INFLUENCE OF GLOBALIZATION ON MARKET ENTRY BY TULLOW OIL COMPANY, KENYA

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DECLARATION

This research project is my original work and has never been submitted for examination to any other University.

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This project has been submitted with my authority as the university supervisor.

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DEDICATION

This project is dedicated to my wife and son for the sacrifices that they made when I was out to pursue my studies.

ABSTRACT

There has been an increasing need for international investment which has attracted many international companies to engage in international business through use of globalization. However, many firms have succeeded while others have failed. This study was set out to determine the influence of globalization on market entry by Tullow Oil Company, Kenya. The study used a case study research design. This research design was considered in establishing the influence of globalization on market entry of Tullow Oil Company. This study used qualitative data and data was analyzed with the help of content analysis. The study found that globalization enhanced market entry which in turn contributed to international business. It was found that the success of Tullow Company penetration into the Kenyan market was largely attributed to globalization. This was because of increased communication, cheap labour and transport and cross-national cooperation between Kenya and the United Kingdom which impacted positively on business expansion and foreign direct investment. The study further concluded that trade barriers such as such as language, culture, and attitudes were overcame as a result of globalization. The major limitation for the study was to time and cost, the study limited itself to Tullow Oil Company, Kenya. Therefore the findings for this study might not be generalized or directly replicated in any other international oil company since the findings for this study are unique. The study recommends further study be carried out to examine the influence of globalization on market entrance. This will shed light on the ways globalization can be made use of as an avenue aimed at improving market entry in Kenya. Domestic companies will gain from modern technology technical knowhow and expertise thus contributing positively towards economic growth.

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LIST OF ABBREVIATIONS AND ACRONYMS

BCG	British Multinational oil and gas Company
GAAT	General Agreement on Tariffs and Trade
MNCs	Multinational Corporations
PLC	Public Listed Company
UNCTD	United Nations Conference on Trade and Development

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Globalization has led to enhanced interconnectedness among markets around the world which has increased communication and awareness of business opportunities in far corners of the globe. Investors can easily access new opportunities for investment and study new markets in far distances unlike before. Bardouille (2009) contends that potential risks and profit opportunities are within reach as a result of technology. Countries have established positive relationships between them and are able to increasingly unify their economies through increased investment and trade. Services and products that were previously in one country have been made readily available to new markets, this has resulted directly into improved economic opportunities for employees in those countries, and this has led to increased household incomes (Cavusgil & Knight, 2009).

This study is guided by two theories namely location theory and internationalization theory. Beckmann (2009) posits that location theory holds that the location of production depends on the availability of resources, the factors that firm determines when deciding the choice of a location are transportation costs and trade barriers. The other factor that is worth considering is the rates of tariff that the host country might consider to adopt. Internationalization theory explains that when firms perceive that revenues are more as compared to costs they prefer to go global and do their business internationally in order to realize the benefits (Rugman & Collinson, 2012).

Tullow Oil Company Kenya plays an important role of drilling oil and gas in Kenya. As Tullow Oil Company tries to carry out its operations it’s faced with various challenges for example inadequate camp facilities, material storage yards and work areas for contractors and language barrier. However, with the increasing globalization Kenya and other European countries have established strong ties and build relationships that have made it easier for the Company to start its oil production process. Kenya and United Kingdom have agreed through oil and gas regulation of 2016 that provides how oil prices, imports and exports of natural gas will be established (Balber, 2007).

1.1.1 Concept of Globalization

Bardouille (2009) defines globalization as the ongoing social, economic, and political process that deepens the relationships and broadens the interdependencies amongst nations, their people, their firms, their organizations, and their governments. Globalization is an umbrella term for the complex series of economic, social, technological, cultural and political changes the leads to interdependence, integration and interaction between people and companies in distant locations. Globalization of the world economy and the differences between the countries present both opportunities and challenges to global trade. Business managers need to take into account to the globalized business environment when making international strategic decisions and managing ongoing international operations (Bhagwatim, 2007).

Globalization builds strong ties and integration between countries and people across the world. This has contributed to significant reduction of transportation and communication costs; this has broken down the artificial barriers to the flow of goods and services, capital and knowledge among others. Globalization allows integration of businesses and the firm's operations, processes and procedures into diverse cultures, products, services and ideas. It provides a platform for the expansion of local economies and businesses into the international markets. This has expanded the market for products and services since businesses can market their products online to a wide range of customers' in disparate countries (Bardouille, 2009).

1.1.2 Market Entry

Before making deciding to enter a certain market the firm should consider a number of things such as the suitability of the product for market, the nature of local competition, the current market needs, value and ability to charge high prices to build sales volume more rapidly. Market entry has been defined by different scholars: Broda (2010) defines market entry as the activities that involve bringing a new product or service in a target market. When planning to enter the market, a firm must consider barriers to entry such as marketing costs, sales and delivery, and the expected outcome from entering the market. According to Bhagwatim (2007) foreign market entry is an institutional arrangement which allows entry of a firm's products, services, knowledge, employment and other resources into a new market.

