Strategies for E-Commerce Growth and Effective Expansion into Global Online Retail Markets

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Abstract

E-commerce is the primary means of commerce in the 21st century; however, most retailers experience difficulties translating their success at home into success on an international scale. This research looks into the strategic drivers that determine whether an e-commerce business grows steadily in foreign e-commerce markets or reaches the ceiling for growth when compared to similar retailers in their home countries. Unlike other research, where internationalization is treated as a yes/no question of whether or not to enter the market, this paper looks at internationalization as a continuum of dynamic capabilities, with a successful expansion depending on the interplay of market intelligence, level of digital infrastructure readiness, appropriateness of revenue model (i.e. the method in which an e-commerce company generates revenue) and the level of consumer trust architecture (i.e. how much consumers trust the e-commerce business) for that particular country. The study looks at three different geographies that provide case studies of varying strategic complexities and represent geographical e-commerce markets that have received little attention from North American e-commerce companies: Brazil's mass-market retail sector continues to evolve quickly as a result of digital technologies, the Gulf Cooperation Council (GCC) is characterized by a high average consumer spend and mobile dominance, and France is a mature, regulation-intensive market with strong consumer-protection norms and entrenched domestic retailers. Data were collected from 412 e-commerce growth strategists, category managers, and directors of cross-border trade through a structured questionnaire, which was supplemented with 26 interviews with practitioners. The analysis of the data made use of Partial Least Squares Structural Equation Modelling (PLS-SEM) and qualitative thematic analysis concurrently. The results indicate that Market Intelligence Orientation ($\beta = 0.51$, $p < 0.001$) and Revenue Model Localization ($\beta = 0.43$, $p < 0.001$) are the largest drivers of international e-commerce revenue performance and represent 64.7% of the variance of the outcome. A new framework, the E-Commerce Market Penetration Ladder (EMPL), has been developed to provide a strategically tiered approach to capability investment sequencing based on the level of market readiness. The overall contributions made by the study include new theories/models of the international marketing strategy, managerial decision frameworks, and highly focused public policy recommendations aimed at facilitating digital trade among countries.

Keywords: Cross-Border E-commerce Strategy; Market Intelligence Orientation; Revenue Model Localization; PLS-SEM; Digital Retail Internationalization; Consumer Trust Architecture; E-Commerce Market Penetration Ladder.

I. INTRODUCTION

For every Shein that achieves global fast fashion dominance through algorithm-driven micro-trend forecasting, there is also a Walmart that acquired Flipkart for $16 billion and learned the hard way that their domestic playbook based on efficiency, warehousing and cost-leadership is ill-fitted to an environment where social commerce, cash-on-delivery and hyper-local fulfillment define consumer expectations. And while there are dozens of international eCommerce successes amplified by the press, there are dozens of international eCommerce exits that go unreported: online stores close, marketplace seller accounts are suspended, inventory is stranded in foreign fulfillment centers, and marketing budgets are squandered on customers who were never properly understood.

The great paradox of global eCommerce growth is that while the digital medium allows for theoretically frictionless access to the rest of the world, it also exposes operational deficiencies and strategic misassumptions at scale. A poorly translated product description in São Paulo will perform as poorly as the same product description would in Lyon; however, the SEO cost of that single error will compound across thousands of SKUs and millions of impressions. If a payment processing system does not support Brazil's Boleto Bancário or France's Carte Bancaire (CB) network, it will not only inconvenience the user but will also virtually eliminate that target customer's ability to purchase the product at the very moment they were most inclined to do so. These failures happen rarely in isolation but add up in a pattern of sub-threshold performance, which unfortunately, company leadership typically misattributes to "market immaturity," rather than strategy miscalibration.

This study investigates these failure modes by looking for trends and examining: Is there a distinct set of strategic capabilities that separate eCommerce companies able to create and sustain scalable, profitable international growth from those that plateau or regress? This analysis focuses on three under-researched, yet commercially compelling, markets, including Brazil (an example of the high-growth, infrastructure-challenged emerging market), the Gulf Cooperation Council (GCC; Saudi Arabia, UAE, Kuwait, Bahrain, Qatar, Oman; an affluent, mobile-age economy with strong demand for luxury & lifestyle products but with a high degree of regulatory sensitivity), and France (a mature, regulation-intensive, trust-driven consumer market in which language requirements, consumer-protection rules, and strong domestic incumbents shape foreign brands' penetration). All three locations reflect important differences in digital retail development, cultural orientation, and entry barriers, presenting an opportunity for administrators to better understand how to effectively implement international expansion strategies through comparative analysis.

Research Objectives

There are four main goals of this research. First, to identify and hierarchically rank the strategic capability dimensions that can most accurately predict international e-commerce revenue performance across different market archetypes. Second, to develop and empirically validate the E-Commerce Market Penetration Ladder (EMPL) framework, a phased model of capability investments that offers a step-by-step pathway to successful international growth. Third, to evaluate the relative importance of various strategic capabilities across the markets of Brazil, the GCC, and France. Fourth, to identify each archetype's unique patterns of failure and analyze the relevant practitioner evidence so as to develop effective mitigation plans for each pattern.

