THE INFLUENCE OF INFORMATION COMMUNICATION TECHNOLOGY (ICT) ON THE RELATIONSHIP BETWEEN MARKETING AND INTERNATIONAL GROWTH OF A FIRM

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DECLARATION

I, the undersigned, hereby declare that this independent study paper is my original work and has not been presented in any other college, institution or university for an award.

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LIST OF ACRONYMS AND ABBREVIATIONS

CBA	Commercial Bank Of Africa
EDI	electronic data interchange
FDI	Foreign direct investment
ICT	Information communication (and) technology
ID	identification card
IBM	International business machines
KCB	Kenya Commercial Bank
KQ	Kenya Airways (Q is the IATA airline designator)
MNCs	multinational corporations
MNE	Multinational enterprise
SEACOM	South and East Africa cable system linking south and east Africa
SMS	Short message Service
TEAMS	The East African Marine system(linking the world through sub marine fibre optic cable)
UK	United Kingdom

CHAPTER 1

INTRODUCTION

1.1 Introduction

Business has been evolving over the years and with the advancement of technology and technological processes, great strides have been made. International business, as will be mentioned elsewhere in this paper, involves doing business with geographically separated businesses. It has been in existence for a while and the ways of going about it has been an area of interest for countries, multinationals and even individuals.International business focuses on business activities across national boundaries. In essence it may be referred to as business without borders. It differs from domestic or local business in that a firm operating across borders, must deal with domestic, foreign and international forces. The advent of technological changes has further closed some of the gaps and or challenges that were experienced previously and helped move international business to the next level.

International Business has been conducted by nations over the years from the days of slavery right up to date in the age of the internet where this area has grown to great lengths. It has ultimately contributed to shaping the whole world.In international business, firms or individuals participate although they would be largely geographically separated. Today the impact of international business is greater than ever. Countries that have never been thought of as major participants, have emerged as a major economic powers and in great stride, are already overtaking the traditional players in this arena. An example is the emergence of China and India as major international business trade partners in Africa and thereby overtaking the traditional Western world super powers.

Technology in itself is considered an enabler. Howell (2005) states that technology implies usefulness of some kind for someone most obvious at the level of artifact, an object by definition, given form by human kind and whose creation implies some human purposes.Technological developments have greatly impacted the way businesses are ran. The one industry that has greatly played its role in bridging the gap through the use of technology is the telecommunications industry. Telecommunications is currently the buzz word for enabling nations and people to keep in touch and is interchangeably used when referring to information and communication technology (ICT) initiatives. Telecommunications in itself is a vast field encompassing but not limited to mobile telephony, fixed line; internet based technology and cable television.

Today through the advancement in this sector and specifically mobile telephony and internet, initiating and completing business transactions including payments is only a phone call away. Literally mobile phones and the technology around it have become transactional gadgets with complete end to end process being enabled while on the move. With the advent of the internet, geographical separation has been less obvious between firms engaged in business or between businesses and individual customers. Today with the high- end internet enabled phones(hand-sets),doing business with a country as far away as Japan seems so much as close as driving to the city centre of Nairobi and closing a similar business deal within a short time.

1.2 Traditional modes of business

In the early days, the simplest means of doing business involved exchange of goods and this was known as barter trade. In that instance, all that a trader needed to do was to exchange with another trader what he had with the goods that he required. From the onset, it simply appeared amicable agreements would be drawn between the two parties that were engaged in barter trade. International business originally consisted of international trade. Trade between nations can be traced back to more than 2000 years ago before Christ (B.C). Success in international trade led to political and military power. Wars were initially fought to maintain business strongholds. There have since been various forms of entry methods that were traditionally used by firms to do business internationally. Porter (1990) has pointed out strategic alliances as a tool in carrying out global strategies.Porter thus uses the term alliances to encompass a whole variety of arrangements that include joint ventures, licenses, long term supply agreements and so on. The inter firm relationships which have constituted entry methods of doing international business in the past include exporting, direct investment, joint ventures and turnkey projects.

Exporting has by far been the most commonly known mode of entry strategy. International business initially took the form of exporting and importing. Exporting is selling of products made in one's own country for use or re-sale in other countries. Importing is the buying of products made in other countries for use or re-sale in one's own country. Scholars may also want to critique on what happens when one exports goods that have been made from raw materials that have been imported. Exporting is considered a relatively low risk way of beginning international expansion or business. It is also a methodology of testing an international market. In as much as it is a common entry methodology, there are some drawbacks to it the most immediate one being finding a suitable market for the goods and or services. By its very nature, it also encourages infiltration of substandard goods to the importing country. More often than not it is noted that there is dumping of goods. Exporting also leads to direct competition with the local market. Buckely et.al. (1990) underscores that in the exporting arrangement, governments could also be seen as the main source of impediments to the free flow of products between nations. By placing tariffs on imported goods, governments increase the cost of exporting relative to foreign direct investment (FDI) and licensing. Similarly by limiting imports through imposition of quotas, governments increase the attractiveness of FDI and licensing.

