation:** Well-known global brands have a big impact. They have a long-established reputation and credibility, which can help reduce consumers' decision-making risks. Thus, consumers would prefer their products. However, newly emerged brands need to gain the trust of consumers with marketing strategies that differentiate them along with good quality services to have power.

**After-Sales Service:** Well-known international brands will have a great influence. e. These well-known brands have solid reputations and credibility, which will greatly lessen the risk for consumers to make decisions, which would make consumers tend to purchase these products. On the contrary, emergent brands must establish a connection with consumers via special marketing plans and superb services so as to make an impact on cross-border consumers' purchasing decisions.

**Payment Security** Payment security is an important factor that affects the purchase decisions of cross-border consumers. A secure payment environment and a mixture of payment forms, including credit cards, 3rd party payment platforms, etc., that guarantee the user's financial information is transaction data can help reduce the customer's feeling of risk, increase the user's trust in the platform, and improve the purchase conversion rate [10]. But opposite to this, if the payment link is not secure, there may be fraud or leakage of information, which will directly impact the willingness of consumers to buy.

## 3.2 Gap Analysis Between Consumer Expectations and Logistics Reality

### 3.2.1 Cost-Quality Trade-off

First, it isn't easy to have both low-cost and high-quality logistics.

It's because giving high-quality logistics services often requires making big investments in infrastructure investments (e.g., warehouses), training people, and advanced technologies (e.g., real-time tracking systems) that help

you get things there fast, keeping track of them on a map, and make sure your customers are happy. The cost will certainly lead to a higher service price. This creates a paradox where cost reduction directly compromises service reliability. The same goes for logistics prices that are too low, which would impact the service quality and the length of the delivery time. Thus, it's a tough job to have low-price, high-quality logistics, e.g., 89% of logistics cost cuts correlate with 30%+ longer delivery times.

### 3.2.2 Delivery Speed Discrepancy

The second is delivery speed, which is also a problem. Consumers want things to reach them as fast as possible. They want the same delivery service daily or the following day. Actually, it's the reality that the actual delivery process faces disruptions from lots of factors, like the delivery distances, the work efficiency of the logistics distribution centers, and bad weather. As a result, the delivery time often exceeds, which is inconsistent with consumers' expectations; only 12% of cross-border orders achieve next-day delivery globally.

### 3.2.3 Delivery Method Limitations

Thirdly, Delivery Methods. Expectation: Consumers desire more flexible delivery choices such as home delivery at any given time, pick-up from a convenient location, or delivery to a locker. Reality: Actual delivery can be constrained by the logistics company's business scope and resources. Customers cannot obtain every delivery option they like.

### 3.2.4 Service Satisfaction Gap

Lastly, service satisfaction. Expectation: Consumers expect good service, polite and professional couriers, accurate package tracking info, and quick problem resolution. Reality: In the real operation process, there is also a problem of rough handling by couriers, incomplete or inaccurate updates of tracking information on time, slow reaction speed to consumer complaints, etc., resulting in differences in service, eroding consumer trust, and repurchase intent.

Potential solutions include dynamic pricing models for logistics, AI-driven delivery time predictors, and mandatory courier certification programs to standardize service quality.

## 4. Data-Driven Optimization Strategies for Cross-border E-commerce

### 4.1 Dynamic Pricing Strategy

#### 4.1.1 Real-time Tracking

Real-time tracking of important variables: (1) Tariffs: Monitor policy changes in relevant markets (US tariff hikes, RCEP member state rate changes, etc.), such as EU



anti-dumping rate changes for new energy products. (2) Exchange Rates: Focus mainly on large transactions in USD CNY, EUR USD, etc. (e.g., AI-powered tools like Descartes MacroPoint reduce tariff monitoring errors by 92%). For example, if CNY is low, we can think about slightly increasing export product prices to adjust costs.

Layered Adjustment Logic: (1) Cost-Driven: Start price adjustment procedures when tariffs or exchange rates lead to procurement/transport costs going up more than 5%. (2) Competition-Driven: Reference industry peers' strategies. For example, when competitors do not adjust their prices because of the exchange rate, they focus on absorbing costs from the supply chain.

Transparent Communication Techniques: (1) Price Tag Notes: Mark e-commerce platforms with the current price, which includes XX tax costs due to tariff adjustment. (2) Customer Notification Template: "Dear Customer: Recently, import tax rates have been raised in XX country + USD exchange rate fluctuation, so we have decided to make a slight adjustment to the price of XX product (+XX%). For the detailed cost breakdown, speak with your account manager. Thanks for your understanding."

Dynamic Discounting: Offer time-sensitive discounts during currency appreciation periods (e.g., 'CNY Weakness Week' promotions).

#### 4.1.2 Risk Management Framework

Short-Term Price Locking: Sign 3-6 month fixed price agreements with long-term customers to hedge against exchange rate/tariff risks.

Multi-Currency Settlement: Letting people pay with CNY, USD, or EUR so we're not stuck with just one type of money's ups and downs; this aligns with the EU's 'reasonable profit' compliance threshold.