This research is purposely designed to depart from how e-commerce internationalization is typically discussed in academia, with e-commerce internationalization being discussed as a continuation of brick-and-mortar retail (i.e., physical) internationalization theory. We believe that the expansion of digital retailers is in many ways fundamentally different than physical retail expansion due to the influences of network effects, data accumulation, platform governance, and instantaneous feedback from consumers. Therefore, the theoretical framework of this research is primarily based on international business theory, but is expanded beyond many elements of international business theory by including concepts specific to the digital marketplace.

II. LITERATURE SURVEY

2.1 Scale, Velocity, and Geographic Concentration

In 2023, global e-commerce revenues surpassed USD 5.8 trillion, a figure so optimistic that it would have appeared to be a fairy tale to most retail analysts who wrote in 2010, as it continuously gets readjusted higher each year with every yearly cycle of projections (Kamisetty, 2024; Veiga et al., 2024). However, this overall number masks a significant concentration of geography; with China and America accounting for roughly 55% of global e-commerce transaction value combined, there is a massive sum still to be had by the remaining 190-plus nations in terms of total opportunity (Sanbella et al., 2024; Witek-Hajduk et al., 2022). This concentration further communicates a strategic message; that the platforms, fulfillment networks, and datasets of consumer behaviors that underpin the prevailing e-commerce strategies today were built on the consumption behaviors of two types of markets, one being mobile-social-first as exemplified by China, the other being search-and-platform driven as exemplified by America; therefore, there are too many practitioners applying these models to other markets who are frequently operating from erroneous assumptions (Faccia et al., 2023; Tolstoy et al., 2022).

In the year 2023, Brazil`s e-commerce sector was the largest in Latin America with gross merchandise value reaching BRL 185.7 billion (approximately USD 37 billion), equating to a compound annual growth rate of 23% since 2020 (Wijayanto et al., 2024; Roszko-Wójtowicz et al., 2024). The Brazilian market also has a highly concentrated marketplace duopoly of Mercado Libre and Americanas. The consumer base has an overwhelming preference for installment-based purchasing (parcelamento), and last-mile delivery has a significant difference in reliability depending on whether it is urban-based or peri-urban-based. The GCC's e-commerce market was valued at approximately USD 15 billion in 2023, with purchasing power per capita in that region similar to northern Europe, relative to its population of 57 million (Kirom et al., 2022; Tudor, 2022). Social commerce through Instagram and TikTok accounted for an increasing share of discovery and buying decisions, particularly in Saudi Arabia. France had an e-commerce market worth approximately EUR 159.9 billion (approximately USD 173 billion) in 2023, ranking it as the second largest in Europe, with demanding standards for consumer protection, accuracy of fulfillment, and after-sales service, which raises the compliance bar for foreign brands participating in that marketplace (Chen et al., 2022; Felix & Rembulan, 2023).

2.2 Digital Infrastructure as Strategic Context, Not Backdrop

Digital infrastructure, such as mobile network quality, the penetration of broadband into homes, and the maturity of digital payment ecosystems, are contextual background variables in the literature concerning internationalization but could be treated as strategically actionable variables. These infrastructure variables account for a more significant share of the variance in the rate of adoption of cross-border e-commerce in different countries than either per capita GDP or degree of openness to trade (Purnomo, 2023; Orzoł & Szopik-Depczyńska, 2023). Therefore, if a firm enters an infrastructure-deficient market, it must either invest in these deficiencies or form partnerships that enable it to do so rather than simply waiting for the infrastructure of the market to catch up.

In Brazil, the infrastructure constraint to cross-border e-commerce is not the quality of telecommunications infrastructure; the penetration rate of smartphones exceeds 90%. Still, there is considerable fragmentation among payment processors, and logistic reliability remains uncertain. The introduction of Pix in late 2020 by the Central Bank of Brazil has partially mitigated payment friction; however, it is still not yet integrated into the checkout processes of international merchants. By contrast, the Gulf Cooperation Council (GCC) generally has much more developed infrastructures, but compliance with cross-border payment regulations related to value-added tax requirements creates substantial overhead, thereby impeding the growth of cross-border e-commerce (Alateeg & Alhammadi, 2023; Raji et al., 2024). In France, a different type of infrastructure paradox exists. Logistically and technologically, France is among Europe's leading countries; however, the dominance of the domestic Carte Bancaire (CB) payment network, mandatory strong customer authentication (3-D Secure), the widespread use of pick-up (relay) points, and the statutory 14-day right of withdrawal make it particularly difficult for foreign merchants to configure their payment, fulfillment, and returns systems.