Direct investment is another entry method that has been common. Porter (1990) further states that direct investment is the ultimate form of foreign involvement. The company can buy part or full interest in a local company or build its own facility. The firm secures cost economies in the form of cheaper labour or raw materials, foreign government incentives, freight savings. The fact that the firm creates jobs by the mere nature of this strategy, by extension it also strengthens its image in the host country. Tendencies that have been noted in such arrangements are that the firm develops a close relationship with the government, customers, local suppliers and distributors enabling it to adapt its products better for the local government. The firm also retains full control over its investment and can therefore develop manufacturing and marketing policies that serve its long term international objectives. Direct investment also has some drawbacks. In this arrangement the firm exposes a large investment to risks such as blocked or devalued currencies, worsening markets or expropriation of funds. There is also the fact that the firm may find it expensive to reduce or close down its operations since the host country may usually require a substantial amount of severance pay to the employees.

Joint ventures has previously been a common entry method as there is an arrangement between a multinational enterprise (MNE) and a local partner. The MNE brings its firm specific advantages e.g. in knowledge, technology or capital to the operation. The host country partner on the other hand traditionally brings knowledge of the local environment and this this fits in well as usually the MNE chooses a partner that is not a MNE itself.Foreign investors may thus join with local investors to create a joint company or product. Joint ventures may be necessary or desirable for economic or political reasons. Foreign firm might lack the financial, physical or managerial resources to undertake the venture alone. The foreign government might also require joint ownership as a condition for entry. Deresky (1997) further adds that though joint ventures are at a much higher level of investment and risk, they present considerable opportunities that are unattainable through the other strategies.

As with any other methodology, joint ventures have inherent drawbacks. For instance, the partners might disagree over investment, marketing or other policies. Another drawback is that one partner may want to reinvest earnings for growth while the other might want to declare more dividends. This arrangement may also present instances where a multinational is prevented from carrying out specific manufacturing and marketing policies on worldwide basis.

Turnkey projects is a package deal in which the MNE constructs a production facility and provides training for the personnel necessary to operate it such that the facility is ready to begin operations, on completion of the project. In some instances the project may be partially completed thus the multinational "turns the key" to the respective government to handle the project. The turn key project can be an alternative to exporting or to multinational activity especially when a host government has imposed restrictions as to who should operate and who should not. In other instances, the host nation's market may be too small to warrant fruitful operations. The risk of foreign direct investment may also be too great to warrant an investment by an MNE. One of the drawbacks is that the project may at times be a "white elephant" i.e. it will not be used despite all the effort put into it. It may be used to blackmail i.e. the multinational may decide not to hand over or "turn the key" until certain conditions are met. There may also be exposure to contract revocations if not in good relations with the host government.

There are also other forms of international business activities. Griffin and Pustay (2010) state that the other forms of international business include licensing, franchising and management contracts. International licensing encompasses contractual arrangement in which a firm in one country licenses the use of its intellectual property (patents, trade- marks, brand names, copy rights or trade secrets) to a firm in a second country. In international francising which appears to be a specialized form of international licensing, occurs when a firm in one country (franchisor) authorizes firm in second country (franchisee) to utilize its operating systems as well as brand names, trade marks and logos in return for royalty payments. The McDonalds burgers operate like this.International management contract is where a firm in one country agrees to operate facilities or provide other management services to a firm in another country for an agreed fee. Marriot Hotels and Hilton operate in this manner.

1.3 Business Growth

For any venture, business growth is an important aspect and is an end objective in itself. To grow or not to grow would be an important part of an entrepreneur's strategic plan. It is key requirement for any business, to be prepared for growth and to understand its implications. Growth may not be entirely voluntary. Customers may demand more volume, better service and even better prices. Hisrich and Peters (2002) depicts that in the first few years of a ventures' existence, revenues are relatively small with little growth. Thus initial phase typically lasts for about 5 to 7 years although it may vary by industry. In the next phase which also typically lasts for another 5 years, revenues begin to grow at an increasing rate after which the venture reaches a more stable phase when revenues and growth stabilize.

According to Yegge (1995), financing rapid growth might be a major problem. Reaching higher levels of sales may necessitate additional and continuing investment in both current and fixed assets. Growth without management control can force the company into cash strapped position. Yegge further states that although cash is required to purchase new equipment and personnel, increased bank debt may dilute balance sheet strengths. Developing growth within limitation or boundaries can allow the business to grow profitably.Depending on the firm's ability to rejuvenate sales and begin another growth cycle would determine the firm's pace. For instance the decision in a highly competitive market may be to maintain and protect market share with little or no growth. A firm would therefore require strong marketing models. This will further be emphasized elsewhere in this paper.

