INTEGRATING THE INTERNET INTO INTERNATIONAL MARKETING STRATEGY: A CONCEPTUAL MODEL

The Internet is inherently global. Despite this truism exporters have been slow to integrate the Internet into their international marketing strategies. The following paper proposes a conceptual model of the integration process, suggests questions for further research and employs content analysis to compare the level of website adaptation between new and old economy companies.

Introduction

This paper is concerned with the integration of the Internet into a firm’s international marketing strategy. Several authors have observed that the Internet is inherently global and lends itself to the international marketing of products and services (Petersen, Welch and Liesch, 2002; Berthon, Pitt, Katsikeas and Berthon, 1999). A company’s website hosted on a server in Toronto, Canada is instantly accessible to a prospective customer in Beijing, China with web browser and Internet connection capability. Despite the global nature of the network it does not necessarily follow, however, that exporting firms will use their corporate websites for international transactions. In fact there is empirical evidence that the majority of companies do not. Bin, Chen and Sun (2003) report on work done by US consulting firms which shows that US websites now ignore 50% of the orders that originate outside the United States, and that 75% of US company websites are not designed to handle non-US addresses or calculate international shipping costs. More than 50% of US websites surveyed by one consulting company were found to not be doing anything to internationalize their websites. The above findings are interesting. Why are more firms not using the Internet as an integral component of their international marketing strategies? Why are more firms not undertaking the necessary website adaptions that are considered central to the successful use of the Internet in attracting and retaining foreign customers? Is the lack of website internationalization uniform across industrial sectors or are some sectors more advanced? What are the constraints to website adaptation?

One research study has postulated, without empirical testing, that specific website adaptions e.g. dedicated country home pages, are likely to increase retention of global customers and reduce click-away rates (Harrison-Walker, 2002). Other researchers have argued that prospective customers are more likely to click away from a website that is not in their native language (Heckman and Schmidt, 2000). Researchers have also examined the extent to which exporters in different countries have adopted specific website attributes to enhance their use of the Internet as an international communication and transaction tool (Dou, Nielson and Tan, 2002). The authors of this latter study tested the communication versus transaction framework proposed by Quelch and Klein (1996) and concluded that the overall level of adaptation was quite low. Exporter websites in Canada, Malaysia and Denmark were evaluated in this study.

Apart from studies that have touched on website adaptation, few authors have addressed, in a comprehensive manner, the use of the Internet in a firm’s international marketing strategy.
Quelch and Klein (1996) in a seminal paper explored how the Internet will change the rules of international marketing and proposed a website typology which relates the extent to which a website’s content is information/support oriented versus transactional, and the degree to which the site is oriented towards a domestic versus an international audience. The authors also examine the challenges faced by international marketers in using the Internet. These researchers point out the need to revise operations, business models and strategies in the case of multinational firms and the potential for pure-play start-up companies to face resource constraints from being instantly global. In addition, Quelch and Klein (1996) allude to the need to more effectively manage global brands in an online environment. The requirement that firms learn to deal with entirely new competitors was also identified as a major challenge for international marketers that use online channels.

Hamil (1997) also examined the relationship between the Internet and international marketing strategy. The author asserts that the Internet represents a fundamentally different environment for international marketing activities and that the core tenets of the discipline, such as the gradual internationalization of the firm, barriers to internationalization faced by small and medium sized enterprises (SMEs), and the importance of overseas agents should be questioned. The author argues that in the case of SMEs the Internet can assist firms in overcoming the psychological, operational, organizational and product/market barriers to internationalization. Hamil takes particular issue with the incremental school of internationalization as promulgated by Johanson and Wiedersheim-Paul (1975); Bilkey and Tesar (1997); Cavusgil (1980) and Czinkota (1982) which has argued that firms go through a clear path of gradually increasing commitment to foreign markets from indirect exporting through to the establishment of foreign manufacturing facilities. Hamil argues that this slow internationalization model no longer makes sense in an era when the Internet allows firms to be instantly global.