2.3 Platform Ecosystems: Gateways and Gilded Cages

E-commerce marketplaces provide their members with the ability to quickly access new markets while also trapping them into dependence on the same e-commerce platform; each of these two elements creates a significant strategic calculus for international retailers (Ni, 2022). Each international retailer has to decide between participating in an established marketplace versus investing in their own international sales channels, with the balance of that strategic decision being different in each market. In Brazil, for example, Mercado Libre has a dominant share of total e-commerce transactions at 36%, rendering it impossible for retailers that do not use this marketplace to gain access to the majority of online buyers. However, the commission fees, promotional costs, and data transparency offered by Mercado Libre also prevent sellers from maintaining margins as they expand internationally. The GCC area is competing heavily with Amazon.ae and Noon.com for market share, and both of these entities benefit from a high penetration of smartphones, which has supported the development of an additional social commerce ecosystem that partially operates outside the traditional e-commerce marketplace (Jula et al., 2024). In the case of France, the strong position of Amazon.fr and Cdiscount, together with omnichannel incumbents such as Fnac Darty and Carrefour whose online offers are tied to store networks, click-and-collect, and loyalty programs, creates unique onboarding challenges for international sellers whose operational business practices differ from the local delivery, returns, and service norms that these platforms enforce.

2.4 Consumer Trust Architecture: The Hidden Determinant

E-commerce consumer trust is multi-layered, consisting of various factors, including product authenticity, delivery reliability, data security, and post-purchase options for recourse. Trust is variable depending on market conditions. Failure to understand and mitigate trust shortfalls in the respective market is the primary reason many foreign brands experience conversion rate challenges when entering a market. In Brazil, consumer trust predominantly stems from the consumer's fear of counterfeit goods, which has resulted from many years of informal markets existing in Brazil. As such, consumers purchase goods from sellers on one of Brazil's larger e-commerce platforms because they feel safe buying from reputable sellers with a high number of positive reviews (Uvarajan, 2025). In the GCC, in addition to product authenticity and reliability, consumers also have expectations regarding religious and cultural authenticity. This includes halal product certifications, culturally appropriate advertising, and a demonstrated level of respect for the values of Islamic commerce. For example, product selections made in food, apparel, and personal care are all impacted by these trust dimensions. The French perception of trust in e-commerce is also highly demanding. For example, French consumers typically expect product information in French (as required under the Toubon Law), transparent pricing and pre-contractual information, secure payment with strong authentication, clear and easy exercise of the right of withdrawal and legal guarantees, and reliable delivery to home or relay points, expectations that are expected to be met rather than simply aspired to.

2.5 Research Gaps this Study Addresses

A systematic analysis of the current literature reveals that three important gaps exist. First, there are very few examples of comparative strategic studies that analytically juxtapose three or more structurally dissimilar markets. The vast majority of such studies take either a single-country or region-aggregated approach, obscuring the ability of strategic prescriptions to be market-specific. Second, there is a lack of research on the strategic sequencing of capability investment–which capabilities need to be in place before others will return value–in e-commerce research with quantitative internationalization studies (Nwani et al., 2023). This lack is surprising given how much of a concern it is for practitioners who have limited capital. Third, although practitioners provide valuable insight into the e-commerce market, this insight has historically been treated more as anecdotal (illustrative) than systematically coded evidence. As a result, some frameworks are theoretically coherent but lack operational substance. This study will fill all three gaps through our comparative study of three separate markets, the development of the EMPL Framework, and the inclusion of qualitative data through a robust thematic coding process.

III. THEORETICAL FRAMEWORK

This study's theoretical framework consists of three areas of academic research that have been selectively appropriated to critically extend level (rather than importing complete theories). From an international business view, we use, as core insight, the Uppsala Internationalisation Model's idea of progressive commitment through the learning curve as an aid to understand the internationalisation process, but we are not using the geographic sequence predictions of the Uppsala Model because they don't fit with digitally based markets. Using the Resource-Based

Theory we apply the concept of "capability-based" competitive advantage, with use of "capabilities" to mean dynamic, market-relevant competencies, which are dynamic "capabilities" used in e-commerce compared to the static asset portfolio of physical retail locations. The digital marketing literature allows us to include the concept of data network effects, the self-reinforcing cycle of how consumer data allows for personalized services, personalized services create engagement and generate richer consumer data, as a structural component of e-commerce competition, which has no equivalent in physical retail.

