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The impact of e-commerce on international business

A comparative study of traditional and online business models

Thesis

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Thesis abstract

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This thesis discusses about the transformative impact of e-commerce on international business. It focuses on a comparative analysis of traditional and online business models, addressing the challenges and opportunities presented by the rapid growth of e-commerce. The study aims to deliver an in depth understanding of how e-commerce has reshaped global trade practices and strategies.

A mixed-method approach is applied to detailly analyze the impact of e-commerce on international business, with a specific focus on Burger King. This approach combines quantitative data collection from diverse sources, including financial reports and market studies, with qualitative understandings gathered through interviews with industry managerial individuals. This combined approach gives an effective understanding of how e-commerce strategies have influenced Burger King's international business operations.

The study reveals an important reconfiguration of international business practices due to the rise of e-commerce. Businesses installing online platforms experience notable gains in market reach, customer acquisition, and revenue. Effective digital marketing, customer engagement, and supply chain optimization emerge as critical success factors. But challenges like cybersecurity and intense competition need adaptive strategies. This research highlights the imperative for businesses to deal with e-commerce strategies into their international models for sustained competitiveness.

¹ Keywords: Digital business, international business, traditional business, Burger King, e-commerce

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Terms and Abbreviations

Ad.- Advertisement

APA- American Physiological Association

AR- Augmented Reality

CRM- Customer Relationship Management

E-commerce- Electronic Commerce

EDI- Electronic Data Interchange

EFT- Electronic Fund Transfer

FDI- Foreign Direct Investment

GDPR- General Data Protection Regulation

IPR- Intellectual Property Rights

IT- Information Technology

MA- Mobile Application

M-commerce- Mobile Commerce

ML- Machine Learning

RBV- Resource Based View

RV- Restaurant Visit

VAT- Value Added Tax

SMEs- Small and Medium Sized Enterprises

VR- Virtual Reality

1 Introduction

In an era marked by rapid technological advancements, the emergence of electronic commerce (e-commerce) has revolutionized the landscape of international business operations. The incorporation of digital platforms and global connectivity has paved the way for businesses to transcend geographical boundaries and engage in transactions on an unprecedented scale. In our advanced world, businesses are forced to adjust not just to survive, but to flourish. This transformation is a natural and unstoppable part of how businesses evolve over time. It requires making difficult choices about how to use limited resources effectively. What's most crucial for success is putting together a skilled team of people, with technology playing a less central role (Aguiar, 2020, p. 17). This significant change encourages a detailed study of the various impacts of e-commerce on traditional business models in the global context. This thesis explores a comparative analysis, delineating the distinctive features, advantages, and challenges of both traditional physical business establishments and their online counterparts. Through an in-depth exploration of these contrasting models, this study seeks to provide clarity on the transformative influence of e-commerce on the strategies, consumer behavior, and overall performance of international businesses.



Figure 1. Evolution of Business: In figure transition from stone age to digital age (Wilson, 2018).

The arrival of eCommerce has brought about a great shift in the landscape of business operations over recent decades. This revolution has redefined conventional business practices and revolutionized the consumer shopping experience, making it more convenient, efficient, and accessible. eWorldPartner (2023) recognizes the vital role of eCommerce across businesses of varying scales. This thesis will revolve into the eCommerce revolution and its transformative impact on the business world. The eCommerce revolution is surrounded by a substantial reconfiguration in how goods and services are exchanged, owing to the rapid increase of online commerce. It has not only expanded market horizons but also unlocked fresh avenues for revenue generation for businesses of diverse sizes. By eliminating the necessity for physical storefronts, eCommerce has empowered businesses to extend their market reach to a global scale widely for instance the companies like Alibaba and amazon, creating an opportunity for broadening customer bases and venturing into untapped markets. This model shift in commerce has yielded a spectrum of advantages for businesses, including heightened sales figures, more cost savings from the absence of physical retail spaces, enhanced customer convenience, augmented customer service capabilities with round-the-clock support, and feedback derived from customer behavior and preferences data, thereby enabling more informed decision-making.

As technology continues to advance, the eCommerce revolution is poised to persist and potentially intensify in the years ahead. Innovations such as augmented reality and virtual reality are set to further enrich the online shopping experience. To remain competitive and thrive in this evolving landscape, eCommerce enterprises must adapt to these forthcoming changes (eWorldPanther, 2023). Thus, the eCommerce revolution stands as a transformative force in the business world, extending new vistas of opportunity to businesses across the every possible aspects. It enables global outreach, amplifies sales, reduces operational costs, enhances customer service, and furnishes critical data for strategic decision-making. As the eCommerce landscape continues to evolve, businesses must remain agile and forward-thinking to not only keep pace but to lead the way.

1.1 Background of e-commerce and its global importance

This section provides an overview of the background of e-commerce and explores its profound global importance, setting the stage for the subsequent discussion in this thesis. The

roots of e-commerce can be traced back to the 1960s when electronic data interchange (EDI) began facilitating electronic transactions between companies. But it was not until the 1990s, with the widespread adoption of the internet, that e-commerce gained momentum (Kalakota & Whinston, 1996). The emergence of online marketplaces, such as Amazon and eBay, paved the way for secure online transactions after electronic fund transfer (EFT) was secured and laid the foundation for the e-commerce ecosystem we see today. The rise of the internet and technological advancements have revolutionized the way businesses operate and interact with consumers. Tassabehji in his book *Applying e-commerce in business* (2003) has claimed that research into Internet-based business models is still in its infancy. But some academics, such as Affuah and Tucci and Mahadevan, have three major areas that impact on the sustainability and growth of an e-business. These are the revenue stream, the value stream, and the logistical stream. None of these operate in isolation but each area interacts with and impacts on the others, thus e-commerce has direct influence in the success of business. E-commerce has emerged as a most important force in the global economy, transforming traditional business models into online and digitalized platforms.

Key components of e-commerce: E-commerce is surrounded by a range of activities, including online retailing, electronic funds transfer, supply chain management, electronic data interchange, and digital marketing. It consists of various stakeholders, such as consumers, businesses, governments, and financial institutions, in where all interconnected through digital networks. E-commerce platforms provide a virtual marketplace where buyers and sellers can engage in transactions, facilitated by secure payment systems and logistical infrastructure (Mourya & Gupta, 2015).

E-commerce growth and global reach: E-commerce has experienced unprecedented growth over the past two decades, and its global reach has expanded exponentially. With the increasing availability of internet access, the rapid increase of smartphones, and the growing acceptance of online payments and digital platform acceptance, e-commerce has transcended geographical boundaries. It has enabled businesses of all sizes to tap into global markets, reaching consumers in remote corners of the world. This global accessibility has opened up immense opportunities for both developed and developing economies, increasing economic growth, job creation, and technological innovation.

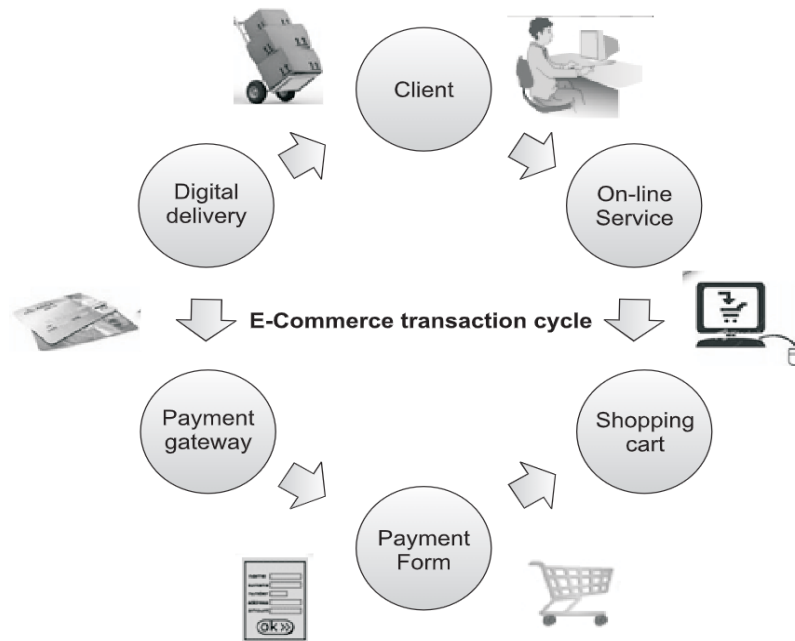


Figure 2. Transaction cycle of E-commerce (Mourya & Gupta, 2019).

Impact on business and consumers: E-commerce has disrupted traditional business models, offering numerous advantages to both businesses and consumers. For businesses, it provides a cost-effective platform to reach a wider customer base, eliminates the need for physical stores, reduces overhead expenses, and enables data-driven marketing strategies. On the other hand, consumers benefit from the convenience of shopping from anywhere at any time, access to a broader range of products and services, competitive pricing, and personalized shopping experiences.

Societal and economic implications: The widespread adoption of e-commerce has had far-reaching societal and economic implications. It has transformed the retail landscape, leading to the closure of physical stores and the emergence of digital-native brands. Similarly, e-commerce has fueled the growth of logistics and transportation industries, increased demand for cybersecurity measures, and created new job opportunities in areas such as digital marketing, data analytics, and supply chain management. Simultaneously, e-commerce has played an important role in bridging the digital divide, empowering individuals in underserved communities and promoting financial inclusion.

1.2 Research objectives and rationale

This section outlines the research objectives and rationale for conducting a comparative study between traditional and online business models to analyze the impact of e-commerce on international business.

1.2.1 Research objectives:

In order to study the impact of e-commerce on international business operations, this study outlines the following research objectives:

1. To examine the characteristics and operations of traditional business models in the context of international trade.
2. To analyze the emergence and growth of e-commerce and its impact on international business practices.
3. To compare and contrast traditional and online business models in terms of market access, cost-effectiveness, consumer behavior, and competitive advantage.
4. To assess the challenges and opportunities faced by businesses in adopting e-commerce for international trade.
5. To identify best practices and strategies for effectively integrating e-commerce into international business operations.
6. To provide recommendations for businesses and policymakers on leveraging e-commerce for international business growth and competitiveness.