Despite the huge potential and the opportunities involved in market entry, it's a risky affair. The most common ways which a firm can utilize to gain entry into a market involve exporting of products and services directly, setting up a joint venture and licensing a manufacturing firm. However, it is important to note that the market strategy chosen by a firm depends on the risk that the firm is willing to take and the extent of control that the firm intends to take before penetrating the market. Bartlett & Ghoshal (2009) argue that a firm that has more knowledge about a foreign market might take a higher risk. There are certain factors that affect the choice of strategy by a firm, these include tariff rates, the degree of adaptation of the product required, marketing and transportation costs.

The main reason why firms opt to gain entry into new markets is to increase their profits, widen the scope of their business and expand their global networks. Market entry enables firms to expand their business and diversify their investment segments in untapped areas that promise a huge potential to do business (Broda & Weinstein, 2010). However, this is not easy, it is a challenging task that requires the firm to have adequate information about the new market to be able to gain entry and excel in its business. A Multinational firm that is prospecting to enter a market should have a well-structured marketing and distribution systems, a competent management team and staff who have a vast experience in specialized areas to effectively cope with the demands of the market and achieve the set goals (Broda et al., 2010).

1.1.3 Tullow Oil Company, Kenya

Tullow Oil Public Listed Company (PLC) is a multinational oil and gas Company that was founded in Tullow, Ireland with its headquarters in London, United Kingdom. It has vested interests in over 150 licenses across 25 countries with 67 oil producing fields. In 2012, it produced an average of 79,200 barrels of oil per day. The company's' major activities are in Africa and the Atlantic Margins, where the company discovered new provinces of oil in Ghana, Uganda, Kenya and French Guiana. Currently, the company is entering the next phase of growth a major focus on Africa and the Atlantic Margins basis, where Tullow has already successfully dominated most of the African countries (Some, 2013).

Tullow's main production is from six countries in Africa and the Southern Sea and Asia. Ghana's offshore Jubilee oil field was discovered back in 200 and started its production in December 2010. This is one of Tullow's largest discoveries. In Kenya, the company has discovered more than 250 million barrels of oil, at the Ngamia I and Twiga South wells in the Lokichar basin in North Eastern Kenya. The company also discovered Kenya's Etuko 1 well and the Sabisa 1 well in Ethiopia which encountered oil and heavy gas. The company in partnership with the Africa Oil has plans to drill about 10 wells in Kenya and Ethiopia to explore the Turkana Rift Basin. Oil and gas resources are among the few resources that have recently been discovered that have attracted international attention and prospects for oil drilling companies to come seek for oil drilling contracts in Kenya (Some, 2013).

Oil and Gas companies in particular the BG Group Plc (British Multinational oil and gas company) are reluctant to continue with the drilling of exploration wells due poor terms of natural gas, this is because in the recent model of production contract that has a bias on the terms of oil. There is a new for new, breakthrough technologies that can assist in finding, developing and producing more oil and gas. This has however affected international business with most oil and gas drilling companies. Currently, Tullow Company is working with the Kenya government on a range of options for independent development of the Kenya resources which includes early production with the help of infrastructure that would provide valuable reservoir data ahead of a full field development with an export pipeline. This is part of the international business engagements that might strengthen and bond the relationship between Tullow Company and Kenya (Forbes, 2016).

1.2 Research Problem

The world of business has become a global village as a result of globalization. This has increased the need for international investment that has attracted many countries to participate in international business due to globalization. Balber (2007) notes that globalization has expanded its access to resources, goods, services and markets across a wider geographical areas. This has promoted trade and international dealings between countries. Becker (2011) posits that globalization has improved efficiency and minimization of costs of doing business globally, examples include communication and transport.

Oil and gas reserves in Kenya have attracted international oil and gas companies to come and drill oil and gas in Kenya. With the help of globalization, it was easier for oil companies such as Tullow to explore and learn more Kenya using information technology resources such an internet services and Google map before the company officially got the tender to drill and explore oil and gas in Kenya (Flamous, 2010). Some (2013) indicated that through globalization most international oil and gas companies such as Tullow Oil Company easily gained entry into the Kenya market.

Studies have been done in relation to globalization and international business. Balber (2007) found that globalization contributed positively to increased foreign investment of California's service firms. Bardouille (2009) concluded that globalization influenced global trade in the Caribbean. Broda & Weinstein (2010) found that international business was influenced by globalization in American manufacturing firms. Nyagah (2013) found that globalization increased the bank's market segment and global business. Some (2013) found that cheap labour, government policy and use of modern technologies were the major factors that attracted Tullow Company to do business with Kenya. Gatua (2014) showed that globalization was a major contributor towards international business by Multinational Corporations in Kenya. Limited focus was given in relation to the influence of globalization on market entry especially in Tullow Oil Company, Kenya. The study therefore sought to bridge this gap by finding an answer to the question: what is the influence of globalization on market entry by Tullow Oil Company, Kenya.

1.3 Research Objective

The objective of this study was to determine the influence of globalization on market entry by Tullow Oil Company, Kenya.

1.4 Value of the Study

The study will be useful to Tullow Company, they will learn the various ways in which globalization affects international business. Other exploration companies will be enlightened about on the significance of globalization in enabling firms to gain market entry.