As described by Griffin, et .al. (2010), international marketing is an extension of these activities across national boundaries. Firms expanding into new markets in foreign countries must deal with different political, cultural and legal systems as well as unfamiliar economic conditions advertising media and distribution channels.

1.4 International business

The term "international business" refers to a wide range of activities involved in conducting business transactions across national boundaries. International, as opposed to multinational, business suggests a comprehensive approach to operations of both big and small firms engaged in business overseas.To various scholars, there are variations on what exactly is international business apart from the simplistic description of it just being described as doing business across geographically dispersed areas. Koontz and Weihrich (1998) explains that these transactions include the transfer of goods, services, technology, managerial capital and knowledge to other countries.Griffin et.al (2010) writes that international business consists of business transactions between parties from more than one country. Examples of international business transactions include buying materials in one country and shipping them to another for processing, or assembly; shipping finished products from one country to another for retail sale, building a plant in a foreign country to capitalize on lower labour costs.

International business can differ from domestic business for a number of other reasons. Countries involved may use different currencies forcing at least one party to convert its currency to another. Legal systems of countries may differ forcing one or more parties to adjust their practices to comply with local law. There is also the issue of culture. Cultures of countries may differ forcing each party to adjust its behavior to suit or align to the seemingly "new culture".The availability of resources differs by country. One country may be rich in natural resources but poor in skilled labour while another may enjoy a productive, well trained work force but lack natural resources. International business people must therefore be knowledgeable about cultural, legal, political and social differences among countries. They must choose the countries in which to sell their goods and from which to buy inputs. International business must also co-ordinate activities of their foreign subsidiaries while dealing with taxing and regulatory authorities of their home countries.

During the colonial period and subsequent age of imperialism, there was growth of foreign direct investment and multinational corporations (MNCs) both of which involve foreigners supplying and controlling investments in host countries. European capitalists from such imperialists powers as the UK, France, Netherlands, Spain, Belgium and Portugal nurtured new businesses in their colonial empires in the Americas. Asia and Africa. Here they established networks of banking, transportation and trade that persist to this day. An important aspect in international business is internationalization. According to Buckley and Ghauri (1999), internationalization of the firm has been a key issue in international business research. Internationalization of the firm is a process in which the firms gradually increase their international involvement. It is also seen as the process of outward movement in an individual firm's or larger grouping's international operations. The definition could be broadened further as "the process of increasing involvement in international operations".

In an article, Caves(1995) stresses that international business cuts across areas in business administration. In the areas of strategy, finance, marketing, organizational behavior and human resource management, each has its domain of decision making within the firm. Caves further attests that international business designates a group of firms that face decision making problems beyond those that confront simple national businesses. Buckley and Chapman (1996) gives a brief recap on how international business came about. In his articles he articulates that ever since the first national borders were formed, international business has been conducted by nations and individuals. He further mentions that in many instances, international business itself has been a major force in shaping borders and changing world history.

Toyne and Nigh(1998) in an article further examines the extension paradigm. In looking at the outward investment pattern of US firms and activity based definition of business adopted by most business scholars, he presents international business as the extension of a firms' activities across national borders. International business is looked at as a multi-level hierarchical process that evolves or emerges over time as consequence of interaction of two or more socially embedded multi-level business processes. Pedersen and Shaver (2000) further brings in the internationalization theory building on further on Buckley's articulation of the same. This is the process by which firms expand internationally. In this model, the aspects explored are establishment chain and psychic distance. Nordstrom, et.al. (1992) initially defined psychic distance as "factors preventing or disturbing the flow of information between potential or actual suppliers and customers" to increase the understanding of the location of pattern of firms, in this case Swedish exports and foreign subsidiaries. Pedersen, et.al. (2000) provides a theoretical overview of how firms expand internationally. The expansion of firms is seen not merely as a gradual internationalization process but rather through a discontinuous process characterized by "big step" hypothesis. The scholar further explains that establishment chain dimension predicts that firm's initial investments within a country initially involve a limited level of commitment such as exporting to a local agent. Thereafter the same process can be followed and evolve to more involved forms of participation like direct investments. In this aspect, psychic distance between the markets increases, the more difficult it becomes for firms to collect and interpret incoming information. It is important to note that firms prefer foreign markets that are similar to their own domestic market. Additionally in the internationalization model, as firms experiencially gain knowledge over time, this knowledge will help in off-setting the uncertainity of entering a foreign market.