1.2.2 Rationale:

Evolving business landscape: The advent of e-commerce has significantly transformed the business landscape, blurred geographical boundaries and created new opportunities for international trade. Understanding the impact of e-commerce on traditional business models is important for businesses to adapt and thrive in this changing environment.

Comparative analysis: Conducting a comparative study allows for an in-depth examination of the differences and similarities between traditional and online business models. By

analyzing various aspects such as market reach, cost structures, and consumer behavior, valuable understandings can be gained into the strengths and limitations of each model.

Global importance: E-commerce has not only revolutionized domestic markets but has also played a pivotal role in expanding international trade. Investigating its impact on international business will provide a valuable understanding of the implications for businesses, economies, and global trade dynamics.

Practical implications: The findings of this study will contribute to practical knowledge by providing insights into the challenges and opportunities associated with adopting e-commerce in international business operations. Businesses can utilize these insights to develop strategies that leverage the advantages of e-commerce while navigating potential hurdles.

Policy recommendations: The research outcomes will help policymakers formulate effective policies and regulations that facilitate the growth of e-commerce in the international business arena. This can lead to the creation of an enabling environment for businesses to harness the full potential of e-commerce for international trade.

1.3 Scope and structure of the thesis

This section highlights a framework for the subsequent chapters, offering a clear roadmap for the exploration of e-commerce's influence on international business operations and strategies.

1.3.1.1 Scope of the thesis:

Geographical scope: The study will explore international business practices and e-commerce trends across globe, considering both developed and emerging economies. The research will examine case studies and also provides examples from various industries and countries to capture a diverse range of perspectives.

Business models: The thesis will compare traditional business models, primarily based on physical presence and offline transactions, with online business models that leverage e-commerce platforms. The focus will be on understanding the implications of e-commerce adoption for international business operations.

Key areas of analysis: The research will hunt through several key areas, including market access, cost-effectiveness, consumer behavior, and competitive advantage. These aspects will be examined from the perspective of traditional and online business models, highlighting the impact of e-commerce on each.

Challenges and opportunities: The thesis will explore the challenges faced by businesses in adopting e-commerce for international trade, such as technological barriers, regulatory complexities, and cultural differences. Similarly, it will identify the opportunities that arise from gripping e-commerce to expand market reach, improve operational efficiency, and enhance customer experience.

1.3.1.2 Structure of the Thesis:

Introduction: This section will provide an overview of the thesis, introducing the research objectives, rationale, scope, and structure.

Literature review: This chapter will review relevant literature on international business, e-commerce, and the impact of e-commerce on traditional business models. It will provide a theoretical foundation for the comparative analysis.

Methodology: This chapter will outline the research methodology employed, including data collection methods, sample selection, and analytical techniques. It will justify the chosen approach and address any limitations.

Comparative analysis: This section will present a detailed comparative analysis of traditional and online business models in terms of market access, cost-effectiveness, consumer behavior, and competitive advantage. Case studies and empirical evidence will be used to support the analysis.

E-commerce impact in business: This field will provide a complete overview of how business in modern days is impacting sales and marketing. Transition from the traditional marketing to modern marketing and marketing automation, consumer behavior, market expansion, personalized marketing, global customers will be discussed here.

Challenges and opportunities: This chapter will explore the challenges businesses face in adopting e-commerce for international trade and the opportunities that arise from leveraging e-commerce. It will provide insights into successful strategies and best practices.

Case studies: Case studies of well renowned fast-food industry will be done in this section. To collect the data about the company document analysis, case analysis, interview analysis and form survey will be done to collect accurate data from the consumers and representatives from the company.

Recommendations: Based on the research findings, this section will offer practical recommendations for businesses and policymakers to effectively integrate e-commerce into international business operations. It will address potential obstacles and propose strategies for maximizing the benefits of e-commerce.

Conclusion: This chapter will summarize the key findings, implications, and contributions of the research. It will also highlight potential areas for future research.

References: List of cited sources will be provided in accordance with the APA seven referencing style.

2 Literature review

2.1 Overview of e-commerce and its evolution

The figure below illustrates the overview as well as steps of e-commerce in globalized world vertically and some of the major evolutions are listed accordingly.

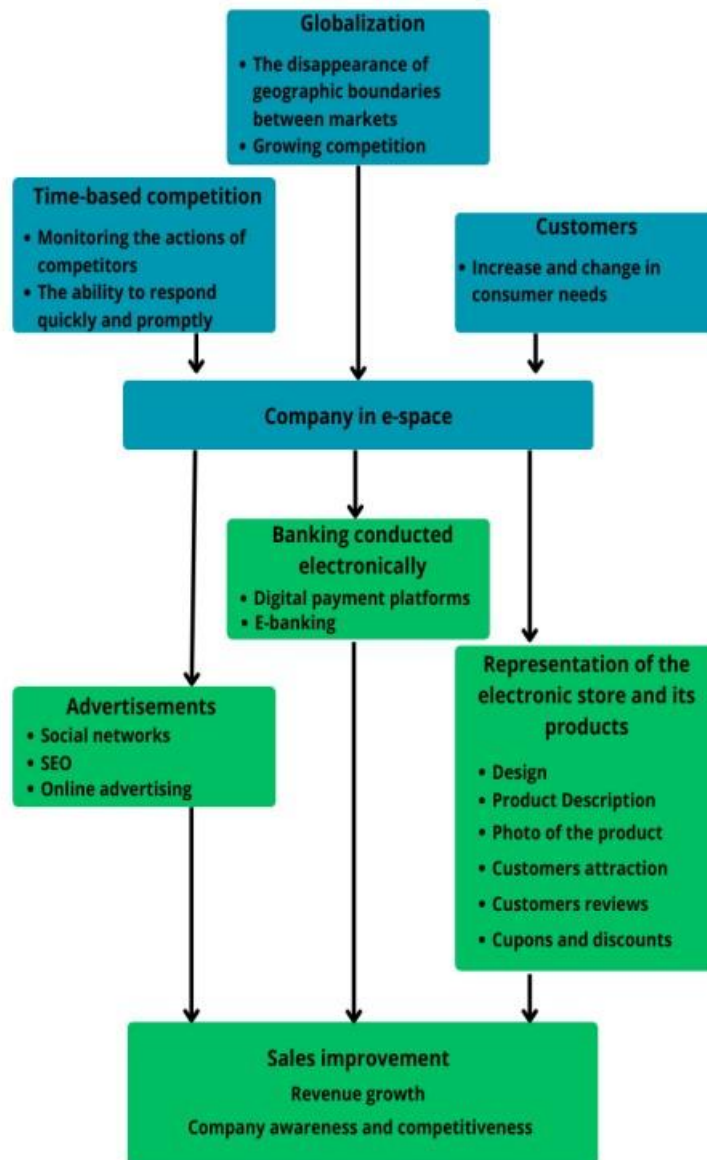


Figure 3. Increasing sales in E-commerce (Vaičius, 2023).

The origins of e-commerce can be traced back to the 1960s, with the advent of electronic data interchange (EDI) systems that allowed businesses to exchange documents and

conduct transactions electronically (Kalakota & Whinston, 1996). But it wasn't until the 1990s, with the widespread adoption of the internet, that e-commerce truly began to take off. From then to till now business faced several changes in e-commerce and evolved as a part of business. Some of the major evolutions are listed here accordingly.

Early days of e-commerce: In the early days, e-commerce primarily consisted of online shopping platforms that allowed consumers to purchase products directly from websites (Chaffey & Ellis-Chadwick, 2019). Companies like Amazon and eBay emerged as pioneers, setting the stage for the growth of online retail. During this time, security concerns and limited internet access posed challenges for e-commerce adoption.

Advancements in technology: As technology advanced, so did e-commerce. The introduction of secure online payment systems and encryption protocols addressed security concerns, instilling confidence in consumers to make online purchases. Additionally, the widespread availability of internet access and the proliferation of personal computers and mobile devices fueled the growth of e-commerce.

Expansion into various industries: E-commerce expanded beyond the empire of retail, infiltrating industries such as travel, banking, entertainment, and more (Rayport & Jaworski, 2002). Online travel agencies revolutionized the way people book flights, hotels, and rental cars. Online banking and financial services provided convenient access to accounts and transactions. Digital content distribution platforms transformed the music, film, and gaming industries.

Emergence of mobile commerce: With the rise of smartphones and mobile apps, mobile commerce (m-commerce) gained valuable traction. Consumers could now shop, make payments, and access services directly from their mobile devices. Mobile wallets and digital payment solutions further simplified the checkout process, enhancing the overall user experience.

Social commerce and influencer marketing: The integration of social media and e-commerce gave birth to social commerce (Chaffey & Ellis-Chadwick, 2019). Platforms like Instagram, Facebook, and Pinterest enabled businesses to showcase their products and

engage directly with consumers. Influencer marketing became a prominent strategy, with individuals leveraging their online presence to support products and drive sales.

Rise of on-demand and subscription services: The on-demand economy emerged with the birth of companies like Uber, Airbnb, and food delivery services. Consumers could request services or order products with just a few taps on their smartphones, leading to the growth of the gig economy. Subscription-based models also gained popularity, with companies offering monthly or annual memberships for products and services.

Blockchain technology and cryptocurrency: Blockchain technology has the potential to transform e-commerce by providing secure and transparent transactions (Turban et al., 2019). Cryptocurrencies like Bitcoin have gained traction as alternative payment methods, with some e-commerce platforms accepting them as a form of payment.

Augmented reality (AR) and virtual reality (VR): AR and VR technologies are being integrated into e-commerce experiences. Customers can visualize products in their physical environment using AR, improving their decision-making process. VR enables immersive shopping experiences, allowing customers to explore virtual stores and try out products virtually.

Globalization and cross-border e-commerce: E-commerce has facilitated cross-border trade, enabling businesses to reach customers worldwide. Online marketplaces and international shipping services have made it easier for sellers to expand their customer base beyond their local markets.