The policy industry might find the results of this study worthwhile in policy formulation by creating an enabling environment for both global and local exploration companies to participate in international trade and enjoy the benefits of globalization. The findings of this study will be resourceful to international business dealers and practitioners in understanding how globalization enables enhances market entry and some of the best practices to adopt when engaging in international business dealings.

The study will append on the existing body of knowledge. Students will understand globalization and its influence to market entry by international firms. Researchers will understand the relevance and application of the theories that support the influence of globalization on market entry. The findings obtained in this study might be used as a basis for further research to this and other related topics.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter provides a theoretical and conceptual discussion in relation to globalization and international business. It consists of the theories that support arguments in line with globalization and international business. The chapter is outline as per the following subheadings, the theoretical foundation and the factors that contribute to globalization.

2.2 Theoretical Foundation

This section covers the theories that are premised on the variables under investigation, globalization and international business. The theories support the arguments by scholars on the influence of globalization on international business. The theories include internationalization and location theory.

2.2.1 Location Theory

This theory holds that the location of production depends on the availability of resources, the factors that firm determines when deciding the choice of a location are transportation costs and trade barriers. The other factor that is worth considering is the rates of tariff that the host country might consider to adopt. The key factors that one ought to consider while deciding the viability of entry in a market are trade barriers, localized knowledge, price localization, competition and export subsidiaries (Beckmann, 2009). The supporters of this theory argue that centrality of a place where a firm can execute its production in a foreign country plays an important role in facilitating the production operations of an organization. These improve the supervision of the organizational operations and enhance relationships with the local communities, the stakeholders and the government and thus making it easier for the organization to implement and comply with the regulatory requirements of that country. This creates a conducive environment for the firm to conduct its business.

Glatte (2013) posits that Multinational firms compete for locations and untapped resources that promise a high return on investments. However, these firms need to comply with the regulatory requirements to be able to tap and exploit prospective resources. These firms make efforts to try access resources such as land which is a key resource that enhances accessibility requirements of the firm. Multinational corporations occupy land based on their objective and the nature of the activities that they intend to undertake and the potential of the resource that the firms are prospecting. An example is Tullow Oil Company in Kenya identified a location at Ngami II where they have built camps that act as shelter which are situated near the oil deposits in Turkana where Tullow Company is currently drilling its oil. This enables Tullow Company, Kenya to easily access its drilling activities and operations.

2.2.2 Internationalization Theory

Internationalization theory explains that when firms perceive are more as compared to the costs they prefer to go global and do their business internationally in order to realize the benefits (Rugman, 1981). These are referred to as the costs of doing business broad that emanate from the liability of foreignness such as regulations and policies. If the costs of doing business abroad are high the firm might decide to outsource its production from an independent firm or choose to produce from home and export.

Firms prefer to do their businesses globally to gain from international exposure, experience, knowledge, market trends and expand its market. Such firms aim at producing superior products and services that can effectively meet the diverse needs of their customers through guaranteeing them quality and value addition and tax benefits. International business provides a platform where firms can conduct their businesses globally and realize their full potential; this enables the firm to market its products and services and to boost its sales. Internationalization theory asserts that research and development aids the firm in innovating new products or services that incorporate diverse needs and cultural diversity of customers across the work. This enables the firm to widen its scope of the market in the international arena (Buckley, 2009).

The theory holds that the firms should outsource ideas and concepts through outsourcing services and products from international firms that have specialized in certain products or services. This allows the firm to gain international exposure in its products and service offering by producing products or services that meet international standards. This enables firms to compete in the local and international markets hence contribute to increased sales. Internationalization is a kind of vertical integration that incorporates new operations and activities formerly conducted by intermediate markets, under governance and ownership of the organization while natural markets are imperfect (Rugman & Collinson, 2012). Before entering into the market, the firm should analyze and examine the market trends, a cost benefit analysis is essential in establishing the benefits that will accrue when the firm enters a market. In line with this study, Tullow Company a must have determined the benefits that they will get from exploration and drilling of oil and gas in Kenya against the cost that they will incur before they start processing and selling of oil, oil products and gas.

2.3 Influence of Globalization on Market Entry

Due to globalization, national borders have become less important, markets are stretching across borders and issues such as language and culture have arisen. As people and firms expand their access to resources, goods, services, and markets across wider geographical areas, they become more affected by conditions away from their home countries. Globalization is part of the on-going social, economic, and political process which increases the relationships and broadens the interdependencies among nations, their people, the firms, their organizations and their governments (Hannerz, 2011).

International business entails all commercial transactions private and governmental between parties of two or more countries. Global activities and events affect all firms larger and smaller. However, the international environment is complex as compared to a firm's domestic environment. It is very difficult to quantify globalization however; about 25 percent of world production is vended outside the country of origin, this has led to restrictions that have contributed to a decline in imports while foreign ownership of assets as a percentage of world production has continued to rise resulting into growth of the world trade.

It is worth noting that only a few countries especially small countries either sell more than half of their production abroad or source more than half of their consumption from other countries. The main source of capital in most nations is domestic production.