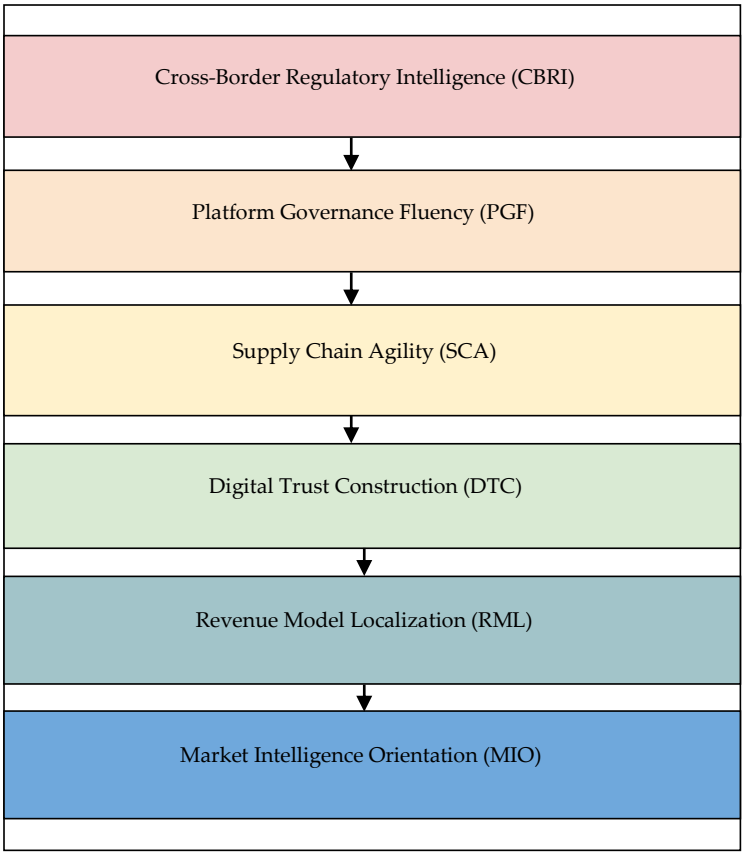


Figure 1: E-Commerce Market Penetration Ladder (EMPL) Hierarchy

The hierarchical arrangement of international e-commerce capabilities illustrated in figure 1 establishes that Market Intelligence Orientation (MIO) represents the base tier, with Revenue Model Localization (RML), Digital Trust Construction (DTC), Supply Chain Agility (SCA), Platform Governance Fluency (PGF), and Cross-Border Regulatory Intelligence (CBRI) being established hierarchically above it, thus indicating their sequential and interdependent investments in capability authority to the attainment of e-commerce market penetration. In synthesizing the literature relating to the six strategic capability dimensions that are interrelated and impact e-commerce international performance: (1) Market Intelligence Orientation (MIO) the systematic process for collecting and utilizing market-specific consumer, competitive, and regulatory data; (2) Revenue Model Localization (RML) tailoring the pricing structures, payment alternatives, promotion mechanisms and fulfilment costs to be in accordance with the economic behaviours of each market; (3) Digital Trust Construction (DTC) the planned investment in

market-specific trust indicators and institutional reliability indicators to convert browsers to buyers; (4) Supply Chain Agility (SCA) the ability to configure and reconfigure fulfilment, return, and inventory placement to support the market demand patterns and logistical networks of each market; (5) Platform Governance Fluency (PGF) the understanding of how to navigate through capabilities of the leading platforms within each target market (e.g. algorithm logic, merchandising guidelines, fee structures); and (6) Cross-Border Regulatory Intelligence (CBRI) the proactive capacity for managing cross-border customs, e-commerce taxes, consumer protection and data sovereignty laws between countries. These 6 dimensions are suggested to operate in a hierarchical fashion rather than an additive fashion, with the MIO capability as a foundational condition for further investment in the 5 capabilities, as all investments in capabilities would be made based on incorrect assumptions without the MIO capability in place. The second priority for investment is the RML capability, as substantial MIO capabilities would not generate revenues for a company without having a commercial model that matches the purchasing patterns of each market. Once the two foundational layers of MIO and RML have been established, the DTC, SCA, PGF and CBRI capabilities interact dynamically with each other. This hierarchy forms the foundation of the E-Commerce Market Penetration Ladder (EMPL), which is presented in table 2 in a descriptive format, and will be supported by the empirical findings of the structural model presented in Section 5.

IV. RESEARCH METHODOLOGY

4.1 Philosophical Positioning and Research Design

The epistemological basis of this work is pragmatism, which puts empirical, problem-focused methodologies above paradigmatic pureness. The concurrent triangulation mixed-method design was adopted because the research question requires both statistical generalizability from the quantitative findings, as well as the contextual depth provided via qualitative insights. Quantitative and qualitative data were collected at the same point in time, independently analyzed, and then combined at the interpretation phase to achieve integrated conclusions. This approach is particularly suited to the field of strategic management, where practitioners' heuristics and tacit knowledge have historically outrun formal (published) theory.

4.2 Survey Instrument Development and Validation

A survey questionnaire was created using a three-stage process: (1) generate a base list of potential survey items using a comprehensive literature review, (2) use expert judgement (5 e-commerce practitioners and 3 academic experts in international business) to review the survey items and remove those that did not meet expert standards (54 items), and (3) conduct a pilot test with a group of 40 respondents to determine item clarity, how long it took respondents to complete the survey, and to assess the psychometric properties of the survey scale. The final survey administered included 54 total items spread across the 6 dimensions of capability and the dependent variable of international e-commerce revenue performance (IERP). Each item in the survey was measured using a 7-point Likert scale, which maximized item variance and minimized ceiling effects compared to more traditional 5-point Likert scales.