2.2 Traditional business models in international trade

Traditional business models in international trade circles around various strategies and approaches to conducting business and implementing marketing policies (MBA Knowledge Base, n.d.). While the specific methods may vary depending on the industry, market, and company, there are some common elements to traditional business models in international business. Here is an overview of how traditional business models used to conduct

business and implement marketing policies in the international arena:

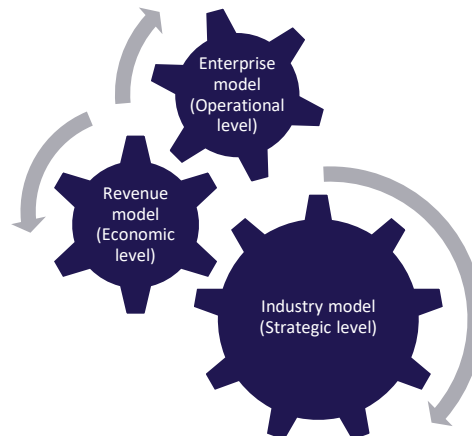


Figure 4. Traditional business model settings.

Market research and analysis: Before entering a foreign market, companies would conduct thorough market research and analysis to understand the local demand, competition, cultural differences, and regulatory environment (Hill, 2017). Various factors like studying market trends, customer preferences, purchasing power, and conducting feasibility studies are its inclusions. The findings of market research would inform decision-making processes regarding market selection, target audience, and marketing strategies.

Entry modes: Traditional business models considered various entry modes to penetrate foreign markets. These consists of exporting, licensing, franchising, joint ventures, and foreign direct investment (FDI). Each entry mode had its advantages and considerations in terms of investment, control, risks, and local market understanding. Companies would carefully evaluate these options to determine the most suitable approach for their international expansion.

Distribution channels: Establishing effective distribution channels was more important for international business. Companies would assess the local distribution landscape and identify potential partners, distributors, agents, or retailers. They would negotiate agreements and build relationships to ensure smooth product distribution and market penetration. In some cases, companies would establish their own subsidiary or branch offices to manage distribution and sales activities.

Adaptation to local preferences: Traditional business models recognized the importance of adapting products, services, and marketing strategies to local preferences (Czinkota & Ronkainen, 2019). For instance: customization or localization of products to cater to specific market needs, complying with local regulations and standards, and adapting marketing communication to resonate with local culture and language. Companies would invest in market-specific research and development, product modifications, and branding strategies to enhance their competitiveness.

Pricing strategies: Pricing strategies are vital part in international business. Companies would consider factors such as production costs, local market conditions, competition, and customer preferences to determine pricing structures. This could involve cost-based pricing, market-based pricing, or competitive pricing strategies. Similarly, companies would evaluate currency exchange rates, tariffs, and taxes to ensure profitable and competitive pricing in foreign markets.

Promotional activities: Marketing policies in international business involve promotional activities to create awareness, generate demand, and build brand reputation. Companies used various marketing tools such as advertising, public relations, trade shows, sponsorships, and direct marketing to reach their target audience. Traditional media channels like television, radio, print, and outdoor advertising were commonly used, along with localized marketing campaigns tailored to the specific market.

Relationship building: Traditional business models emphasized relationship building in international markets. Building strong partnerships, networks, and alliances with local stakeholders, distributors, and customers were most important for success (Rialp et al., 2005). Companies would engage in direct communication, personal meetings, and relationship-building activities to establish trust, credibility, and long-term collaborations.

After-sales service: Providing after-sales service and customer support was an essential aspect of traditional business models in international trade. It consists of offering warranty, technical assistance, spare parts availability, and customer service centers to address customer needs and concerns (Czinkota & Ronkainen, 2019). Building a reputation for quality service and support was important for customer satisfaction and repeat business.

Though these traditional business models still hold relevance in international trade, the rise of digital technology and the evolving global business landscape have also led to the emergence of new models and strategies. Companies today combine traditional and digital approaches to conduct business and implement marketing policies in the international arena.

2.3 Online business models and their characteristics

These models support the internet and digital technologies to conduct business, deliver products or services, and generate revenue. Here are some common online business models along with their characteristics:

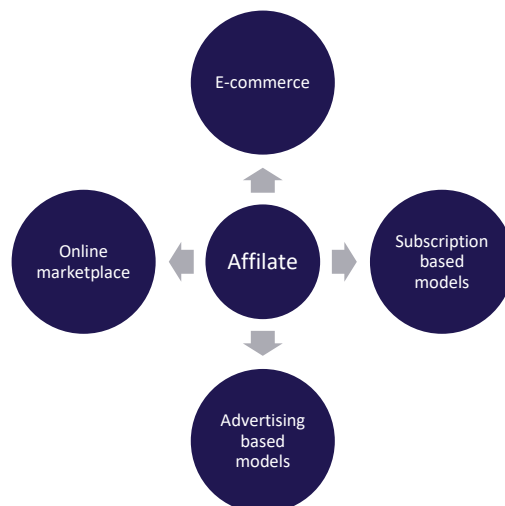


Figure 5. Online business models affiliation.

2.3.1 E-commerce

E-commerce is one of the most well-known online business models. For instance: selling products or services directly to customers through an online platform. Characteristics of e-commerce business models include:

Online storefront: E-commerce businesses have a dedicated online storefront where customers can browse and purchase products or services. This can be a website, mobile app, or a combination of both.

Product catalog: E-commerce platforms typically feature an important/valuable product catalog that showcases various offerings. Product catalog is a detailed of product descriptions, images, prices, and customer reviews.

Secure payment systems: E-commerce platforms incorporate secure online payment systems to facilitate transactions. Some of the secure payment systems options are such as credit/debit card payments, digital wallets, and other online payment gateways.

Order fulfillment: E-commerce businesses manage the entire order fulfillment process, including inventory management, packaging, and shipping of products. This can be done in-house or through third-party logistics providers.

Customer relationship management: E-commerce companies often invest in customer relationship management (CRM) systems to manage customer interactions, track orders, and provide customer support.

2.3.2 Online marketplace

Online marketplaces bring together buyers and sellers on a single platform, acting as intermediaries for transactions. Some popular examples include Amazon, eBay, and Alibaba. Characteristics of online marketplace business models are:

Multiple sellers: Online marketplaces facilitate transactions between multiple sellers and buyers. Sellers can create individual accounts and list their products or services on the platform.

Variety of products/services: Online marketplaces offer a wide range of products or services, covering various categories and industries. Customers have access to a diverse selection from different sellers.

Ratings and reviews: Online marketplaces mostly incorporate rating and review systems, allowing customers to provide feedback on sellers and their products. This helps build trust and facilitates informed purchasing decisions.

Commission-based revenue model: This sort of marketplace typically earns revenue by charging a commission or fee on each transaction conducted through the platform. This can be a percentage of the transaction value or a fixed fee.

Dispute resolution: To ensure smooth transactions, online marketplaces provide mechanisms for dispute resolution between buyers and sellers. This can include mediation or arbitration processes to resolve conflicts.

2.3.3 Subscription-based models

Subscription-based models are quite popular throughout the globe. It consists of offering products or services to customers on a recurring basis in exchange for a subscription fee. Characteristics of subscription-based business models include:

Recurring revenue: Subscription-based models provide a predictable revenue stream for businesses, as customers pay a recurring fee for continued access to products or services.

Different subscription tiers: Businesses mostly offer multiple subscription tiers, providing varying levels of access or benefits. Higher-tier subscriptions may offer additional features or exclusive content.

Auto-renewal and billing: Subscription-based businesses automate the renewal and billing process, ensuring a seamless experience for customers. This can be facilitated through stored payment methods or subscription management systems.

Customer retention: These models prioritize customer retention by focusing on providing ongoing value, maintaining high-quality content or services, and addressing customer needs to minimize churn.

Upselling and cross-selling: Businesses often leverage subscription models to upsell or cross-sell additional products or services to existing subscribers, maximizing revenue per customer.

2.3.4 Advertising-based models

Advertising-based models generate revenue by displaying advertisements to users. This is common in digital media, social networking platforms, and free mobile apps. Characteristics of advertising-based business models are listed here:

User Engagement: Advertising-based models rely on attracting a large user base and keeping them engaged on the platform. This increases the value of ad inventory.

Targeted Advertising: These models leverage user data and analytics to provide targeted advertisements to users based on their demographics, interests, and behavior.

Ad Placement: Ad-supported platforms strategically place ads within their content or user interface. This can consist of banner ads, sponsored content, native ads, or in-stream ads.

Cost-per-Impression or Cost-per-Click: Advertisers are typically charged based on the number of impressions (number of times the ad is viewed) or clicks the ad receives.

Advertiser-Supported Experience: The user experience is designed to accommodate advertisements, striking a balance between user engagement and ad visibility without compromising the user experience.

These are just a few examples of online business models, and there are many variations and combinations that companies can adopt to suit their specific offerings and target markets. Online business models continue to evolve as technology advances and consumer behaviors change, leading to the emergence of new and innovative approaches in the digital era.

2.4 Key theoretical frameworks and concepts related to e-commerce and international business

When conducting this thesis on e-commerce and international business, there are several key theoretical frameworks and concepts that we can provide a solid foundation for research. Here are some important ones to consider:

Transaction cost theory: The transaction cost theory, developed by Oliver Williamson, focuses on the costs associated with conducting economic transactions. It examines the choice between using market mechanisms (e-commerce) or hierarchical mechanisms (traditional business models) based on transaction costs such as search costs, negotiation costs, and enforcement costs. This theory can help analyze the decision-making process of companies in choosing e-commerce or traditional business models for international trade (Williamson, 1981).

Institutional theory: Institutional theory explores the influence of formal and informal rules, norms, and social structures on organizational behavior. It emphasizes the importance of institutional environments in shaping organizations' actions and choices (Scott, 1995, p. 17). Applying this theory to e-commerce and international business, you can analyze the impact of institutional factors, such as legal frameworks, cultural norms, and regulatory environments, on the adoption and success of e-commerce strategies in different countries.

Network theory: Network theory examines the role of social and economic networks in facilitating transactions and creating value. It explores the relationships and interactions among actors within a network and their impact on business outcomes (Granovetter, 1985, p. 485). In the context of e-commerce and international business, this theory can help understand the dynamics of digital networks, such as online marketplaces, social media platforms, and supply chain networks, and their influence on the competitiveness and success of e-commerce ventures.