There are seven factors that have contributed towards the growth of globalization resulting into international business across countries, these factors include, increase in and expansion of technology, liberalization of Cross-border, and development of services that support international business services and growing consumer pressures, increase in global competition, changing political situations and expanded cross-national cooperation (Hall, 2010).

As a result globalization, countries have improved transport and communication infrastructure including internet development which has significantly impacted on effectiveness and efficiency of global business operations. As result of technological development, rapid transportation has taken place in the transport industry including road, rail, sea and air travel. Transport for personal use has improved significantly. Today, cars are built to be faster, safer and now more efficient and cheaper to run as well as being environmentally friendly and much cheaper to purchase. Air travels has made it easier for multinational corporations to easily access and explore resources in Africa, this is because with the adoption of modern technologies it is cheaper and faster. This is in line with Hannerz (2011) who argued that air travel has not only become more affordable in the last 20 years but it has also become more efficient.

Multinational firms had integrated their transport and communication systems which have significantly enhanced effectiveness and efficiency of international business operations. Expansion and use of technology resources have made the world a global village; this has improved communication and information sharing in multinational firms. This has led to reduced communication costs and faster decisions. This has also resulted into reduced supervision costs and improved efficiency of operations among multinational corporations.

Houlihan (2010) posit that transport has transformed the manner in which other countries conduct business for example super tankers have enhanced the scale of trade between countries, as these massive container ships can carry larger quantities of goods including oil and grain. As a consequence, trade has become increasingly global. Most of the innovations that have taken place in the transport sector invoke the use of information and communication technology.

Technology has played a significant role in enhancing globalization, although internet has enabled people all over the world to easily share information with each other globally. Through information sharing, this has improved communication from one country to the other making it easier to transport goods of services from one country to the other and to track them on transit. Before various technological advancements such as emails, cellular technology, instant text messaging and broadband communication, businesses limited themselves to telephone calls and postal services for their communication needs (Singh, 2011).

As a result of liberalization, developing countries adopt the General Agreement on Tariffs and Trade (GAAT) that have enabled Multinational Corporation to gain access to the market and to participate in the world trading system. Developing countries can appeal to the developed nations to provide them with opportunities for their service exports by strengthening domestic services capacity, efficiency and competitiveness of developing countries through access to technology on a commercial basis; enhancing access to distribution service channels information networks and market access in services that are of export interest to the developing countries. Over time most government have lowered their restrictions on trade and foreign investment in response to the expressed desires of their citizens and producers.

Sturgeon (2012) posit that globalization has increased the level of competition; this kind of competition can be product or service cost and price, target market, technological adaption and efficient response by multinational companies. MNCs are finding better ways to produce at a cheaper cost and sell cheaply. This has attracted multinational corporations to look for raw materials and resources in Africa in order to produce their products at a cheaper cost and sell at a cheaper price in order to attract more customers and retain existing ones and eventually contribute to an increase in market share.

With increased competition from foreign brands, firms and industries are forced to improve their standards, quality and customer satisfaction which has impacted positively on the customers and the economy as a whole while it has improved the livelihoods of consumers. The pressures from increased foreign competition has persuaded firms to expand globally with the intention of gaining access to foreign opportunities and to enhance overall operational flexibility and competitiveness (Wong, 2011).

Hall (2010) argues that the GATT, the development of economic blocs such as the European Union has increased access to many foreign markets. Developing countries will have an opportunity to expand their service export bases which include skilled knowledge-based services in a range of communication and computer services. Modern technology and electronic commerce have established such opportunities for example lately; India has developed a high-quality and low cost software development industry (UNCTAD, 2011).

Houlihan (2010) observes that through globalization multinational corporations can know the kind of services needed in a country and prospect for the same.

This creates a window to access global services, modern technologies, knowledge and skills and international investors and thus contribute to the development of a country. An example is that when Tullow Company started its drilling operations in Kenya, more have been derived from these activities for example Kenyans who work with Tullow have gained international exposure on matters of drilling and exploration of oil and gas, Kenya is privileged to have an international drilling company to assist in drilling of oil and gas. This provides a platform for the developing countries to market themselves, foreign investors explore and in the process identify products or services that they did not know were available, this easily creates a market for such product of services and promotes international business between individuals and countries.

Wade (2009) notes that globalization has led to the development of services; the government can easily seek services from international firms since they can easily access information on the different services offered by firms globally. This has improved the quality of public sector services since the government can easily outsource services from international firms for example installation and implementation of modern technology. The other factor that has contributed to growing consumer pressures to access foreign products and services. As a result of innovations in transport and communications technology customers are informed about various products and services for specific needs. Customer needs keep on changing and hence they prefer products and services that target to meet specific needs and at a cheaper price. With the help of internet, consumers can easily access products and services from multinational corporations and place an order. This has forced competitors to respond to consumer demands for increasingly higher quality and more cost-competitive offerings (Wong, 2011).