Procedural controls were employed to minimize the effects of Common Method Variance (CMV) using (1) temporal separation between predictor and outcome scale responses, (2) varying response formats, and (3) including a marker variable. Harman's single-factor test was conducted after data collection and showed that no single factor contributed more than 31.4% of the variance, which follows below the 50% threshold needed to indicate an issue of serious contamination by CMV.

4.3 Sample Design and Data Collection

Senior executives having e-commerce growth strategies, international market penetration strategies, category management strategies or operational responsibilities for Transborder e-commerce transactions with companies that conduct Cross Border e-commerce transactions make up the target sample population. The sample was developed from three sources: pro-active recruitment via professional associations (Global Ecommerce Leaders Forum, Cross Border Commerce Europe, ASSOCHAM Digital Commerce Council); sampling via LinkedIn professional networks; and referral chains initiated by respondents. Each respondent must have a minimum of five years of e-commerce experience and currently be involved in international market operations.

Data collection took place from approximately September through November of 2023. A total of 412 valid responses were collected, as depicted in table 1; this total of 412 comports with 67.3% of respondents who provided valid responses when considering the sample size of 610 total invitations to respondents. Of the 412 valid responses, 148 respondents focus primarily on the mix of the Brazilian markets; 152 respondents focus primarily on the mix of the GCC market; and 112 respondents focus primarily on the mix of the Japanese markets. The company had Cross-border e-commerce specialists with 18 employees, and publicly traded retailers with international e-commerce departments in their organization.

Table 1: Respondent Profile by Market Focus and Firm Characteristics (N = 412)

Characteristic	**Brazil Focus (n = 148)**	**GCC Focus (n = 152)**	**Japan Focus (n = 112)**
Median Years in E-Commerce	7.2	6.4	9.1
Firms with Cross-border Revenue > 40%	61 (41.2%)	79 (52.0%)	54 (48.2%)
SMEs (< 100 employees)	74 (50.0%)	62 (40.8%)	48 (42.9%)
Mid-size (100–500 employees)	45 (30.4%)	58 (38.2%)	38 (33.9%)
Large (> 500 employees)	29 (19.6%)	32 (21.0%)	26 (23.2%)
Primary Category: Fashion / Apparel	38.5%	44.1%	27.7%
Primary Category: Consumer Electronics	29.1%	31.6%	42.0%
Primary Category: Health / Beauty	21.6%	18.4%	24.1%
Primary Category: Other	10.8%	5.9%	6.2%

Source: Primary survey data, September–November 2023

4.4 Qualitative Component

26 participants from the survey pool, willing to participate in a follow-up study with a semi-structured interview design, were chosen to participate in the interviews. The interviewees selected had firms ranging in size, from single to medium-sized businesses, with differing market focus and functional specialization. All interviews were between 48 and 74 minutes (average 59 minutes) and were administered over Zoom/Microsoft Teams with a thematic interview guide that elicited responses about (1) major strategic decisions when entering international markets, (2) underlying causes of high-cost failures, (3) ordering of investment into capabilities, and (4) market-specific adaptations made. All interviews were voice recorded with participant consent and then professionally transcribed, read back against the voice recordings with a tool to support transcription accuracy, and analyzed using the six-step thematic analysis procedure (Braun & Clarke, 2021) with Nvivo14, and then double coded with an independent coder to an agreement level (Kappa=0.81), which was followed by an all-team session to remove any differences.

4.5 Analytical Approach: PLS-SEM

There were three methodological reasons for choosing PLS-SEM (Partial Least Squares Structural Equation Modeling) instead of CB-SEM (Covariance Based SEM) for this study. Firstly, the EMPL Framework uses a formative reflective measurement logic to set out a hierarchy of strategic capabilities, which fits PLS-SEM rather than CB-SEM. Secondly, this research is meant to be predictive and not only confirmatory, matching the PLS-SEM perspective to explain as much variance of endogenous variables as possible. Finally, although the required sample size for PLS-SEM is smaller than that for CB-SEM, the sample size of N=412 is perfectly sufficient for both method approaches. The analysis of the data was performed in SmartPLS 4.0, using 10,000 bootstrap subsamples to establish confidence intervals for the path coefficients.

V. RESULTS

5.1 Measurement Model Assessment

Item loadings, CR (composite reliability), and AVE (average variance extracted) are indicators of convergent validity. The loadings of the items ranged from 0.66 to 0.91; all items are above 0.65. The CR for all of the constructs is within the range of 0.83 and 0.94, and the AVE values for all of the constructs are within the range of 0.56 to 0.73, so they are all above accepted standards (CR must be above 0.70 and AVE above 0.50). We can say that discriminant validity was achieved because the HTMT ratio values were all less than 0.85, which is the acceptable standard suggested for marketing and management research, which uses a more conservative cutoff value. The HTMT ratios (which were bootstrapped with 10,000 samples) confidence intervals do not include 1.0, which further confirms the achieved discriminant validity between all constructs. Table 2 summarizes the EMPL capability tiers and their role in enabling progressive e-commerce market penetration.