Today the impact of international business is greater than ever. Countries that have never been thought of as major participants, have emerged as major economic powers. Individuals and firms have come to recognize that they are competing not only domestically but also in a global market place. International business has given rise to global linkages of financial markets, technology and living standards that were previously unknown and unanticipated. It has also deeply affected domestic economies and has resulted in the emergence of totally new opportunities and threats to firms and individuals.

1.5 Importance of information communication technology

Technological developments have greatly impacted the way businesses are run. With the advent of the internet as has been mentioned elsewhere in this paper, gaps on geographical separation have been closed. The internet has changed the way we communicate and do business. Anyone with access to a computer which is connected to the internet, can communicate with a potential business partner or a resource person as long as they are on the "net". The underpinnings of the Internet are formed by the global interconnection of hundreds of thousands of otherwise independent computers, communications entities and information systems. What makes this interconnection possible is the use of a set of communication standards, procedures and formats in common among the networks and the various devices and computational facilities connected to them. The procedures by which computers communicate with each other are called "protocols."

On top of this infrastructure is an emerging set of architectural concepts and data structures for heterogeneous information systems that renders the Internet a truly global information system. In essence, the Internet is an architecture, although many people confuse it with its implementation. When the Internet is looked at as an architecture, it manifests two different abstractions. One abstraction deals with communications connectivity, packet delivery and a variety of end-end communication services. The other abstraction, deals with the Internet as an information system, independent of its underlying communications infrastructure, which allows creation, storage and access to a wide range of information resources, including digital objects and related services at various levels of abstraction.

Cooper, et.al. (1995) outlines the main features of internet. Electronic mail –popular referred to as E-mail is by far the most popular feature/tool that is utilized over the internet. Searching for files and databases constitutes an activity in itself as the very nature of browsing the web involves the actual "trigger" of databases to retrieve information. The information is then exchanged which could technically be done via various methodologies using mechanisms such as file transfer protocol. Access to social media sites has drawn world wide use of the internet with a whole new concept combining email and chat capabilities in the various social media websites.

Other areas related to internet use are tele and video conferencing. These two capabilities can be made possible using some softwares. One can indeed make a phone call over the internet using an application called "skype". The mobile phone sector has also not been left behind. Mobile phone operators in Kenya and Africa as a whole offer internet at subsidized costs. Presently, with the advent of the TEAMs and SEACOM project, it is expected that the costs of these services will be further subsidized. Using high end phones and some "not –so –high end" models, prospective business people can conveniently use this facility to communicate.The internet technology has given rise to hitherto unexpected developments in the way we communicate and exchange information. A number of countries in addition to Kenya are already enjoying the benefits of this new development.The use of the world wide web or the internet as it is known by majority of the users has several benefits. It has served to link the whole world. It has assisted in helping to cut transaction costs and lower barriers to entry for smaller, geographically separated competitors. This has been achieved as today, businesses have a direct link to customers or consumers world-wide who can order practically anything from the comfort of their homes. In Kenya today, there are various activities done on the internet. Examples are banking activities. Commercial Bank of Africa (CBA), Barclays Bank and Kenya Commercial Bank(KCB) are some of the banks that are fully utilizing the power of information technology. Kenyan travelers and other travelers at large, can now book their tickets online and even initiate the check-in process all with a click of a button on the Kenya Airways (KQ) website (www.kenya-airways.com). They also pay their tickets online or through the mobile money transfer systems powered through ICT powered platforms.

From a human resource recruitment perspective, more and more companies are carrying out their recruitment in a different way. More often than not, career opportunities will be posted on the company website to which respondents are required to apply online and upload their resumes. Thus this brings about the need for literacy levels to be high and also the need for availability and affordability of internet services. Kenyan organizations and international bodies all currently utilize this facility to post information on recruitment openings; recruitment policies and so on.

The Kenyan Governement has also not been left behind. In an effort to keep up with this technology and on ICT as a whole, a number of government services are now going online. The services include integrated online recruitment and selection system, online customs declarations and even in the educational sector, students can now utilize short message services (SMS) services to retrieve school results. In the political scene, the various electoral processes have utilized the SMS system to track voting status. Other services that are soon to be implemented include integrated tax management system, 3rd Generation identity card (e.ID) and e-Passport.Kenyans can also download a number of forms from the internet sites of affiliated bodies such as the police abstract form : the annual tax return forms and so on. The traditional paper based way of delivering government services is paving way for the new and more efficient online mechanism. As at the month of July 2011, government formally launched a government open data website (www.opendata.go.ke) which is meant to avail data in a flexible, user friendly format to researchers, web and software developers as well as general public.