Globalization has shaped the political situations and contributed to transformation of the political and economic policies of the former Soviet Union and the People's Republic of China has led to vast increases in trade between those countries and the rest of the world. Further, the improvements in national infrastructure and the provision of trade-related services by governments across the world have further led to substantial increases in foreign trade and investment levels. This has made it easier for multinational corporations to prospect for resources and business in other countries; this has impacted positively on international business (Sturgeon, 2012).

Government have ventilated into cross-national treaties and agreements to achieve reciprocal advantages for their own firms, this has given countries a chance to solve problems jointly which a single country cannot handle and to also deal with matters that lie outside the territory of all countries. This kind of cooperation happens within the framework of international organizations such as the United Nations, the International Monetary Fund, the World Trade Organization, and the International Bank for Reconstruction and Development (UNCTAD, 2006).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter covers the research methodology that was applied to achieve the objective of the study. The sub-topics covered in this chapter include the research design, data collection and data analysis.

3.2 Research Design

The study used a case study research design. Neundorf (2009) explains that a case study design allows the researcher to carry out an in-depth investigation of the object under investigation. A case study research design was appropriate in establishing the influence of globalization on market entry Tullow Oil Company, Kenya. The advantage of using this form of research design is because it enabled the researcher to conduct interviews where the interviewer interacted with the interviewees on a one-on-one basis; this gave the interviewees the freedom of thought to provide their opinion without any bias and to provide detailed information about the study variables.

3.3 Data Collection

This study used qualitative data. This is because the study intended to collect open-ended questions that were non-numerical in nature, data to be collected was based on the understanding of the interviewees about the concepts under investigation and their perceptions on the issues in question (Patton, 2002). Primary data was collected using an interview guide. The interview guide comprised of three sections. Section A consisted of questions on general profile about the interviewees and the company;

section B will consisted of questions about the influence of globalization on market entry by Tullow Oil Company, Kenya.

A face-to-face interview was carried out by interviewing three heads of department these are the finance and strategy manager, the operations manager and the marketing manager. This category of the interviewees was highly considered because they are highly involved in decision making at Tullow Oil Company and are directly related in matters that concerns market entry.

The reason why the researcher chose Tullow Oil Company was because it is a Multinational oil and gas company which is currently drilling oil in Kenya; this made it more relevant for the study in establishing how the company utilized globalization aspect to gain entry into Kenyan oil market.

3.4 Data Analysis

Data analysis was done using content analysis which was a systematic and qualitative description of the composition of the objects of the study. Neundorf (2009) indicates that content analysis uses observations and detailed narrative of objects items or things that comprise of the unit of analysis.

The study used content analysis. This method of analysis focused on distinct themes that illustrated a broad range of meanings of a phenomenon rather than the statistical significance of the occurrence of specific concepts. Maxwell (2005) indicates that content analysis is appropriate in providing details about the firm in particular on the study variables.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The chapter comprised of data analysis that was analyzed using content analysis. The study used a case study research design to conduct an in-depth investigation of the influence of globalization on market entry by Tullow Oil Company, Kenya and content analysis was used. The chapter covers the following sub-headings: Introduction, Response Rate, Influence of Globalization on Market Entry and Discussion of Findings.

4.2 Response Rate

The study managed to interview all the four heads of departments at Tullow Oil Company Kenya; these included the heads of department in finance and strategy manager, the operations manager and the marketing manager. This category of the interviewees was highly considered because they are highly involved in decision making in matters that related to globalization and market entry

4.3 Demographics

The findings revealed that the managerial positions of the interviewees included finance, strategy, operations and marketing. The reason for choosing this group of respondents was because of the nature of their work and operations that exposed them in matters of globalization and market entry. Majority of the interviewees served in the company for a period exceeding five years which implied that they had a deeper understanding of the business processes and procedures of Tullow Oil Company, Kenya.

With regard to the duration served in the current position, it was found that the interviewees served for at least three years in their current positions and thus had a relevant experience concerning globalization and market entry since they were directly involved in decision making and strategy implementation.

4.4 Factors Affecting Globalization at Tullow Company

The interviewees indicated that crude oil prices constituted one of the main factors affecting globalization at Tullow Company. Such prices had extensive implications on international companies, and Tullow Company was not an exception. Apart from crude oil prices, political stability of a country affected globalization of Tullow Oil Company. Other notable factors that affected globalization included language, technology, culture, and international treaties.

4.5 Influence of Globalization on Market Entry

The interviewees indicated that Kenya had a cross-national cooperation with the United Kingdom. This was evidenced by the extensive exports and imports between the two countries which had increased substantially over time. The two countries shared on geopolitical issues having a strong cross-national cooperation between them. One of the main ways through which Tullow Company had expanded its access to markets and resources as a result of globalization was through optimization of opportunities in the emerging economies in particular the developing countries. The company adapted to the needs and trends of emerging markets through recruitment of local employees. Additionally, globalization enhanced the extent to which Tullow Oil Company competed with other organizations such as the BG Multinational Oil Company.

The interviewees indicated that globalization had facilitated for improved efficiency in the manner in which their countries and Kenya exchanged information on business opportunities that were mutually beneficial. For instance, both countries had improved the total exports and imports from each other as a result of globalization. It was also notable that globalization had enhanced the movement of labor resources between the two countries especially in technical industries such as manufacturing as well as information technology. Such developments could not have been possible in the absence of globalization.