Resource-based view (RBV): The resource-based view emphasizes the strategic importance of a firm's internal resources and capabilities in achieving a competitive advantage (Barney, 1991, p. 102). Applying RBV to e-commerce and international business, you can analyze how firms leverage their unique resources, such as technology, brand reputation, customer data, and supply chain capabilities, to develop successful e-commerce strategies and expand internationally.

Market entry modes: The concept of market entry modes explores the different approaches companies can take to enter foreign markets. It includes options such as exporting, licensing, franchising, joint ventures, and foreign direct investment (FDI) (Root, 1994,

p. 5-12). Examining various market entry modes can help you analyze the suitability and effectiveness of different approaches in the context of e-commerce and international business.

Consumer behavior in e-commerce: Understanding consumer behavior in the context of e-commerce is essential for developing effective marketing strategies and optimizing online experiences (Kotler & Keller, 2016, p. 453). Concepts such as online trust, perceived risk, perceived value, consumer decision-making processes, and adoption of technology can provide insights into consumer behavior in e-commerce settings.

Internationalization process theory: The internationalization process theory examines the gradual internationalization of firms and the factors that influence their expansion into foreign markets (Johanson & Vahlne, 1977, p. 23). This theory considers the firm's internal characteristics, market knowledge, learning processes, and network relationships in understanding internationalization strategies. Applying this theory to e-commerce can provide insights into the international growth patterns and strategies of e-commerce companies.

Digital platforms and ecosystems: The rise of digital platforms has transformed the business landscape. Studying the concept of digital platforms and ecosystems can help understand the dynamics of platform-based businesses, the role of network effects, value co-creation, and the interplay between platform owners, users, and complementors (Parker et al., 2016, p. 28). Analyzing these concepts in the context of e-commerce can shed light on the strategies and challenges associated with operating in digital ecosystems.

These theoretical frameworks and concepts provide a strong theoretical underpinning for this thesis on e-commerce and international business. These framework guide to analysis, help formulate research questions, and provide a basis for understanding the complexities and dynamics of these domains.

3 Methodology

3.1 Research approach

For this thesis, a mixed methods research approach will be used. This approach allows for a deeper understanding of the impact of e-commerce on international business by combining qualitative and quantitative data. The qualitative component will involve in-depth interviews with industry experts and company owners to gain insights into their experiences and perspectives. The quantitative component will include surveys distributed to a large sample of businesses engaged in international trade to collect data on their knowledge of e-commerce adoption, performance metrics, and other relevant variables. By using a mixed methods approach, the research focuses to capture both the richness of qualitative data and the statistical analysis provided by quantitative data.

3.2 Data collection methods

Primary data will be collected through semi-structured interviews and surveys. The interviews will be conducted with industry experts and key decision-makers who have experience in international trade and e-commerce as well as traditional marketing from case study. These interviews will provide qualitative thoughts into the challenges, opportunities, and strategies related to the impact of e-commerce on their international business operations. The surveys will be distributed to a diverse sample of businesses engaged in international trade, seeking quantitative data on their e-commerce adoption, performance indicators, market reach, and customer behavior.

Secondary data will be collected from various sources, including academic journals, industry reports, and reputable online databases. These secondary sources will provide a foundation of knowledge regarding the impact of e-commerce on international business, historical trends, industry statistics, and theoretical frameworks. The secondary data will be utilized to contextualize and support the primary data collected, ensuring a detailed analysis.

3.3 Sampling techniques and sample size determination

For the qualitative component, purposeful sampling will be used to select interview participants who possess relevant expertise and experience in both business field traditional and e-commerce. Key informants will be identified through a combination of snowball sampling and expert recommendations. The sample size for interviews will depend on data saturation, where new information or perspectives are no longer emerging. For the quantitative component, a stratified random sampling technique will be used to select a representative sample of businesses engaged in international trade. The population will be stratified based on factors such as business size, industry sector, and geographical location. The sample size will be determined using statistical formulas to ensure an adequate representation of the population and allow for statistical analysis.

3.4 Data analysis techniques

The qualitative data collected from interviews will be analyzed using thematic analysis. The interviews will be transcribed and coded, identifying common themes, patterns, and emerging concepts. These themes will be further analyzed and interpreted to draw meaningful conclusions regarding the impact of e-commerce on international business. The quantitative data collected from surveys will be analyzed using statistical analysis techniques. Descriptive statistics will be used to summarize the data, including means, frequencies, and percentages. Inferential statistics, such as correlation analysis and regression analysis, will be used to examine relationships and associations between variables.

4 Comparative analysis of traditional and online business models

4.1 Comparison of operational processes

Traditional business models typically consist of physical production facilities, with manufacturing processes that needs extensive infrastructure, machinery, and labor (Christopher, 2016). Distribution is often carried out through a network of physical stores or warehouses, involving transportation logistics and inventory management. In contrast, online business models often rely on virtual production and distribution processes. Products are sourced from suppliers and stored in centralized warehouses, with orders fulfilled through efficient logistics networks. This allows for streamlined processes, reduced storage costs, and faster order fulfillment. Even though having several positive sides, online business models may face challenges related to inventory management and shipping logistics, particularly for businesses that offer a wide range of products or operate in multiple locations.

4.2 Analysis of market reach and customer base

Traditional business models are often constrained by geographical limitations, primarily targeting local or regional markets. These models rely on physical stores to reach customers, limiting their potential customer base (Laudon & Traver, 2017, p. 102). In contrast, online business models have the advantage of transcending geographical boundaries, enabling businesses to access a global customer base. E-commerce platforms and digital marketing strategies allow online businesses to target specific customer segments and expand their market reach. This broader customer base increases the potential for growth and revenue generation. Even with several positive sides in it, online businesses may face challenges related to cultural, language, and regulatory differences in international markets, requiring adaptation and localization efforts to effectively penetrate new markets.

4.3 Evaluation of cost structures and profitability

Traditional business models usually require more upfront investments in physical infrastructure, inventory management systems, and workforce. Costs may include rent, utilities, maintenance, and distribution expenses. In contrast, online business models benefit from

lower overhead costs. They eliminate the need for physical storefronts, leading to reduced expenses related to rent, utilities, and staffing. To add, online businesses can leverage automation and digital marketing techniques, reducing marketing expenses and operational costs. The scalability of online business models also allows for potential economies of scale. Obotu Agape Oguche (2022) has explained regarding cost structure and profitability in business as profitability can be influenced by various factors, including pricing strategies, customer acquisition costs, and customer lifetime value. Both traditional and online business models need to consider these factors to ensure sustainable profitability.

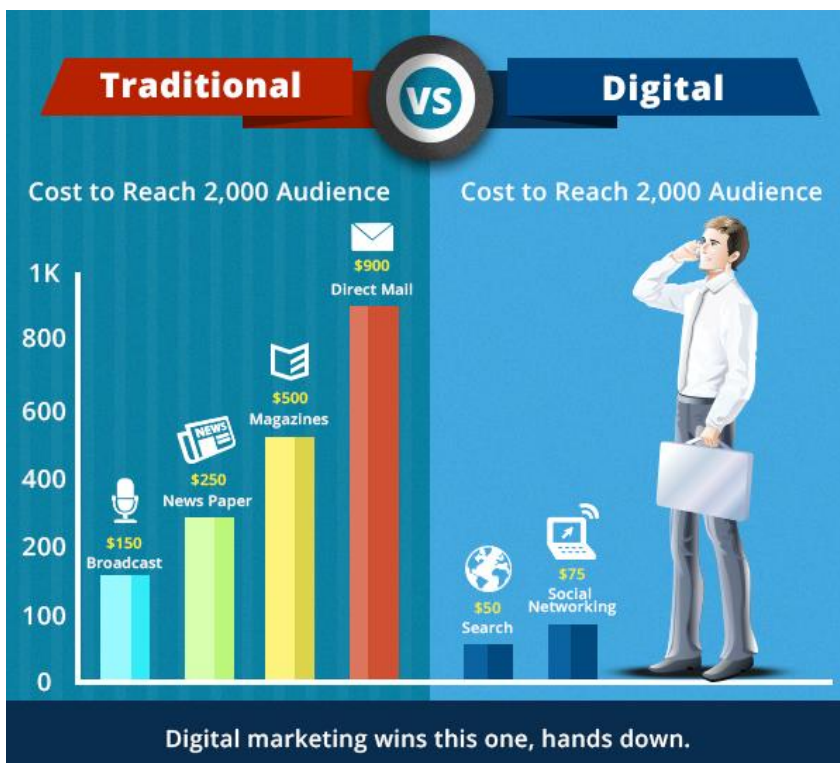


Figure 6. Cost to reach 2000 customers (Mercer, n.d.).

4.4 Examination of regulatory and legal considerations

Traditional business models must deal with regulations related to physical locations, licensing, labor laws, and taxation. These models need to comply with local laws and regulations in each market they operate in. Online business models, in addition to these considerations, face additional legal and regulatory aspects. These may include data privacy, cybersecurity, intellectual property rights, cross-border regulations, and compliance with e-

commerce laws. Online businesses need to address these challenges to ensure legal compliance, build trust with customers, and mitigate potential risks. The complexity and evolving nature of online regulations can pose challenges for businesses, requiring ongoing monitoring and adaptation to remain compliant.

5 Impact of e-commerce on international business

The impact of e-commerce on international business is profound, particularly in terms of market expansion and access to global customers. Dan Ikenson (2022) has explained E-commerce as E-commerce has removed geographical barriers and allowed businesses to target customers worldwide. The benefits of accessing global customers through e-commerce include market diversification, revenue growth, and innovation in his magazine *The E-commerce is Transforming Global Trade and Benefiting US Economy*. Simply it defines international business is not only connecting interborder but helping to boost country economy as well. But businesses must also navigate challenges such as cultural differences and logistical complexities. By understanding and addressing these challenges, businesses can effectively engage and serve global customers, paving the way for sustained international business growth.