CHAPTER 2

MARKETING AND INTERNATIONAL BUSINESS GROWTH

2.1: Marketing Strategies

Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives.Paliwoda(1993) describes marketing as the management process which seeks to identify, anticipate and satisfy customer requirements profitably. International marketing on the other hand is simply the application of marketing principles to more than one country. However, there is a crossover between what is commonly expressed as international marketing and global marketing, which is a similar term. The intersection is the result of the process of internationalisation. Many American and European authors see international marketing as a simple extension of exporting, whereby the marketing mix is simply adapted in some way to take into account differences in consumers and segments. It then follows that global marketing takes a more standardised approach to world markets and focuses upon sameness, in other words the similarities in consumers and segments.

Doole and Lowe (2001) differentiate between international marketing (simple mix changes) and global marketing (more complex and extensive). Thus at its simplest level, international marketing involves the firm in making one or more marketing mix decisions across national boundaries. At its most complex level, it involves the firm in establishing manufacturing facilities overseas and coordinating marketing strategies across the globe.Cateoraet.al(1999) consider international marketing in the absence of global marketing. International marketing is thus the application of marketing orientation and marketing capabilities to international business while Muhlbacher, Helmuth and Dahringer (2006) additionally considers international marketing in relation to marketing orientation and competences.

Since international business entails doing business across borders, it therefore becomes necessary that market entry strategy decisions are made. In selecting a strategy, a number of factors would need to be considered. Paliwoda (1993) continues to list the factors. The speed of market entry, if desired, is listed as a major factor. Thus if speed is required, then building up wholly owned subsidiary will be by acquisition and licensing.

It is important for the strategists to consider both direct and indirect costs. Subjectivity, which is ever present may force a wrong decision. Savings may be outweighed by indirect costs such as freight, strikes or disruptions to output, lack of power supply or irregularity. From legal perspective, laws of a country exist to protect the country's nationals. In disputes between two countries, the domestic law of a 3rd country is often called upon so that domestic laws then become used for a purpose it was not intended. Risk factors including political risk as well as competitive risk are key. In this instance, getting a product to market is important but so too is avoiding the creation of a competitor an accusation often leveled against licensing. Risks may be minimized through joint ventures.

Other factors that would need consideration include investment period and long term project objectives. Shorter term payback may be recovered from licensing and franchising deals where as collaborative joint ventures or joint equity ventures may tie up capital for a number of years. In long term profit objectives, growth forseen for the market distribution channel policy is important for the future. Wholly owned foreign subsidiary may build up its own technical service department alongside growing but small sales team.

2.2 Marketing in International Business

Firms expanding into new markets in foreign countries must deal with different political, cultural and legal systems as well as unfamiliar economic conditions, advertising media and distribution channels. Paliwoda (1993) alludes that marketing may be considered as a network of relationships between firms engaged in buying and selling through to the final consumer. Giffin, et.al. (2010) further illustrates that an international firm accustomed to promoting its products on television media will have to alter its approach when entering a less developed market in which relatively fewer people have televisionsets. Advertising regulations vary from country to country. French law discourages advertisements that disparage competing products.

Keegan, et.al. (2008) gives an overview of advanced form of marketing. Thus in global market segmentation there is inbuilt process of identifying specific segments whether they be country groups or individual consumer groups of potential customers. The targeted group would usually be customers with homogeneous attributes who are likely to exhibit similar responses to the country's marketing mix. He further lays an emphasis on guidelines to assist marketing managers in efforts to establish global brand leadership. These include the creation of a compelling value proposition for customers in every market entered beginning with home country market. Before taking a brand across borders, it is important to think about all elements of brand identity and select names, marks and symbols that have potential for globalization. Development of a companywide communication system to share and leverage knowledge and information about marketing programs and customers in different countries is another important aspect as well as developing consistent planning processes across markets and products. A process template should be made available to all managers in all markets to ensure consistency.

Assigning specific responsibility for managing branding issues (Keegan et.al.,2008), is another aspect to ensure local brand managers accept global best practices. It can be business management team or a brand champion led by senior executives to a global brand manager. The next step would then be to execute brand building strategies. From a technological perspective Keegan(2008) explains that distance was the pre modern world variable of greatest significance. Internet is totally independent of distance.

CHAPTER 3

INFORMATION COMMUNICATION TECHNOLOGYAND INTERNATIONAL BUSINESS GROWTH

3.1 Information Communication Technology advancements

It is now common knowledge that the world has become one common market. It is also a known fact that the world is seemingly smaller. Gone are the days when business deals had to be planned for months and the actual transactions would take a while. Today, with the click of a button. a deal is sealed within minutes for businesses which are geographically apart. This is due to the fact that we are now living in the information age. Theodore Levitt in an extract of an article aptly states that a powerful force drives the world towards a converging commonality and that force is technology. It has proletarianized communication, transport and travel. It has made isolated places and impoverished people's eager for modernity's allurement.