The interviewees pointed out the fact that globalization had been an integral factor in terms of enhancing how its employees travelled from one destination to another around the world. Globalization had evidently opened up the globe, and this had been immensely pertinent towards catering for effective movement of people. Additionally, the interviewee also indicated that globalization had eased transport and communication by Tullow Company in terms of the availability of numerous ways in which language barriers could be overcome. As a multinational entity, the Tullow Company operated in many countries. This implied that language was a barrier in the absence of effective communication platforms. However, globalization had been essential towards overcoming such challenges as far as communication was concerned.

The interviewees indicated that one of the main ways in which technology had improved globalization in his company encompasses the issue of knowledge sharing. As a result of modern technological platforms, the company had successfully developed and actualized highly effective systems for knowledge sharing. This had a beneficial long-term impact on how the company performed. The interviewees also asserted that technology had been influential towards promoting the quality and timeliness of communication among employees in the company. For instance, staff members in different geographical locations interacted through videoconferencing and teleconferencing.

The findings highlighted the fact that technology had been an instrumental factor for the promotion of the extent to which his company adapted to new markets. For instance, the company had leveraged on modern technological platforms within the framework of cultural analysis so as to determine the best entry strategy into new markets around the world. In line with the response of the interviewees, it was also evident that technology had strengthened decision making processes in the company, and this came in handy as a beneficial aspect as far as international business was concerned.

The interviewees asserted that international business in the company had been heavily enhanced by liberalization especially in terms of embracing multiculturalism as an internal strength rather than a weakness. The company's workforce was culturally diverse, and this was as a result of the fact that most employees were drawn from different nationalities around the world. However, liberalization had enhanced the manner in which such diversity had promoted knowledge development as well as problem solving in his company. Additionally, the interviewees noted that liberalization had enhanced international business in his company through the attainment of higher standards of innovativeness, and hence improved competitiveness in the global environment.

The interviewees highlighted the fact that globalization had strengthened Foreign Service capacity in terms of increasing the mobility of technical expertise across borders around the world. Different countries were differently endowed when it came to technical expertise of the labor pool. This implied that there was the dire need for different nations to cooperate extensively so as to maximize on national productivity especially in terms of international trade. Foreign Service capacity had hence used globalization as a platform on which different nations can identify and maximize on different business opportunities epically when it came to service imports.

The findings indicated that the information networks and distribution service channels of Tullow Company had been enhanced by globalization through improved standards of communication. It was massively complex for such networks and channels to be effective in the event that a business organization was characterized by an unreliable framework of communication. However, this was not the case with the Tullow Company because the organization had embraced globalization as a mechanism for galvanizing knowledge and information sharing processes. Additionally, globalization had also enhanced the extent to which different stakeholders of the distribution service channels of the Tullow Company were integrated into business processes.

The interviewees indicated that the Tullow Company had been affected negatively by globalization in terms of reduced trade in Kenya through the increased levels of competition. The fact that globalization had opened up the global environment implies that more business organizations across different industries can take advantage of the available opportunities epically within the developing economies such as Kenya. This had inevitably caused extensive competition for Tullow Company in Kenya over the past few years. Additionally, globalization had lowered trade for the company in terms of increased alternatives for the services and products offered to the Kenyan population.

The interviewees indicated that globalization had enhanced the extent to which Kenya had focused on strategic policies and plans that were geared towards enhancing the country's positioning not only in the Horn of Africa, but also on the global frontier. Inevitably, this had necessitated for the nation to diversify what it had to offer in international trade with other countries from different parts of the world. In line with this stipulation, the demand for prospecting for natural resources had been on the rise in Kenya, and this indicated that the Tullow Company had increased demand for its respective services and products.

The interviewees indicated that foreign competition had increased significantly for the company with regard to access to local markets. Based on the interviewees' response, globalization had enhanced the rates at which other companies were venturing into the local markets, and this had hence increased competition for his organization. Globalization had made it possible for the government to ease regulatory standards and requirements, and this translated to a higher rating within the framework of ease of doing business index. It then followed that the company had to compete with other companies that had infiltrated the local markets.

The findings indicated that the Tullow Company's demand to prospect for oil and gas in Kenya had been enhanced by globalization. This was mainly because more decision-makers in the country had aligned the nation's economic policies towards international standards especially with regard to export diversification and value addition on commodities and services. In line with these perspectives, globalization had played a direct part towards increasing the demand for oil and gas exploration in Kenya as the country aimed to play an influential role in international trade especially in terms of how it did business with foreign nations around the world.

The findings revealed that one of the main ways in which the economic and political economies of the Tullow Company had been shaped by globalization pertained to the need for flexibility. In essence, this implied that the Tullow Company had develop its respective economic and political policies in such a way that the organization can easily adapt to the demands of different markets around the world. While certain policy aspects might be in line with the needs of one market, they might not necessarily align to the needs of another market. Globalization had hence enhanced the level of flexibility in the company's political and economic policies.