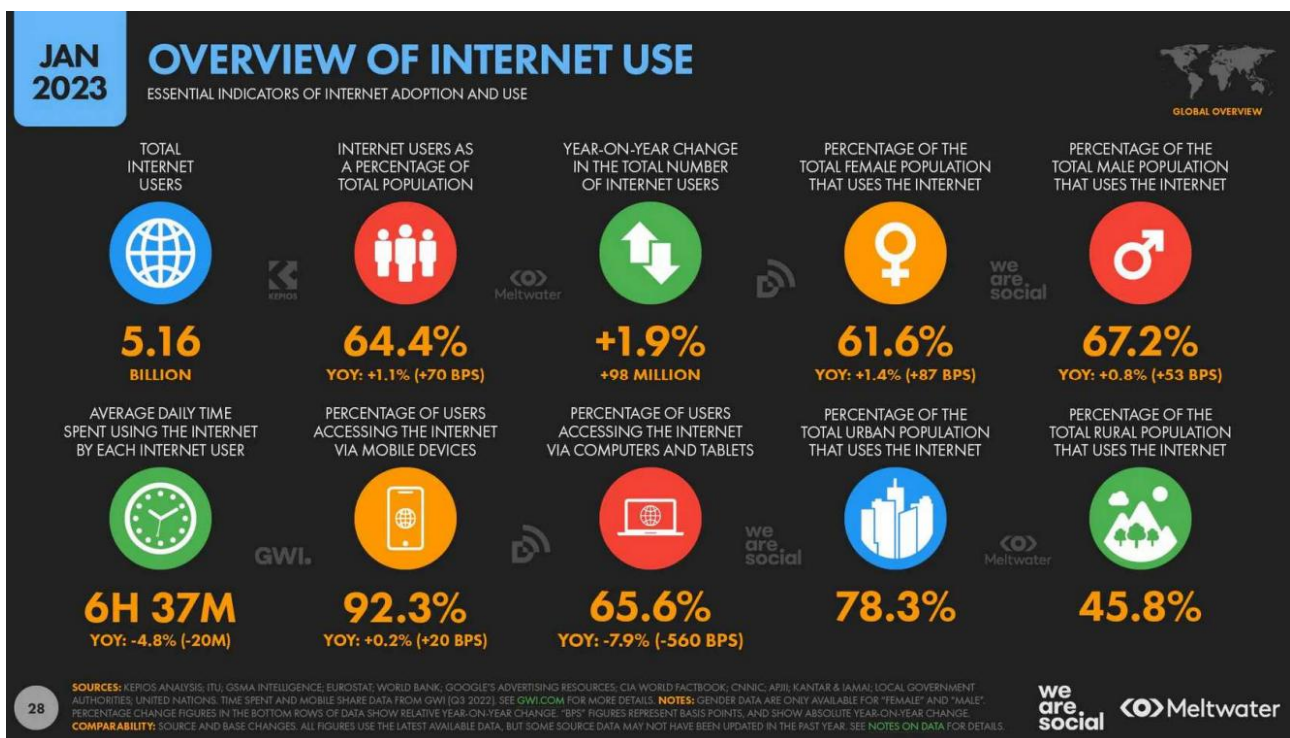


Figure 7. Global digital report, Internet use 2023 (Kemp, 2023).

The impact of e-commerce on international business is characterized by its ability to break down geographical barriers and provide businesses with access to a global customer base. E-commerce platforms have transformed traditional business models, enabling businesses to transcend local or regional markets and reach customers worldwide. This has

opened up new avenues for growth and revenue generation, offering opportunities for market diversification and risk mitigation (Singh, 2012, p. 32–47). By embracing e-commerce, businesses can expand their market reach beyond traditional limitations. Online marketplaces, such as Amazon, eBay, and Alibaba, provide platforms for businesses to showcase and sell their products to customers worldwide. Through effective digital marketing strategies, businesses can target specific customer segments in different regions, tailoring their offerings to meet local preferences and demands. This level of market expansion allows businesses to tap into new markets, generate additional sales, and establish a global brand presence.

Similarly, e-commerce provides businesses with the ability to access global customers in real-time. Through advanced analytics and customer vision, businesses can understand customer behaviours, preferences, and purchase patterns. This data-driven approach enables businesses to personalize their marketing efforts and deliver targeted promotions, product recommendations, and customized experiences. With a good understanding of the needs and preferences of global customers, businesses can enhance customer satisfaction, build loyalty, and establish long-term relationships, ultimately driving growth and profitability.

5.1 Enhanced customer experience and personalized marketing

E-commerce has revolutionized the customer experience by providing personalized marketing strategies that cater to individual customer preferences. With access to vast amounts of customer data and analytics, businesses can analyze customer behavior, demographics, and purchase history to understand their preferences and offer tailored experiences (Artun & Levin, 2015, p. 185). Personalized marketing enables businesses to deliver relevant and timely content, recommendations, and offers to individual customers. By leveraging technologies such as artificial intelligence and machine learning, businesses can automate personalized product recommendations based on customer browsing and purchase history. This not only enhances the customer experience but also increases the likelihood of cross-selling and upselling.

Likewise, e-commerce facilitates smooth customer interactions and convenience. Online platforms offer user-friendly interfaces, easy navigation, and secure payment systems, ensuring a hassle-free shopping experience. Features such as saved payment information, personalized wish lists, and order tracking enhance convenience and improve customer loyalty. By delivering personalized marketing messages and improving the overall customer experience, businesses can differentiate themselves from competitors and build strong customer relationships (Artun & Levin, 2015, p. 189). This, in turn, leads to increased customer retention, higher customer lifetime value, and positive word-of-mouth referrals, driving sustained business growth.

5.2 Disintermediation and supply chain optimization

E-commerce has led to disintermediation, bypassing traditional intermediaries, and connecting businesses directly with customers (Chadwick, 2023). This has significant implications for supply chain management, allowing businesses to optimize their operations, reduce costs, and improve efficiency. Through direct-to-consumer e-commerce models, businesses can eliminate intermediaries such as wholesalers and retailers. This provides businesses with competitive pricing by cutting out the middleman and passing cost savings onto customers. By taking control of the entire supply chain, businesses can streamline operations, reduce inventory carrying costs, and optimize order fulfillment processes.

E-commerce platforms also facilitate real-time inventory management, providing businesses with accurate visibility into stock levels and demand patterns. This enables businesses to optimize inventory levels, reduce stockouts, and minimize the risk of overstocking. By integrating supply chain systems and leveraging data analytics, businesses can achieve greater supply chain efficiency, ensuring the right products are available at the right time and in the right quantities. Similarly, e-commerce enhances logistics and order fulfillment processes. With advanced logistics networks, businesses can leverage local and international shipping partners to ensure faster and reliable delivery. Real-time tracking capabilities allow customers to monitor the progress of their orders, enhancing transparency and customer satisfaction.

By embracing disintermediation and optimizing the supply chain through e-commerce, businesses can achieve cost savings, improve operational efficiency, and provide customers with faster delivery and enhanced service quality.

5.3 Changes in consumer behavior and preferences

E-commerce has brought about significant changes in consumer behavior and preferences, shaping the way businesses engage with their target audiences (Lempka & Stallard, 2013, p. 78). Consumers now expect convenience, flexibility, and smooth online experiences in their interactions with businesses. The convenience of online shopping has become a key driver for consumer adoption of e-commerce. Consumers can browse and purchase products at any time, from anywhere, using various devices such as smartphones, tablets, or computers. The ability to compare prices, read product reviews, and access a wide range of products has empowered consumers and influenced their purchase decisions.

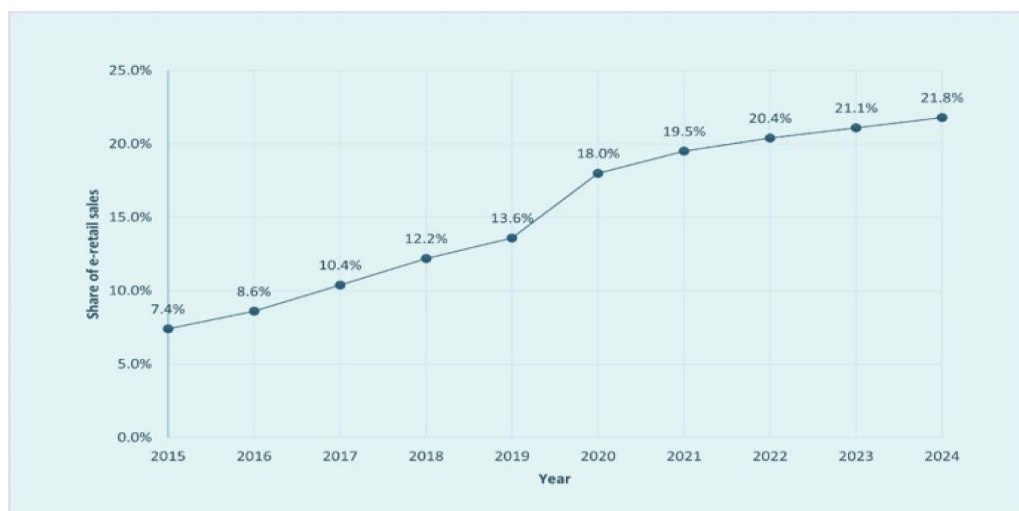


Figure 8. E-retail sales growth and projection (Sedy, 2022).

In addition, e-commerce has facilitated personalized and targeted marketing efforts, which resonate with consumers. Businesses can leverage customer data to tailor marketing messages and offers based on individual preferences, demographics, and purchase history. Consumers appreciate personalization and customization, as it allows them to discover relevant products and services, enhancing their overall shopping experience. E-commerce

has also influenced consumer preferences, shaping their expectations for fast and reliable delivery, hassle-free returns, and exceptional customer service. Businesses that can meet these expectations are more likely to succeed in gaining customer loyalty and repeat business.

Social commerce and user-generated content have gained prominence. Consumers rely on social media platforms and online reviews to inform their purchase decisions, seeking recommendations from their peers and trusted sources. Businesses that actively engage with consumers on social media and encourage user-generated content can build brand advocacy and loyalty. In response to changing consumer behavior and preferences, businesses need to adapt their strategies. This includes investing in user-friendly websites, secure payment systems, responsive customer service, and seamless mobile experiences (Meixner et al., 2021). By aligning their operations with consumer preferences, businesses can effectively cater to their target audience, gain a competitive edge, and drive customer satisfaction and loyalty.