Technology in totality is anallencompassing aspect. In business world, its use in mechanized processes; automation of services right upto delivery of given goods and services, best defines what technology can do and how best it can be used to deliver a business or organisations' objective. Information technology is a new phenomenon that has taken the world by storm and is just part of the great technological advancements that have changed the way business is done. It is also variously referred to as Information Communication Technologies (ICT). It encompasses many aspects of computing and technology. The term Information Technology has been defined by various authorities in the subject area but International Technology Association of America. which is a leading industry trade group for information technology companies. best defines it as the study, design, development, implementation, support or management of computer-based information systems, particularly software applications and computer hardware. Some of the current developments include Internet technology which has enhanced and closed the gap on distance as far as business transactions are concerned. Improvement of transportation and communication technologies has been a major driver pushing the world towards greater globalization.

In the 20th century, the emerging global telecommunication infrastructure was extended and its uses expanded by the development of radio transmission, satellite communications, and terrestrial broadband networks. More recently, digital encoding, storage, and transmission have allowed for data compression and the convergence of multiple formats into a common digital stream, further accelerating the speed and volume of global information and communication flows. At the same time, the diffusion of inexpensive personal computers, the development of the graphical user interface, and the establishment of common data exchange protocols have given users around the world direct access to an increasing mass of data, text, and multimedia documents-as well as the power to create and distribute the same.

Information technology deals with the use of electronic computers and computer software to convert, store, protect, process, transmit and securely retrieve information. In the context of this paper, the ICT developments will form the focus of the technological discussions.Ackroyd (2002) argues that the impact of new technology on productivity has been considerable. The availability of integrated managed information systems (MIS) has allowed the reduction if not the removable of middle management and the effective coordination of otherwise physically remote plants and offices. Greater specialization and the widespread application of advanced technologies have stimulated a rise in demand for skilled labour in fields such as information technology (IT), specialized financial and other business services, materials engineering and biotechnology.

3.2 Information communication technology advancements and international business growth

The world has become smaller with the advent of the internet. E-trade, E-Commerce and E-Business are some of the synonyms used to denote doing business through the very dynamic electronic media. The flow of the electronic media is what keeps industries, banking systems, civil society, governments and media to operate. Cateora (1996) explains that the use of the internet is rapidly becoming an important distribution method for businesses. Technically, E-commerce which is a subset of e-business is a form of direct selling. It is used to market business to business services, consumer services and all other modes of doing business via the world wide web on the internet. It involves direct marketing from a manufacturer, retailer to a final user. The internet thus represents in the context of this paper the advancements of information communication technology (ICT) and its impacts on international business. Customers are becoming super shoppers empowered by ability to access information where and when , how they want it (Bartlett & Ghosal,2002). Internet is fast becoming a standard part of global shopping experience.

Cateora (1996) further outlines the issues that need to be addressed in an international cyber market space when trading through the internet. In instances where firms are involved, the host intermediaries would be eliminated hence leading to various mechanisms in the establishment of business partnerships. For instance in establishing local contacts, many companies are creating virtual offices whereby the company has a phone number in important cities that doubles up as the voice mail, fax and the general contact point. Thus communication is set up to take full advantage of the benefits of the whole ICT sphere. Websites are also set up which are translated into languages of target markets. This enables the target market to understand. Paliwoda, et.al.(1998) noted that initially the internet was only available in English. Most of the world's languages can now be taken into consideration as we have various languages in use. A good example is the use of the search engine, Google, which comes in many languages.

In completion of business transactions, payment and delivery modes are designed as appropriate. Thus buyers and sellers can transact and pay bills online. This is evident as seen on purchasing of vehicles online (www.ibcjapan.com) or when buying and paying for books online through www.amazon.com. In some instances, the delivery is physically done. In other instances, one can actually confirm and ascertain status of delivery of their goods by simply logging into a website. The courier company, DHL, has the functionality such that on completing a transaction, one just uses the "way-bill" number to track status of the delivery all done on the internet. The website could practically be seen as a retail store the only difference is that the customer arrives there over the internet. The internet should therefore not be overlooked as a foreign market entry method. Currently in a bid to boost tourism, a number of countries, including Kenya have engaged in campaigns to post information about respective countries, in their respective government websites. Thus these are serving to woo would be visitors to visit the respective countries both as tourists and as business investors.