The interviewees indicated that the Kenyan government had participated more in cross-national treaties because globalization had catapulted the nation into a prominent role in regional and international issues. For instance, the country had extensive geopolitical influence within Eastern Africa by virtue of being the most stable and advanced economy in the region. It had hence been more or less inevitable that the integration of Kenya into cross-national treaties had been beneficial towards the promotion of overall economic and social development in the region.

The findings highlighted the fact that the increased involvement or participation of the Kenyan government in cross-national treaties had promoted international business for Tullow Company in terms of strengthening the company's ability to serve as a major entity in the attainment of stability in fragile parts of East Africa.

Owing to the excellent track-record that Tullow Company had in Kenya, it had been easier for the organization to use Kenya's participation in cross-national treaties as a platform for bargaining deals across the region. In view of such aspects, the interviewee indicated that Tullow Company would benefit extensively as a result of Kenya's participation in cross-national treaties.

4.6 Discussion of Findings

Following the study objectives, the study found out that globalization brought about a cross the national ties and cooperation between Kenya and Tullow Oil Company. This reinforced the tie between international oil drilling companies and the emerging economies. This contributed access to technology, markets, resources, cheap labor and opportunities which brought about positive growth and expansion in businesses. The study found that through Globalization Tullow Oil Company gained understanding of the varying needs and trends of the domestic markets and thus it was easier for the oil company to seek for cheap labor and ensure local community involvement in its activities such as exploration and drilling. This enhanced the company efficiency in its operations and contributed positively in its entrance to Kenyan market. This findings complements Wade (2009) who noted that globalization enabled developing countries acquire knowledge and resources such as oil exploration and drilling technology.

According to the study finding it is evident that, through exploitation of globalization Tullow Oil Company Kenya succeeded in penetrating and gaining massive entry in the technical industries such as manufacturing and ICT. This enabled the company to identify the various needs of developing countries markets therefore accommodating these needs through tailoring their products to suit the local markets. These kinds of developments could not be realizable without globalization.

It was also through globalization that Tullow Company succeeded in expanding its exports and imports owing to established ties and relationships that it established since the onset of oil exploration and drilling in Turkana Ngamia II which is among oil deposits recently discovered I Kenya. This in particular improved transfer of labor and resources between the two participating countries specifically in the technical sector, basically the manufacturing. This has made transportation and communication easier in that part of the employees of Tullow Oil Kenya understands local cultural settings and also the national languages.

A considerable number of Kenyans have acquired much experience in oil exploration and drilling, equipment and machine operation; a fact that has presented an opportunity for an exchange programme which have seen Kenya engineers and environment a conservationist to currently undergo rigorous training and development programme to improve their competency in oil exploration and drilling. These finding are supported by Wong (2011) who indicated that through globalization developing countries benefits from experience and knowledge therefore this providing a foundation for market entrance and international business.

The findings further established that Tullow Oil Company made use of video conferencing and Teleconferencing to gain understanding of the geographical areas where oil drilling activities was taking place. The team on the ground worked in collaboration worked and coordinated with the other team in Ghana where the company is drilling oil. This eased information sharing between the two teams and there was a smooth coordination of the activities that were happening at the drilling points in Kenya.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter provides summarized findings and conclusion with regard to the objective of the study which was to determine the influence of globalization on market entry by Tullow Oil Company, Kenya. The sub-titles: Introduction, Summary of Findings, Conclusion, Recommendations, Limitations for the Study and Suggestions for Further Research.

5.2 Summary of Findings

With regard to the study objective, the finding found that globalization led to cross-national ties and cooperation between Tullow Oil Company and Kenya. This strengthened the relationship between international oil companies and the developing economies. This enhanced access to markets and resources, technology, cheap labour and opportunities which contributed positively to growth and expansion of businesses. Through globalization Tullow Oil Company was able to understand the changing needs and trends of the local markets and hence it was easier for the company to source for cheap labour involve local communities in its communities such as exploration and drilling. This improved Tullow Oil company’s efficiency in its operations and this contributed positively towards gaining of its entry to the Kenyan market. These findings are consistent Wade (2009) who indicated that globalization allowed developing countries to gain access to knowledge and resources such as technology.

Through globalization Tullow Oil company Kenya was able to penetrate and gain massive entry in the technical industries for example information communication technology and manufacturing. In so doing, the company was able to identify the various needs of developing countries like and ways of tailoring their products in a manner that could accommodate the needs of the local market. These kinds of developments could not be realizable without globalization.

Through globalization Tullow company was able to expand on its exports and imports as a result of ties and relationship that was since established ever since Tullow Oil Company started drilling and exploring oil in Turkana Ngamia two among oil deposits that have recently been established. This also improved movement of labour and resources between the two countries especially in the technical sectors as manufacturing. This has eased transport and communication; some of the employees working for Tullow in Kenya understand the national languages and the cultural setting.

Majority of the Kenyans have gained vast experience in drilling of oil, exploration, operating equipment and machines this has opened more opportunities for an exchange programmes where a group of Kenyan engineers and environmental conservationists are currently undergoing a rigorous training and development programme to enhance their competence on matters of drilling and exploration. Wong (2011) indicated that through globalization developing countries benefitted from experience and knowledge this provide a platform for market entry and international business.