6 Challenges and opportunities of e-commerce in international business

E-commerce has transformed the global business landscape, enabling companies to engage in international trade effortlessly compared to previous years. While it offers tremendous opportunities, e-commerce in international business also presents several challenges. This section will explore into the challenges and opportunities associated with e-commerce in international business, focusing on security and privacy concerns, cross-border legal and regulatory challenges, infrastructure and technological requirements, and the potential for small and medium-sized enterprises (SMEs) to thrive in this digital ecosystem. The following figure highlights on the challenges and opportunities of e-commerce on modern business landscape.



Figure 9. Challenges and opportunities of e-commerce.

6.1 Security and privacy concerns

In the era of e-commerce, security and privacy concerns are of paramount importance. As businesses engage in international transactions and data exchange, protecting sensitive information and ensuring secure transactions becomes the most important challenges. One major security concern in e-commerce is the risk of data breaches. Hackers target customer databases, payment systems, and other infrastructure to gain unauthorized access to personal and financial information (Lynn et al., 2021). Such breaches not only

compromise customer trust but also result in significant financial losses for businesses. Additionally, the threat of identity theft is a significant concern, as cybercriminals can misuse personal information for fraudulent activities.

To address these challenges, businesses must implement robust security measures. This may include using encryption technology to protect data during transmission and storage, implementing secure payment gateways, and adopting stringent authentication protocols. Regular vulnerability assessments and penetration testing can help identify and address potential vulnerabilities. Data protection practices, such as anonymizing and pseudonymizing customer information, should also be implemented to minimize the impact of data breaches.

Privacy concerns arise from the collection, storage, and use of customer data in e-commerce transactions. Customers are increasingly aware of their privacy rights and expect businesses to handle their personal information with care. Compliance with data protection regulations, such as the General Data Protection Regulation (GDPR) in the European Union, is crucial for businesses operating globally. Companies must be transparent about their data collection practices, obtain consent from customers, and provide clear privacy policies outlining how customer data is used and protected.

6.2 Cross-border legal and regulatory challenges

Operating across borders brings unique legal and regulatory challenges for e-commerce businesses. Diverse legal frameworks, varying taxation policies, intellectual property rights protection, and consumer protection regulations create complexities that businesses must navigate to operate internationally. Taxation is another significant challenge in cross-border e-commerce. Businesses must understand and comply with the tax regulations of different jurisdictions, including customs duties, value-added taxes (VAT), and sales taxes. The complexities increase when dealing with digital products or services, as tax regulations may vary based on the location of the customer (Al-Malik, 2023). Meeting these obligations requires businesses to stay updated on international tax laws, engage with tax experts, and implement robust tax management systems.

Intellectual property rights (IPR) protection is another important consideration. Violation of trademarks, copyrights, and patents can occur in cross-border e-commerce, posing legal and reputational risks. Businesses must conduct detailed research to make sure their products or services do not infringe on existing IPRs in the target markets (Gutiérrez, & Burtchaell, 2021). Registering trademarks and obtaining necessary patents or copyrights in relevant jurisdictions can provide legal protection and prevent potential infringements.

Consumer protection regulations also vary across countries, and businesses must comply with the laws of each market they operate in. These regulations cover areas such as product safety, advertising practices, consumer rights, and dispute resolution mechanisms. Understanding and adhering to these regulations are essential to building trust with customers and avoiding legal issues.

To overcome cross-border legal and regulatory challenges, businesses should collaborate with legal experts and consultants who specialize in international business. Engaging with industry associations and participating in public-private dialogues can also contribute to the development of harmonized legal frameworks that facilitate cross-border e-commerce while ensuring fair competition and consumer protection.

6.3 Infrastructure and technological requirements

Infrastructure and technological readiness are vital for successful e-commerce operations in international business. Businesses must ensure they have the necessary infrastructure and technology in place to facilitate smooth cross-border transactions. Reliable internet connectivity is a fundamental requirement for e-commerce. Access to high-speed internet enables businesses to connect with customers, manage online platforms, and conduct transactions smoothly. But in some regions, particularly developing countries, inadequate internet infrastructure faces challenges to e-commerce growth (Kapur, 2021). Governments and private entities need to invest in broadband penetration initiatives to bridge the digital divide and provide equal access to e-commerce opportunities.

Logistics infrastructure is equally important for it. Efficient supply chain management systems, reliable transportation networks, and effective last-mile delivery mechanisms are

essential for timely and cost-effective order fulfillment. Businesses should invest in strong logistics solutions, including real-time tracking and inventory management systems, to streamline operations and meet customer expectations (Saka, 2023). Technological requirements consist of adopting suitable e-commerce platforms and tools. Scalable e-commerce platforms enable businesses to handle increased transaction volumes and accommodate growth. Businesses should leverage emerging technologies such as machine learning (ML), and data analytics to gain insights into customer behavior, optimize pricing strategies, and enhance personalized customer experiences. Implementing secure payment gateways and encryption technologies is non considerable thing to protect customer information during online transactions.

6.4 Opportunities for small and medium-sized enterprises (SMEs)

E-commerce presents valuable opportunities for small and medium-sized enterprises (SMEs) to participate in international trade. Traditionally, SMEs faced challenges such as limited resources, lack of market access, and high entry costs when attempting to expand globally. But e-commerce has levelled the playing field, providing SMEs with the potential to reach a global customer base at reduced costs. The internet offers SMEs access to a vast market, allowing them to showcase their products and services to a global audience. E-commerce platforms and online marketplaces provide SMEs with ready-made digital storefronts, eliminating the need for extensive investments in physical retail spaces. Moreover, digital marketing tools and analytics enable SMEs to target specific customer segments and refine their marketing strategies, enhancing their competitiveness.

Cross-border e-commerce also enables SMEs to establish international supply chains and source materials or finished products from different countries, leveraging cost efficiencies and diversifying their product offerings (Levy & Powell, 2005, p. 179). E-commerce platforms often provide support and guidance to SMEs, assisting them in navigating international markets, understanding cultural differences, and complying with relevant regulations. To fully capitalize on the opportunities of e-commerce, SMEs must invest in digital literacy and build their technological capabilities. Governments and industry associations can play an important role in providing training programs, financial incentives, and access to resources specifically tailored for SMEs engaged in e-commerce. Collaboration and

partnerships with established companies or e-commerce platforms can also help SMEs overcome entry barriers and access international markets more effectively.

7 Case studies

This case study examines about Burger King's successful adoption of e-commerce in its international business operations, with a focus on its expansion into the Finnish market. The study analyzes the strategies applied by Burger King, the challenges encountered during implementation, and the valuable lessons learned from this transformation. The findings contribute to the broader thesis on the impact of e-commerce on international business by providing understanding into the convergence of traditional and online business models.

7.1 About Burger King

Burger King, founded in 1954 by James McLamore and David Edgerton, is a major player in the global fast-food industry. With a staggering 18,800 outlets spread across more than 100 countries, it stands as one of the largest and most widely recognized fast-food franchises worldwide. The company's headquarters are situated in Miami, Florida, and it operates as a subsidiary of Restaurant Brands International, a conglomerate that also owns Tim Hortons and Popeyes (Garcia, 2020). Burger King has a storied history of pushing the boundaries of innovation within the fast-food sector, introducing iconic items like the Whopper, and continuously adapting to shifting consumer preferences. But venturing into e-commerce posed its own set of challenges. This endeavor demanded a deep understanding of complex regulatory environments, accommodating localized consumer tastes, and competing with established rivals.



Figure 10. Very first Burger King restaurant (1954) (Burntholesinmyhoodie, 2015).

Between 1982 and 1985, Burger King operated two outlets in Helsinki and Tampere (yle, 2015). Since then, it has expanded its presence throughout Finland. Currently, the renowned restaurant company Restel owns and manages all Burger King operations in the country. Burger King, standing as a prominent figure in the fast-food industry, has become a prime example of effectively utilizing the immense potential of e-commerce to support its international expansion efforts. This is evident in its strategic entry into the Finnish market, highlighting the powerful synergy between e-commerce and Burger King's global aspirations. In an era where expanding to digitalization is not merely an option but a necessity for sustained relevance, Burger King's adeptness in navigating e-commerce carries substantial implications.

7.2 Burger King's e-commerce strategy in Finland and its parameters

Burger King's entry into the Finnish market was marked by a well-thought-out e-commerce strategy. This approach not only enhanced the shift towards digital platforms to the restaurant but also showcased a strong grasp of the unique aspects of the local market and what Finnish consumers prefer in different seasons of a year. By taking this multi-pronged approach, Burger King showed a serious dedication to making e-commerce a central part of how they do business in Finland. This strategic move allowed them to effectively deal with the specific challenges like dark long winter and intricacies of the Finnish market. It's a testament to Burger King's forward-thinking approach in integrating digital technology into their operations, ultimately leading to their success in Finland and making them well renowned fast-food company here.

Table 7-1. Sales improvement rate by e-commerce globally.

Year	Total Sales (in millions USD)	Sales Growth Rate (%)
2017	\$15.2	17.2
2018	\$17.8	17.1

2019	\$20.5	15.2
2020	\$23.7	15.6
2021	\$26.8	12.9

Data sources: Company reports and market research.

Online ordering platform: Burger King's decision to implement an online ordering platform was a strategic masterstroke for the whole company. In recognizing the shifting consumer behavior towards digital interactions, Burger King quickly leveraged technology to enhance customer convenience. The development of a smooth platform allowed customers to effortlessly access the menu online, customize their orders, and complete transactions digitally. This not only aligned with the modern need for efficiency and speed but also helped Burger King to remain competitive in an increasingly digital landscape. The integration with their existing mobile app was a stroke of brilliance, providing a united and user-friendly experience that reproduced with their seasoned customer base. By offering this convenient channel, Burger King catered to the growing demand for online interactions and also established themselves as a forward-thinking brand in the fast-food industry.

Digital marketing campaigns: Burger King's action into targeted digital marketing campaigns showed a keen understanding of the modern consumer's online journey in Finland. The vibrant social media promotions and iconic contents, influencer collaborations, and exclusive online-only offers were carefully curated to boost the brand's digital presence and engage with a broader audience. This approach not only attracted new customers but also re-engaged existing ones, thereby driving sales growth in all seasons. The campaigns also allowed Burger King to capitalize on the viral nature of social media mostly in Facebook and Instagram, often leading to increased brand awareness and customer acquisition. By strategically harnessing the power of digital marketing, Burger King positioned itself as a brand that resonated with the preferences and behaviors of a digitally engaged customer base. This translated into immediate sales growth and set a foundation for sustained brand relevance in the digital age.