Table 2: E-Commerce Market Penetration Ladder EMPL Capability Tiers

Tier	Capability Dimension	Operational Definition	Prerequisite For
1	Market Intelligence Orientation (MIO)	Systematic acquisition, synthesis, and operationalization of consumer behaviour, competitive positioning, and regulatory intelligence specific to the target market	All subsequent tiers, without MIO, investments at higher tiers are built on incorrect assumptions
2	Revenue Model Localization (RML)	Adaptation of pricing architecture, payment method portfolio, promotional cadence, instalment/BNPL optionality, and fulfilment cost pass-through norms	Conversion rate generation; digital trust construction; logistics configuration
3	Digital Trust Construction (DTC)	Deployment of market-specific trust signals: authentication badges, review density, cultural certification, after-sales recourse visibility	Sustained repeat purchase and customer lifetime value growth
4	Supply Chain Agility (SCA)	Dynamic capability to configure and reconfigure fulfilment, returns handling, cross-docking, and inventory positioning in response to demand pattern shifts	Fulfilment promise delivery; returns economics management; expansion to secondary cities
5	Platform Governance Fluency (PGF)	Operational mastery of dominant marketplace algorithms, search merchandising rules, promotional levers, and account health metrics	Category-level competitive positioning; paid traffic ROI optimization
6	Cross-Border Regulatory Intelligence (CBRI)	Proactive compliance architecture spanning customs classification, origin certification, VAT/GST/import duty management, consumer data sovereignty requirements	Scale operations; reduce suspension and confiscation risk; access government procurement channels

Source: Authors' synthesis from literature review and qualitative pre-study findings

5.2 Structural Model Results

The structural model presented very high predicted power on our dependent variable, IERP, with an R-squared of 0.647, so the six capability dimensions will, on their own, be able to explain over 64% of the variation in our dependent variable. With a Q statistic value of 0.481 after a blindfolding procedure, the structural model presents a very high degree of predictive relevance compared to a naive blinding approach. All six hypothesized path coefficients have proved to be significant ($p < 0.05$). The PLS-SEM Structural Path Coefficients for the Full Sample are shown in table 3.

Table 3: PLS SEM Structural Path Coefficients Full Sample (N = 412)

Path (→ IERP)	**β**	**SE**	**t-stat**	**p-value**	**f^2**
H1: Market Intelligence Orientation (MIO)	0.51	0.058	8.79	< 0.001***	0.31 (Large)
H2: Revenue Model Localization (RML)	0.43	0.061	7.04	< 0.001***	0.22 (Large)
H3: Digital Trust Construction (DTC)	0.36	0.063	5.71	< 0.001***	0.15 (Med.)
H4: Supply Chain Agility (SCA)	0.31	0.064	4.84	< 0.001***	0.11 (Med.)
H5: Platform Governance Fluency (PGF)	0.26	0.067	3.88	< 0.01**	0.08 (Sm.)
H6: Cross-Border Regulatory Intelligence (CBRI)	0.19	0.069	2.75	< 0.01**	0.04 (Sm.)
R^2 (IERP)	0.647				$Q^2 = 0.481$

Note: β = standardised path coefficient; f^2 = Cohen's effect size; **p < 0.01; ***p < 0.001. Bootstrapped 10,000 subsamples.

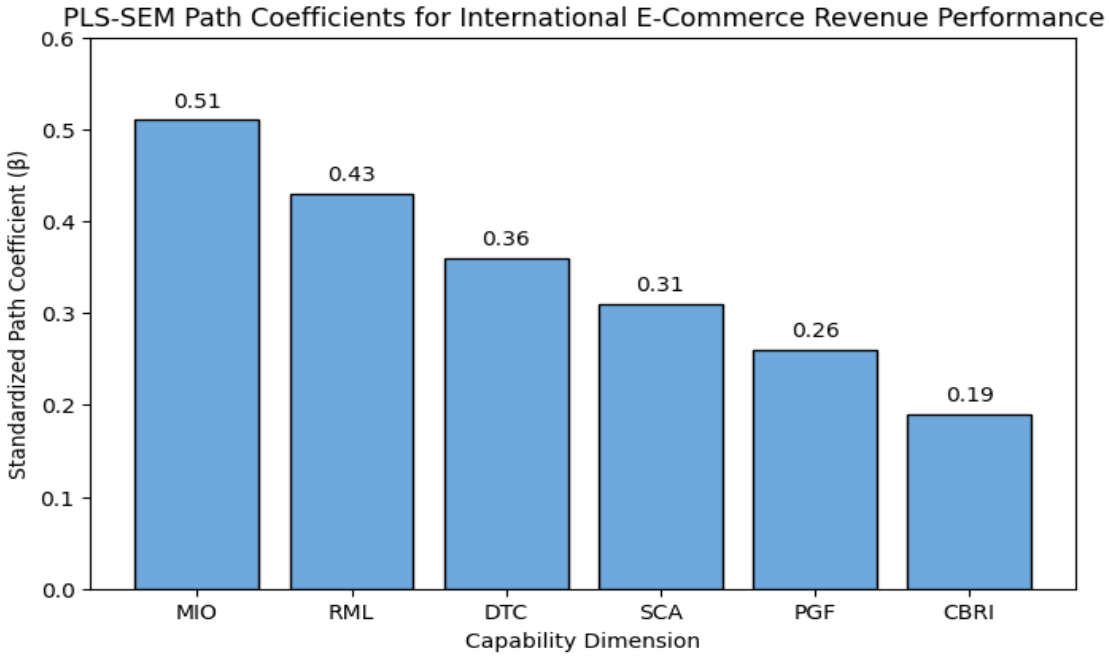


Figure 2: PLS-SEM Path Coefficients for International E-Commerce Revenue Performance