CHAPTER 4

INFORMATION COMMUNICATION TECHNOLOGY, MARKETING, AND INTERNATIONAL BUSINESS GROWTH

4.1 Relationship between marketing and international business

International business as has been implied elsewhere in this paper, would include doing business across geographically dispersed areas. In itself, Kotler (2000) defines marketing as a societal process by which individuals and groups obtain what they need and want through creating, offering and freely exchanging products and services of value with each other. It is also further described as the art and science of choosing target markets and getting and keeping customers. Growth in customers would be perhaps through creating, delivering and communicating superior customer value.

Marketing mix elements would be the tools that the firm would use to pursue its marketing objectives in the target market. For successful marketing initiatives in an international market, a firm must ensure that its products and or services have a strong brand presence in the said market. Aaker(1996) summarises four sets of measures that firm may need to consider as they enter into a market.. Differentiation measures how distinctive the brand is in the market place. Relevance measures whether a brand has personal relevance for the expected target market. The brand needs to be personally appropriate or meaningful to the target market and this would form basis for this measurement. He further divulges that esteem would be another measure. This ideally measures whether a brand is held in high regard and considered the best in the class.

4.2 Relationship between marketing, information communication technology and international business

A firm's advantage over rivals is arguably rooted in its intangible, firm-specific resources (Barney, 1991; Kogut and Zander, 1992). Market and technological knowledge generated from internationalization have a great potential to contribute to SME growth relative to that of major competitors.The direct link between globalization and information technology (IT) is also evident in the sense that rapid technological change and reduction in communication costs have facilitated the globalization of production and financial markets. Ghemawat (2001) underscores that information technology and in particular global communications are shrinking the world turning it into small relatively homogeneous place. At the same time, globalization stimulates technology through increased competition; it diffuses technology through foreign direct investment.

The impact that globalization and information technology have had on each other has made work more mobile, capable of being performed in different parts of the world without the need to actual set up of physical facilities in other countries. Other changes in the nature of work and workers are being brought about partly by globalization, but not entirely because of it. For instance, it is arguable whether globalization is solely responsible for the growing service sector, and it does not account for the rapid influx of women into the workforce. Be that as it may, some of the changes which have a fundamental impact on traditional international recruitment include the expanding service sector at the expense of the manufacturing sector in industrialised and rapidly initializing countries. There are also more advanced and skilled workforces. Women have also not been left behind as there is a rapid influx of the same such that in some countries the female gender occupy more than half the emerging jobs. With the advent of technology, there isalso an increasing number of people who will not be working in an organization though they will be working for an organization.The decreasing number of people working under 'permanent' contracts of employment, and the proliferation of other types of work arrangements such as part-time and temporary work, home work and contract work. Thus traditional international recruitment has been challenged to accommodate different types of employment contracts, and different types of pay systems to reward performance and skills.

In the last decade, technological advancements has resulted in dramatically lowering costs of electronics, a borderless world as a result of globalization, increased competition, privatization and multiplicity of operators as a result of liberalization and convergence of broadcasting, telecommunications and information technology. The global integration of ICT networks has been forged though and there is now an emergence of multinationals that are entirely based on technology development and more precisely information communication technology. Examples of such multinationals include IBM (www.ibm.com) and Oracle (www.oracle.com). Information and communication technologies (ICTs) have the potential to make vast amounts of information available to users located in various parts of the world and to facilitate rapid communication between them. The potential of e-commerce caught public's attention as a result of ventures. There are several examples of ventures that have come up as a result of the internet e.g eBay.

In East Africa, there is a thriving business of motor vehicles which best illustrates the relationship of marketing, ICT and international business. The thriving vehicle importation business has been borne out of this relationship. The whole cycle of identifying a vehicle right upto eventual delivery is a fully automated process in that now the Japanese dealers simply market themselves via the various websites and also through referrals.A "navigation" through the website www.ibcjapan.com for instance would give this illustration.Internet has changed the way we exchange goods for money. As has been alluded to, it has broken geographical barriers between buyers and sellers. Pirakatheeswari (2009) in an article, outlines the efficacy of the internet and how it enables a manufacturer in India to sell his/her goods to a customer in any part of the world through the World Wide Web. It is necessary, however, that the buyer has access to internet and has the necessary know-how and desire to make online purchases.

The internet has therefore provided a very effective platform for electronic marketing or e-marketing. E-marketing means using digital technologies to help sell your goods or services. This is different from a conventional market place, where sellers display their goods and buyers can touch and feel the goods and bargain with sellers. In case of e-marketing, sellers can display photographs, video films and specifications of their products. In most cases, the prices are also displayed so that buyers have a clear idea about the product and price.A website can be a virtual showroom, where products can be displayed, demonstrated, and sold. Such a website can also provide various after- sales service tips and suggestions, launch discussions forums, ask for customer feedback, and educate the customer. IT application such as electronic data interchange (EDI) has also enabled logistics operations to be paperless.