Figure 11. Iconic advertisement at bus station Finland (Hudson, 2020).

Incorporation with delivery services: Burger King's strategic partnership with third-party delivery services Wolt marked a very important milestone in their e-commerce strategy. From the year 2023 app online orders can be delivered through Wolt as well, so it is grabbing every milestone possible. Recognizing the growing trend of food delivery, this move addressed an important customer need for convenience. By collaborating with established delivery platforms and its own app ordering service, Burger King extended its reach beyond traditional dine-in and takeout, meeting customers where they were. This partnership not only broadened accessibility but also enhanced customer satisfaction by providing the option to enjoy their favorite meals with customization in the comfort of their own homes. It was a great step that not only boosted sales but also solidified Burger King's position as a brand adapted to the evolving needs and preferences of its customer base.

Loyalty programs: Burger King's introduction of loyalty programs is an absolute understanding of customer retention and strategy of customer engagement. By bridging the traditional concept of loyalty cards or gift cards with modern mobile app launch, Burger King encouraged repeat business and gathering valuable data on customer behavior for personal marketing. This data, in turn, served as a goldmine of perception into customer preferences, enabling the company to refine its offerings and marketing strategies. Through this approach, Burger King boosted customer loyalty and increased sales through targeted promotions and incentives tailored to individual preferences. It's a witness to Burger King's adeptness at harmonizing traditional and digital strategies to drive sales growth and enhance the overall customer experience.

Mobile payment launch: The launching of mobile payment options was also a strategic move by Burger King that largely increased the convenience and efficiency of the ordering process in the most digitally advanced country Finland. By allowing customers to make transactions through their mobile devices, Burger King tapped into the growing trend of digital payments. This streamlined the checkout process and positioned the brand as technologically advanced and in tune with the preferences of a digital customer base. It served as an additional catalyst for sales growth, as it removed potential friction points in the ordering process, ultimately leading to a smoother and satisfying customer experience.

Personalized marketing: Burger King's implementation of personalized marketing was a game-changer in terms of customer engagement and conversion rates. By leveraging the data collected through online orders and loyalty programs, Burger King was able to tailor promotions, offers, and recommendations to individual customers through newsletters and mail promotions. This level of personalization deepened customer engagement and led to higher conversion rates and increased sales. Customers felt valued and understood, which strengthened their loyalty to the brand. It was a demonstration of Burger King's commitment to enhancing the customer experience through data-driven marketing strategies, ultimately resulting in a positive impact on sales and revenue growth.

Customer feedback: Burger King's proactive approach in encouraging and leveraging customer feedback showed a commitment to continuous improvement in its ordering, service and improvement in menu. By actively seeking input through digital platforms like Facebook, Instagram, Tiktok, official websites, and mail, the company gained invaluable knowledge about customer preferences and pain points. This data was then used to refine the online ordering experience, menu offerings, and overall service quality. By actively listening and responding to customer input (mostly once or twice in a week), Burger King improved customer satisfaction and gained brand loyalty. This, in turn, directly translated into increased sales, as satisfied and loyal customers are more likely to return and recommend the brand to others. It also featured Burger King's attention to a customer-centric approach in its e-commerce strategy, making sure that every aspect of the online experience was fine-tuned to meet and exceed customer expectations.

Limited-time offers and promotions: Burger King's proficient use of limited-time offers and promotions is playing an important part in driving sales. By introducing exclusive menu items for a limited period like Sri-racha and Roasted onion, the company created a sense of urgency, excitement, and enthusiasm among customers. These promotions were often heavily promoted through various e-commerce channels, including social media, email marketing, and in-store displays. This attracted new customers seeking to try something new and encouraged repeat visits from existing customers eager to take advantage of the special offers. It's a strategy that not only boosts short-term sales but also improves brand loyalty and keeps customers engaged over time in a restaurant.

Strategic menu innovation: Burger King's continuous menu innovation is a strategic move to keep customers engaged and attract new ones. By introducing new and exciting menu items, the company catered to evolving consumer tastes and preferences. These innovations were often promoted through various marketing channels, generating buzz and curiosity in customers. Similarly, menu innovations allowed Burger King to differentiate itself from competitors and position itself as a brand that is constantly evolving to meet the needs of its customers.

Based on the above practices, here is the table of survey responses from public on how effective burger king e-commerce strategy is being in Finland (number of respondents were 41)

Table 7-2. Survey result.

Question	Positive	Neutral	Negative
<i>Q1: Frequency of ordering from Burger King</i>	21	9	11
<i>Q2: Primary platform for ordering from Burger King</i>	17 (Wolt)	8 (MA)	16 (RV)

<i>Q3: Satisfaction with user interface</i>	24	11	6
<i>Q4: Used Burger King's food delivery navigation</i>	34	-	7
<i>Q5: BK has most helpful feature in online ordering</i>	18	12	11
<i>Q6: Likelihood to engage with digital marketing</i>	26	5	11
<i>Q7: Effectiveness of e-campaigns on purchasing decisions</i>	22	7	12
<i>Q8: Participation in Burger King's loyalty programs</i>	8	-	33
<i>Q9: Digital Marketing being most important factor when ordering from Burger King</i>	17	12	12
<i>Q10: Likelihood to recommend Burger King's online platform</i>	26	2	13

7.3 Challenges encountered

When Burger King set out to incorporate e-commerce into their operations, they faced a series of challenges. This journey, focused on smoothly combining online platforms with

their existing business setup, was not an easy feat. They had to tackle complex technical issues in the beginning and coordinate different ways of handling orders, whether customers were dining in, getting takeout, or receiving deliveries. This was especially tricky during busy times when many people wanted to place orders at once. They needed to adapt to the fact that more people in Finland were using the internet to order food. This meant the staff had to learn new ways of assisting customers online, almost like picking up a new language. This introduction sets the stage for understanding that Burger King had to overcome quite a few hurdles while trying to implement e-commerce.

Technical complexities: In Burger King's e-commerce venture in Finland, blending their freshly set-up online ordering system with their existing computer systems posed a major challenge. This wasn't just a matter of connecting the dots; it needed a substantial investment in technical know-how, resources, and time. Making sure the digital platform perfectly and securely meshed with their internal systems was important to guarantee customers smooth, trouble-free experience. Overcoming these technical hurdles wasn't a solo effort; it took detailed planning setting up IT foundation, extensive testing in its outlets, and a concerted effort from teams with different expertise to ensure that both the time-tested traditional methods and the new digital aspects worked together without a hitch.

In practical terms, this meant that Burger King had to bring in experts who understood the nitty-gritty of both their existing systems and the new online platform. They invested time and resources into making sure everything worked well, without any hiccups. It wasn't just about making things look good on the surface; it was about ensuring that the digital platform could talk to their internal systems in a way that was safe and reliable for a long term. It needed a lot of testing, like putting the platform through various scenarios to catch any potential issues. It was a team effort, dedication, use of expertise with different departments working together to make sure that this complex integration went off without any fault.

Operational coordination: When Burger King introduced e-commerce in Finland, merging in-store dining, takeout, and third-party deliveries into their online strategy posed some initial operational challenges. Managing all these different ways of getting orders, especially during the busiest times, needed careful planning and training for staff to avoid problems,

delays, and potential customer unhappiness. Making sure the kitchen, order processing, and delivery all worked smoothly together became an important part in very initial days. It was also important to train the staff properly to handle this multi-faceted approach, especially when there was a surge in online orders. This ensured that no matter how a customer ordered, they got the same good experience in in-store and deliveries.

Shift in consumer behavior: Burger King's move towards digital transformation in Finland was driven by a shift in how customers preferred to order their food, leaning more towards online methods and digital payments. But adapting to this change in consumer behavior also included more than just tweaking technology. It meant that employees had to change the way they worked, too. They needed to learn new practices and rules for dealing with customers in the digital world, in another way they had to do schooling to its customers from basic level. This needed training and education to make sure that the workers could answer questions online, help with technical issues, and efficiently handle digital orders, all of which would lead to happier customers.

In Finland, where people had established ways of ordering their food, this shift was especially tricky. Burger King had to make sure that their digital experience matched the local preferences and expectations. They had to find a balance between their global brand standards and what Finnish customers really wanted. This meant they had to do a lot of research in the local market and understand the small cultural differences to make sure they got it just right.

7.4 Lessons derived

In Burger King's strike into the Finnish market, invaluable lessons emerged in business environment, offering a blueprint for businesses eyeing a successful launching of e-commerce into their operations. These lessons length a spectrum of important aspects, from blending tradition with modern convenience to beautifying the power of the latest technology. Burger King's keen understanding of local tastes and unwavering commitment to adaptability shed light on the importance of cultural resonance in market expansion. The imperative of constant evolution in the dynamic empire of e-commerce serves as a

resounding reminder that adaptability and innovation are mutual topic for sustainable success in the digital age.

Hybrid business models: Burger King's venture into Finland revealed the power of blending tradition with modern convenience. By offering both online ordering and the classic in-person dining experience, they recognized that people have different preferences. Just like some days you might want to play video games, and other days you'd rather play outside, having options is important. This lesson shows that businesses shouldn't stick to just one way of doing things; they should be flexible to meet the diverse needs of their customers.

Technological investments: Burger King's success in Finland wasn't just because of good food; it was also because they used smart technology. They had strong technological systems, where they spent heavily that made ordering online, paying, and managing orders really easy and fast. It's like having a super speedy bike that gets you to your favorite park in no time. This lesson tells us that having technology of current need is like having a superpower for a business; it makes everything work better.

Localized adaptation: Burger King didn't just copy what they do everywhere else; they paid attention to what people in Finland like to eat. They changed their menu to match Finnish tastes and added seasonal menu on their boards. This lesson teaches that understanding the local culture and preferences is important when a business goes to a new place. It helped burger king to build a strong connection with the people in Finland.

Constant evolution: Burger King showed us that in e-commerce, business can't just stay the same. It must keep learning new things and trying new ideas. In the same way, businesses must keep evolving. They must stay alert to new trends and be ready to change their strategies when needed. This lesson reminds us that in the fast-changing world of e-commerce, staying flexible and always looking for ways to improve is important.