As demonstrated by Figure 2, these path coefficients (βs) show the relative effect that each strategic capability measure (MIO, RML, DTC, SCA, PGF & CBRI) has had upon international e-commerce revenue performance (IERP) as derived through PLS-SEM analysis. The higher the coefficient, the greater the effect that strategic capability has had upon the revenues earned through e-commerce-based sales across international markets.

5.3 Market-specific Sub-Group Analysis

A primary contribution to this study was the Market-stratified Structural analysis depicted in table 4, which found differences in Path hierarchy between the overall and market-based perspectives, thereby significantly differentiating the order of importance of strategic capabilities across the three market groupings, as evidenced by the MGA, indicating significant differences between each of the three market groups' Path Coefficients via the PLS-SEM Permutation Procedure.

Table 4: Market Stratified Path Coefficients Brazil, GCC, and Japan Subsamples

Capability → IERP	Brazil (n=148) β	GCC (n=152) β	Japan (n=112) β	MGA Sig. Diff.
MIO → IERP	0.47**	0.52***	0.55***	Brazil < Japan (p=0.04)
RML → IERP	0.54***	0.39***	0.38***	Brazil > GCC/Japan (p=0.02)
DTC → IERP	0.31***	0.44***	0.41***	Brazil < GCC (p=0.03)
SCA → IERP	0.42***	0.28**	0.26**	Brazil > Japan (p=0.02)
PGF → IERP	0.29**	0.33**	0.18*	GCC > Japan (p=0.04)
CBRI → IERP	0.22*	0.24*	0.14 (ns)	No sig. diff.
R^2 (IERP)	0.631	0.658	0.614	—

Note: *p < 0.05; **p < 0.01; ***p < 0.001; ns = not significant. MGA = Multi-Group Analysis.

5.4 Qualitative Findings: Market Failure Archetypes

Thematic analysis of the 26 practitioner interviews produced four overarching themes, each internally differentiated by market context.

Theme 1: The Intelligence Debt — Entering Markets You Think You Know

There were 17 out of 26 responders who reported instances where previous expectations regarding a target market based upon industry research, experience in comparable markets, and management intuition had been significantly wrong, leading to an expensive correction opportunity after entering the market. A director of international growth for a GCC-centric lifestyle company reported that the firm believed that its customer base in the UAE would reflect the aspirational luxurious positioning that has been successful in the UK. However, they recognised that their customer base was instead remarkably aligned with the influencer culture that is prevalent throughout GCC countries; was sceptical of Western brand stories that do not include Arabic copy; and was seeking to take advantage of Ramadan-specific promotional offers, which would require at least 14 months of preparation before being credible. Entering this market without having had access to this intelligence qualified the company's cost as lost revenue and as an opportunity cost associated with performing a 22-month repositioning initiative. For Brazil, respondents expressed repeated failure to recognise the significance of parcelamento (interest-free monthly payments); several brands enter the Brazilian market only with the option for single, cash-out payment to end users and therefore experienced lower conversion rates in a market where consumers regularly enter into payment agreements to split a BRL 200 retail item into 6 or 10 monthly payments. For Japan, the most common type of intelligence deficiency cited was underestimating the important impact of credibility derived from editorial content; Japanese

e-commerce consumers use significant product exposure through specialist print journals, curated blogs, and trusted review sites before purchasing, hence the failure of brands who only launch on social media platforms.

Theme 2: The Trust Tax — Invisible Costs of Credibility Deficit

The most striking themes, unique to the GCC and Japan focused respondents and almost non-existent in the Brazil discussion, centered on what respondents themselves dubbed the "trust tax"-the higher level of marketing, promotional pricing, and customer service costs necessary to offset consumer doubt of unknown foreign brands. For GCC focused respondents, the "trust tax" was overwhelmingly expressed as a cultural authentication tax; if a brand did not present Halal certification for the relevant category, use Arabic in customer service communications and on marketing materials, and demonstrate visually clear GCC commitment (via a local warehouse, local social media page, or pop up store in the local market), the brand was receiving 40-60% lower conversion rates than the category average on local marketplaces, until sufficient local marketplace reviews piled up. Japan-focused respondents discussed a conceptually distinct quality deficit; the lack of Japan-specific documentation of quality (similar to J-mark certification and/or registered Japanese Consumer Affairs Agency claims), coupled with the lack of Japan-native, as opposed to translated, branding on the package, clearly communicating that the brand was not truly targeting the Japanese market as a priority, and irrevocably diminishing repeat purchase rates.