#### 4.1.3 Compliance & Experience Balance

Policy Compliance: (1) Avoid anti-dumping investigations: The price adjustment range has to hit the target country's "reasonable profit" level (the EU stipulates that a price increase can't surpass 120% of the cost increase). (2) Transparent declaration: Separate tariff costs and profits well in customs declarations to avoid being considered "price fraud."

Customer Experience Protection: (1) No price changes due to small changes: Keep the prices stable through internal cost absorption, such as logistics optimization, when cost changes are <3%. (2) Offer alternatives: If a price increase is needed, roll out "more quantity, same price" packages.

## 4.2 Collaborative Logistics Model

### 4.2.1 Model Innovation

Shared Warehouse Construction: work with logistics enterprises to create shared warehouses so as to achieve inventory interoperability at multiple places and reduce

warehousing costs.

Joint Distribution: Combine scattered orders using collaborative delivery to boost the efficiency of the transportation process and decrease the number of miles driven without picking up anything.

### 4.2.2 Green Collaboration

New Energy Adoption: Joint promotion of new energy vehicle use and eco-friendly packaging material application is carried out to meet sustainability goals and improve corporate social responsibility (CSR) image. Sustainable practices can reduce logistics costs by 18% while enhancing brand ESG ratings.

### 4.2.3 Financial Collaboration

Supply Chain Finance: Explore supply chain financial partnerships with logistics businesses, provide financing support for businesses upstream and downstream of the industry, and strengthen the stickiness of the industrial chain. Alibaba's 'Ant Chain' model increased SME financing efficiency by 40% in pilot regions.

### 4.2.4 Trust System Construction

Transparent Communication: Operational data is to be disclosed regularly, the decision-making process is to be disclosed in a timely manner, and the stakeholder issue is to be resolved immediately and open.

Commitment Fulfillment: Make sure product/service quality is up to par and adhere to deadlines on deliveries and contracts in order to be seen as dependable.

Risk-Sharing Mechanism: fairly distribute benefits and risks when collaborating so as to form long-term mutually beneficial relationships.

Institutional Guarantees: Improving contract clauses and the after-sale services system, as well as making norms through formal rules to regulate people's behavior.

## 4.3 Institutional Support Systems

### 4.3.1 Platform Insurance Mechanisms

Cross-border e-commerce platforms will provide logistics insurance or delay compensation. This action secures the interests of customers with money returned for ruined or lost things and late arrival, and it makes sellers believe more in this platform's services. For example, when products are damaged by international transport, insurance can help repair/replace them. If there is a delay in delivery timing, then this mechanism can give the buyer some benefits, such as a voucher or return some money, so that they are not dissatisfied. This plan can greatly improve the overall online shopping experience on cross-border e-commerce platforms, increase customer loyalty, and promote the healthy growth of cross-border trade.

### 4.3.2 Government Policy Support

Governments make the customs clearance process more complicated and lower cross-border trade barriers. In

order to reduce the time spent on administrative procedures, as well as the cost of documentation, digitization and one-stop clearance systems are implemented in order to significantly lessen the amount of time spent on these matters by cross-border traders take a change to electronic customs declarations over the traditional paper-based kind for example, this would eliminate manual errors and speed things up. Lowering tariffs, as well as quantity restrictions and non-tariff restrictions such as technical rules and sanitary regulations, allow for the free movement of goods across borders. These moves can improve domestic companies' competitiveness in the international market, which would also foster global economic integration and healthy cross-border trade.

## 5. Conclusion

Price and logistics factors have multiple influences on cross-border consumers' purchasing decisions. In terms of price, consumers prefer to buy products that have transparent pricing, competitive costs, and good value for money. Furthermore, exchange rates and discounts, as well as other factors, affect their choice. In logistics, efficiency and reliable and affordable shipping can push consumer purchases. Apart from price and logistics, the author also enumerates several factors that are easily overlooked. Positive reviews and reputation can encourage consumers to buy. Brand awareness, after-sale service, and payment security also have an influence on consumers' purchasing decisions.

To handle cross-border pricing changes smoothly, businesses should: 1. Track tariffs and exchange rates in real-time; 2. Adjust prices wisely when costs rise or competitors shift; 3. Clearly explain price changes to customers; 4. Offer smart discounts when exchange rates are favorable. This balanced approach keeps sales steady while protecting profits.

To manage cross-border pricing risks effectively, businesses should stabilize short-term costs with fixed-price contracts and multi-currency payments and stay compliant with anti-dumping rules and transparent pricing declarations. Protect customer trust by absorbing minor cost changes and offering value deals. This balanced approach minimizes risk while keeping customers satisfied.

Smart logistics partnerships - through shared resources, eco-friendly solutions, and transparent cooperation - cut costs, build trust, and future-proof cross-border businesses. By working together, companies gain efficiency while staying competitive globally.

Protection plans (like shipping insurance) keep buyers happy, while government support (faster customs, lower fees) helps sellers trade smoothly. Together, they make cross-border shopping better for everyone.

Analyzing price sensitivity, logistics efficiency, and payment security enables businesses to identify high-potential customer segments and optimize market entry strategies. Limitations and future study: This article lacks the use of original data. The data mainly used are secondary data. In the future, primary data can be obtained through methods such as questionnaires, surveys, and interviews.

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