Technology is changing at a very fast pace. Various aspects of electronic business such as e-procurement, e-marketing, e-logistics use a number of technology products. The life cycle of technology products is very short. We are living in a knowledge-driven era, where everyone has access to information thanks to internet and a variety of other sources of information. However, the market is dominated by those, who translate information into knowledge and use the knowledge to improve productivity and efficiency of their enterprises. There has been an increase in the live help chat support providers for websites in the market, as there is a high demand for these live help services on websites for businesses and service providers. This has been brought about by the fact that business owners have understood that providing great customer support interactively on a website, is loved by web visitors and make them turn into loyal customers.

The one ultimate aim for business/website owners is to increase their sales volume and generate more revenue and profits. Setting up a live help for website tool increases the sales as it is easy to achieve a number of goals.Every website visitor who is looking to purchase a product or avail services shall have some questions. Answering of pre-sale questions effectively becomes the first point of contact with a prospective consumer. Support staff need to provide satisfied answers to generate interest in the product and make the visitor actually become customer of your product or service. With some potential traffic and customers to the business website, a live help chat increases the interaction with the customers instantly and influence their purchasing decision. With instant response to all their pre-sale questions, they 'll be left out with no reason to delay placing the order in the website

Walking the prospective customers through their shopping cart and assisting them in every step during the checkout process helps drastically reduce the shopping cart exits and lets you get the desired action done. With live help tools, even instant calls to the chat operator is also possible. With this experience, it is thus a combination on the use of technology, marketing and actual business transactions at play.

CHAPTER 5

CONCLUSION

5.1 Conceptual framework and model

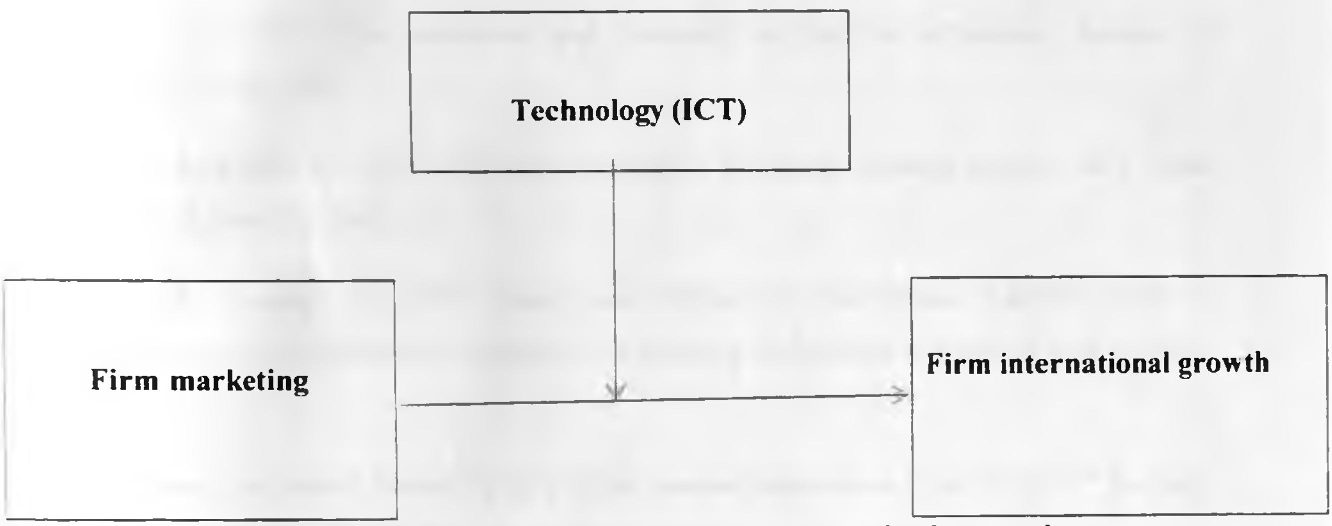

Figure1: Model of the influence of information communication technology on the relationship between marketing and international growth of a firm

The model depicts the impact of marketing on growth and how it can be impacted or influenced by technology. Firm international growth is the dependent variable since it is generated based on the activities of the independent variable which in this case is firm marketing. Information communication technology, invariably referred to as information technology, has a strong contigent effect on independent and dependent variable. The growth determinants in a firm that is seeking to expand internationally include geographical considerations. the need to seek brand leadership in the said market. market differentiation and segmentation in the various product and or service offerings. Growth if firm in international market will be influenced greatly by ICT through the various innovations seen in ICT.

5.2 Hypothesis of the study

H1: There is a relationship between firm growth and firm marketing

H2: The strength of therelationship between firm marketing and firm international growthdepends on information communication technology

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