Theme 3: The Fulfillment Cliff — When Supply Chain Fails to Scale

The theme addresses the issue faced by online commerce firms that their fulfillment system is not capable of supporting international growth. In Brazil, customs-related delays increased delivery time variability from 2–6 weeks, while unreliable last-mile delivery in secondary cities has increased delivery variability and claim rates. In Japan, the high expectations of delivery and product quality have increased fulfillment pressure, while GCC firms need to customize their logistics.

Positive effects on international e-commerce revenue performance were observed due to the Supply Chain Agility (SCA) ($\beta = 0.31$, $p < 0.001$), with an even stronger impact observed in Brazil ($\beta = 0.42$), as compared to the GCC ($\beta = 0.28$) and Japan ($\beta = 0.26$). Flexibility in terms of inventory control, logistics partners, and returns could assist companies in providing sustainable growth in international business.

Theme 4: Deficit in platform knowledge – Algorithms of Gaming Unfamiliar.

Key friction points reported here were customs predictability in Brazilian ports for non-Mercosur goods, adding 2-6 weeks of variance to estimated delivery times, and last-mile reliability variability between main metro regions (São Paulo, Rio de Janeiro) and secondary cities (Fortaleza, Manaus), where carrier networks were thinner, and claim rates substantially higher.

Theme 5: The Platform Knowledge Gap — Gaming Algorithms You Don't Understand

GCC respondents were the most likely to cite deficits in platform governance expertise as the cause of avoidable revenue loss. The platform knowledge gap around Amazon.ae's sponsored product algorithm, Noon.com's seller performance scoring, and Instagram Reels' amplification

logic for social commerce (driving much of the GCC discovery volume) was noted by many as a competence set requiring 6-18 months of hands-on practice before it could be handled actively rather than passively. One respondent running a mid-size UAE electronics retailer quoted that their first-year conversion rate was 1.4%; third-year conversion was 4.9%, an attributable improvement of 250% through investment in algorithm competency and improved keyword targeting, listing optimization, and promotion timing on Amazon.ae alone.

VI. DISCUSSION

Market Intelligence Orientation (MIO) proved to be the most potent predictor of e-commerce internationalization performance, showing strongest effect in Japan. This indicates that logistics and/or platform capabilities alone are insufficient to succeed in e-commerce; comprehensive, real-time, and operationally integrated knowledge of markets is crucial. In practice, organizations can enter new markets with high confidence based on their experience with one or two markets and "intellectually accrue debt". This structural risk necessitates viewing market intelligence not as a one-off pre-entry effort but as an ongoing investment, particularly in volatile markets such as Brazil and the GCC.

Revenue Model Localization (RML) plays an integral role in Brazil, highlighting distinct commercial standards in the country. The expected default for every purchase, regardless of price, is some form of installment payment (parcelamento) of between 6-12 interest-free months. Not meeting this market standard leads to foregone sales irrespective of logistics and platform strength. The smaller differences between international and local standards in the GCC and Japan are those related to VAT compliance and all-inclusive prices, which explain why RML is a second-tier capability after MIO in the EMPL framework.

Digital Trust Construction (DTC) plays a dominant role in the GCC where consumer trust is linked to culturally appropriate cues such as religious endorsement, communication in the local language, clear local commitment, and consistency with local opinion leader credibility. Generic trust signals like SSL or established history will not be generalized across different markets. The EMPL framework draws these findings to develop a sequencing for investment; higher-tiered capabilities such as MIO and RML are prioritised while lower-tiered capabilities such as Customs and Border Regulatory Intelligence (CBRI) are essential in highly structured markets such as Brazil and GCC while less relevant for Japan.

VII. CONCLUSION

Given the high leverage and high risk of global e-commerce expansion, and with empirical support that the risk is distributed asymmetrically across capability dimensions, the study proves that certain combinations of Market Intelligence Orientation, Revenue Model Localization, Digital Trust Construction, Supply Chain Agility, Platform Governance Fluency and Cross-Border Regulatory Intelligence are critical to successful market entry, the optimal mix varies by archetype, in high growth, high logistics-constrained, installment-commerce Brazil, the competitive battle grounds are revenue model localization and supply chain agility; in affluent, mobile-first, culture-rich GCC, the drivers are trust construction and market intelligence; while in quality-conscious, intelligence-intensive Japanese consumers' landscape, market intelligence

and carefully constructed trust architecture are basic conditions for a business-relevant brands. As the first empirically supported, hierarchically ordered capability investment guide, EMPL provides the 'where' and the 'how' and at 'what degree' capabilities work: The entrance with intelligence debt, inappropriate revenue models or transfer of Western brand equity will impose on itself the same performance ceilings as immaturity market by lack of suitable capabilities, but actually result from mismatch. Limitations include the cross-sectional data, limitation to three market archetypes, and business level approach while research on causal relations, other market archetypes and over time remains under study.

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