The findings revealed that Tullow Oil company utilized video conferencing and Teleconferencing to understand the geographical areas where drilling of oil was taking place. There was team on the ground who worked in collaboration with other team in Ghana where the company is drilling oil. This made it easier for the two teams to share information concerning drilling and coordinate the activities that were taking place at the drilling points in Kenya.

5.3 Conclusion

The study concluded that globalization was an integral component of international business; it contributed to market entry in several ways which included competitiveness, innovativeness, strategy, and policy framework of business organizations. The success of Tullow Company was strongly attributed towards globalization. It had not only promoted communication, but also transport of labor as well as goods and services. Cross-national cooperation between Kenya and the United Kingdom also impacted business for Tullow Company especially through foreign direct investments.

The study further concluded that trade barriers such as language, culture, and attitudes were overcame extensively as a result of globalization. Advancements in technology were essential in aligning globalization in its operational systems of business and this was found to be an essential tool for business growth and sustainability.

5.4 Recommendations

The study recommends that a study be done to establish the benefits that Tullow Oil Company accrue from globalization and adopt it as one of its strategy to pull in international investors. This would help in outweighing the challenges globalization with its benefits, therefore acting as a guidance framework to Tullow Oil while making decisions on whether to increase its involvement in globalization activities or not.

For the purpose of comparison, similar study should be carried out on a completely different platform for example the manufacturing and backing sector. This will provide the researcher with an opportunity to relate findings and come up with a more reliable satisfactory conclusion grounded on solid facts.

The government of Kenya should formulate polices that will encourage international companies to adopt globalization by providing the required support and creating an environment that will favor exploitation of globalization by these companies. This will create trust and good image in the international community hence attracting foreign investors and stimulating international trade.

5.5 Limitations for the Study

Owing to time and cost the study limited itself to Tullow Oil Company, Kenya. Therefore the finding of this study might not be generalized or directly replicated in any other international oil company since the findings of this study are unique. The study findings would have been more precise and reliable if the study included other oil drilling companies such as PLC Multination oil, the BG group and Gas Company among others.

The study was also limited by the respondent fear of disclosing internal information about Tullow Oil Company since they viewed it as a breach of their confidentiality moral obligation to the company. In overcoming these researchers assured the respondents that the information collected will be treated with high level of confidentiality and will be used for academic purposes only.

5.6 Suggestions for Further Research

The study recommends further study be carried out to examine the influence globalization on market entrance. This will shed light on the ways globalization can be made use of as an avenue aimed at improving market entry in Kenya. This will enable domestic companies to gain from modern technology technical knowhow and expertise thus contributing positively towards economic growth.

Finally, future scholars should consider investigating the effects of globalization on long-term sustainability of market entrance by oil companies in Kenya. The study should take keen interest on specific variables that enhance sustainability of international business for example the contribution of foreign investors.

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APPENDICES

APPENDIX I: Introduction Letter

Dear Sir/Madam

RE: DATA COLLECTION

I am a post graduate student at the University of Nairobi, undertaking a Master of Business Administration. As part of my course I am required to carry out a research on the influence of globalization on market entry by Tullow Oil Company, Kenya. You have been selected to be part of the study and are kindly requested to assist me in collecting data by agreeing to participate in the interview process and to respond to all the questions I intend to ask. I hereby confirm that the information obtained shall be used solely for academic purposes.

Your assistance was highly appreciated.

Yours faithfully

Steve Angila

APPENDIX II: Interview Guide

Goal of the Interview Process

The objective of this study is to determine the influence of globalization on market entry by Tullow Oil Company, Kenya.

Section A: Interviewee's General Information

i. Interviewee's managerial position

ii. The number of years served in the Company

iii. The number of years in the current position

iv. Outline the factors affecting globalization at Tullow Company.

v. Does Kenya have a cross-national cooperation with United Kingdom?

Section B: Influence of Globalization on Market Entry

i. How has globalization enabled Tullow Company to expand its access to markets and resources?

ii. How has globalization strengthened relationships between your country and Kenya?

iii. Please explain how globalization has eased transport and communication by Tullow Company?

iv. In what ways has technology improved globalization in your company?

v. What role has technology played in enhancing international business in your company?

vi. What is the influence of liberalization in enhancing international business in your company?

vii. What influence does globalization have in providing opportunities for service imports through strengthening Foreign Service capacity?

viii. How does globalization enhance access to distribution service channels and information networks of Tullow Company?

ix. What role has globalization played in lowering trade for Tullow Company in Kenya?

x. What influence does globalization have on increased demand by Tullow Company to prospect for resources in Kenya?

xi. How has globalization increased foreign competition in gaining access into local markets by your company?

xii. What influence does globalization has Tullow Company's demand to prospect for oil and gas in Kenya?

xiii. How has globalization shaped political and economic policies for Tullow Company?

xiv. How has globalization enabled the Kenya government to participate into cross-national treaties? Please explain in details

xv. Please explain how has the above has promoted international business by Tullow Company Kenya?