Burger King's journey in Finland isn't just a story about selling burgers. It's a lesson for businesses everywhere. They teach us that being flexible, using good technology, understanding local culture, and always trying to get better are keys to success. These lessons aren't just for big companies; they can help all kinds of businesses in implementing e-commerce and doing business, no matter how big or small is company in size.

8 Implications for international business strategies

8.1 Adaptation of traditional business models to incorporate e-commerce

Incorporating e-commerce into established traditional business models presents a transformative challenge. This process demands a well-structured alignment of digital infrastructure with existing operations if companies are trying to maintain their authenticity. Burger King's journey into the Finnish market applied this adaptation. Initially operating physical outlets in Helsinki and Tampere, the company recognized the increasing trend of digital interactions. Through strategic implementation of an online ordering platform, customers gained easy access to the menu, customization options, and streamlined digital transactions. This journey necessitated a detailed technical integration, ensuring a easy-fit convergence between the online platform and the pre-existing systems. As evidenced by Burger King's successful integration of e-commerce, businesses must invest in technical expertise and resources to deal with this transition effectively.

8.2 Strategies for market entry and expansion in the e-commerce era

In today's ever-changing business environment, entering new markets, especially in different countries and different localizations, every business needs careful planning. This denotes a deep understanding of local preferences and a deliberate effort to customize offerings. Burger King's entry into Finland provides a noteworthy example of entry and expansion. Through extensive market research, they identified and addressed unique local preferences. Additionally, they showed a keen awareness of the ever-shifting nature of consumer tastes, adjusting menu offerings to match seasonal changes. By skillfully tailoring their offerings, Burger King not only recognized the importance of market research but also emphasized the importance of adapting to local tastes. This shows the strategic skills needed for successful market entry and expansion in the e-commerce era. It highlights the importance of aligning global brand standards with local preferences, showing that understanding of cultural differences is important for success in international markets through e-commerce.

8.3 Building trust and managing customer relationships in the online environment

Establishing trust and cultivating customer relationships in the digital landscape is foundational to e-commerce success. For these companies need data security measures, responsive customer support, and active solicitation of feedback. Burger King's entry into the Finnish market already presented this dedication to trust-building. Implementing secure online ordering and payment systems showed a commitment to safeguarding customer data. Similarly, offering accessible customer support channels ensured that customers' online interactions were met with needed assistance. The company's proactive approach in seeking and reacting to customer feedback through various digital platforms showed their commitment to refining the online ordering experience. This highlights the imperative of active engagement and responsiveness in building trust and managing customer relationships in the online environment.

8.4 Recommendations for policymakers and industry stakeholders

Creating a favorable environment for e-commerce growth needs teamwork from policymakers and industry stakeholders. To keep moving forward and coming up with new ideas, it's important to set up rules that support e-commerce, have smart plans for trade, and work together on projects. Burger King's successful start in the Finnish market teaches important things for these decision-makers. It shows how we really need rules that help e-commerce grow. Also, it shows how working together with governments, businesses, and tech companies is very important. This kind of teamwork is key in making a safe and lasting e-commerce system. By using what Burger King did as an example, policymakers and industry stakeholders can team up to push e-commerce forward in the worldwide business landscape. This teamwork can bring big benefits for growing economies and connecting global markets.

9 Conclusion

9.1 Summary of findings and key visions

This extensive study investigates the profound influence of e-commerce on international business operations, offering vital knowledge into the fusion of digital platforms with traditional business models. The comparative analysis between physical and online businesses represents distinctive strategies, challenges, and invaluable lessons. Notably, enterprises stepping into e-commerce must tactically adapt to shifting consumer behaviors, complex technical blending, and operational coordination hurdles. These findings highlighted the need for businesses to adopt a dynamic approach, blending conventional practices with inventive digital strategies.

In deepening the evolution of e-commerce, it is evident that the digital landscape has progressed from basic online stores to advanced, data-driven platforms. Contemporary trends and innovations in e-commerce, spanning multi-channel approaches to immersive shopping experiences, showed the varied methods used by businesses to engage and retain online customer base. These trends highlight the necessity for businesses to remain adaptable in response to swiftly evolving digital dynamics. The case studies elucidate the marked differences between conventional and e-commerce business models. While conventional models rely on physical presence and established consumer habits, e-commerce endeavors demand proficiency in dealing with a multifaceted technological environment. The strategies for e-commerce integration distilled from these studies represent the importance of easy online platforms access, focused digital marketing, and strong customer feedback mechanisms.

9.2 Contributions to the field of international business

This thesis delivers significant contributions to the empire of international business by providing a well-graded examination of e-commerce installation into conventional business models. It furnishes a much-needed framework for enterprises aiming to leverage digital platforms in an increasingly globalized market. The comparative analysis of case studies acts as a valuable resource for practitioners, shedding light on the challenges and best

practices linked with e-commerce adoption. Similarly, the lesson derived from this study holds far-reaching implications for policymakers and industry stakeholders by showing the necessity for collaborative endeavors in conquering a conducive environment for e-commerce expansion.

9.3 Limitations and suggestions for future research

While this study covers an in-detail analysis of e-commerce's impact on international business, it is undoubted that only this study cannot cover the whole empire of e-commerce. The case studies primarily concentrate on specific industries and may not represent the full factors of challenges and strategies across all sectors. Furthermore, the rapidly evolving nature of e-commerce needs continuous research to stay alongside emerging trends and technologies. Prospective research success in this field could go much deeper into industries and their unique challenges in adopting e-commerce. Similarly, longitudinal studies tracking the progression of e-commerce practices over time would yield valuable lessons into sustained strategies for international business success in the digital era. Also, it would be important to investigate the different ways of doing online business, and how the rules and laws affect it. This is especially important because the rules around the world are changing based on the evolving digital landscape. This is a good direction for future research.

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11 Appendices

Appendix 1: Interview questions with Khilji Sami (Burger King Lippulaiva, Espoo, restaurant manager from last 10 years) and Hautamäki Minna (Burger King, Ideapark, Seinäjoki, restaurant manager from last 4 years).

Appendix 2: Survey questions

Appendix 1: Interview questions with Khilji Sami (Burger King Lippulaiva, Espoo, restaurant manager from last 10 years) and Hautamäki Minna (Burger King, Ideapark, Seinäjoki, restaurant manager from last 4 years).

- ☞ Can you tell me about the history of company and how it entered in Finland?
- ☞ How many outlets does Burger King have globally, and in how many countries is it present?
- ☞ From where Burger King operates centrally?
- ☞ What were the challenges Burger King faced when venturing into e-commerce or operating in Finland?
- ☞ When did Burger King first start operating in Finland and where?
- ☞ Who currently owns and manages all Burger King operations in Finland?
- ☞ How did Burger King utilize e-commerce to support its international expansion efforts in Finland?
- ☞ Why is expanding into digitalization considered a necessity for sustained relevance in today's era?
- ☞ How has Burger King's total sales changed by e-commerce in Finland or globally?
- ☞ What was the sales growth rate for Burger King that you remember?
- ☞ How did Burger King enhance customer convenience through the implementation of an online ordering platform?
- ☞ How did Burger King integrate its mobile app with the online ordering platform?
- ☞ How did Burger King's digital marketing campaigns cater to the preferences of the modern consumer in Finland?
- ☞ Which social media platforms did Burger King predominantly utilize for its digital marketing campaigns?
- ☞ How did Burger King's partnership with Wolt enhance its e-commerce strategy in Finland? What was the sequence at the beginning, can you explain it little bit more?
- ☞ When did Burger King start delivering online orders through Wolt and its app order?
- ☞ What was the importance of Burger King's loyalty programs in terms of customer engagement and retention and how effective is it for the company?
- ☞ How did Burger King gather valuable data on customer behavior through its loyalty programs?

- ☞ How did the introduction of mobile payment options enhance the ordering process for Burger King customers in Finland?
- ☞ What was the impact of personalized marketing on Burger King's customer engagement and conversion rates?
- ☞ How did Burger King encourage and leverage customer feedback to improve its online ordering experience?
- ☞ How did Burger King utilize special offers and promotions to drive sales and customer engagement?
- ☞ How did Burger King demonstrate its commitment to social responsibility through various initiatives?
- ☞ What were some of the social responsibility initiatives promoted by Burger King?
- ☞ How did strategic menu innovation contribute to Burger King's ability to attract and retain customers?

Appendix 2: Survey questions:

1.How often do you order food online from Burger King? (Single choice)

- Never
- Occasionally
- Frequently
- Always
- Rarely

2.Which platform do you primarily use for ordering food from Burger King? (Single choice)

- Mobile App of burger king
- Food Delivery Apps Wolt
- Restaurant visit

3.How satisfied are you with the user interface and navigation of Burger King's online ordering platform? (Single choice)

- Very Dissatisfied
- Dissatisfied
- Neutral
- Satisfied
- Very Satisfied

4. Have you ever used the food delivery navigation system provided by Burger King? (Single choice)

- Yes
- No

5. Which feature of the online ordering platform or e-boards at Burger King do you find most helpful? (Single choice)

- Menu Customization
- Order Tracking
- Special Offers/Promotions
- Same quality at home

6. How likely are you to engage with Burger King's digital marketing campaigns (e.g., promotions, discounts) when making a purchase? (Single choice)

- Very Unlikely
- Unlikely
- Neutral
- Likely
- Very Likely

7. On a scale of 1 to 5, how would you rate the effectiveness of Burger King's e-campaigns in influencing your purchasing decisions? (Single choice)

- 1 (Not Effective at All)
- 2
- 3
- 4
- 5 (Extremely Effective)

8. Have you participated in Burger King's online loyalty programs? (Single choice)

- Yes
- No

9. Which factor is most important to you when ordering food online from Burger King? (Single choice)

- Fast Delivery
- Menu Variety
- Price
- Order Accuracy

10. How likely are you to recommend Burger King's online ordering platform to a friend or colleague? (Single choice)

- Very Unlikely
- Unlikely

Neutral

Likely

Very Likely

11. Your suggestion for the company's e-commerce plans in near future?

Enter your answer.