Existing research has investigated the role of the Internet in exporting and how the technology can be expected to change international marketing and the internationalization strategies of the firm (Roger, 1997; Samiee, 1998; Palumbo and Herbig, 1998; Eid and Trueman, 2002; Petersen, Welch and Liesch, 2002; Prasad, Ramamurthy and Naidu, 2001). Other research has recognized the need for website adaptation to more effectively service international customers online (Harrison-Walker, 2002; Dou, Nielson and Tan, 2002). There has also been a limited focus in the literature on the specifics of the adaptations that are required. This paper argues that the current literature does not go far enough in advancing our understanding of the role and function of the Internet in international marketing. The authors of this paper are unaware of research that has focused specifically on the process by which firms incorporate the Internet into their international marketing strategies. As pointed out earlier, while the Internet is inherently global, the vast majority of (US) firms have not embraced the Internet for international transactions. Is there a precise path that firms follow in moving from a purely domestic use of the Internet to incorporating it fully into their international marketing programs? For those firms already using the Internet for domestic communication and transactions, are there specific steps they follow in the internationalization of their Internet marketing strategies? Current literature is silent on these and related issues which are considered central to developing a comprehensive understanding of how the Internet can be used in international marketing.

This paper develops a conceptual model of the process that firms follow in incorporating the Internet into their international marketing strategies. The framework presented is integrative, drawing on concepts in the fields of innovation management theory, organizational analysis, international business and Internet marketing. The authors of this paper argue that firms transition through a structured decision making process towards making full use of the Internet in international transactions. The conceptual model postulated in this paper leads to a number of research questions. In a follow-up phase of this research the authors will confront the conceptual
model presented below with actual survey data in an attempt to validate it and provide answers to the research questions posed.

Central to the conduct of the second phase of this project is an understanding of the extent to which firms in various industrial sectors have internationalized their websites. Careful analysis of the internationalization strategies used by firms that have successfully incorporated the Internet into their international marketing programs will allow the authors to verify or refute the systematic decision making process outlined in the model below. Are success stories likely to emerge from new or old economy industries? Which specific firms will provide suitable benchmarks for validating the conceptual model, and what are their characteristics? What differentiates those firms that have internationalized from those that have not? Preliminary work in this direction has been undertaken and is reported in the present paper.

**Research Objectives:**

The objectives of this paper may be stated more succinctly as follows:

(1) to determine whether there is currently a significant difference in the degree of website internationalization between old and new economy firms.

(2) To develop a conceptual model of the decision making process by which firms incorporate the Internet into their international marketing strategies.

(3) To formulate a number of research questions that derive from the conceptual model, and which will form the foundation for further investigation in a follow-up phase of this project.

**Organization of the Paper:**

The paper is organized into seven major sections. Following the introduction is presented a brief discussion of the research methodology used in this study. The third section presents the research hypotheses to be tested. The study’s empirical results, which are based on the content analysis of corporate websites of Canadian high technology and agricultural companies, are presented in the fourth section. In the fifth section is presented a conceptual model of the decision making process used by firms to incorporate the Internet into their international marketing strategies. This latter section also includes a list of research questions that derive from the conceptual framework. The fifth section is followed by a brief discussion of the authors’ research agenda in the sixth section, and a summary and discussion of the managerial implications of the research in the seventh and final section.

**Research Methodology**

The empirical component of this study uses content analysis to test for differences in the degree of website adaptation between exporters in the high technology, communications and aerospace industries (high technology); and those in the agriculture, horticulture and forestry sector (agriculture). Content analysis is an observational research method used to evaluate various forms of communication (Kassarjian, 1977; Kolbe and Burnett, 1991). In this study a content analysis form was developed by the authors based on a comprehensive review of the academic literature dealing with website adaptation in international marketing. This form consists of twenty specific website adaptations considered important to a company successfully pursuing international
transactions online (see Table 1). A total of 242 corporate websites of Canadian exporting firms in high technology and agriculture were visited and observations recorded on the presence or absence of these specific website adaptations. Website visits were completed in an average of 15 minutes. The population consisted of 160 high technology companies and 82 from the agriculture sector. In this study high technology firms are representative of Canada’s new economy while those in agriculture represent the old economy.

The list of Canadian exporters and their URLs was obtained from the Worldexport database located at: www.worldexport.com. This list was edited to ensure that only exporters with active websites were included in the population of firms to be analyzed. Each of the corporate websites was subjected to evaluation by a research assistant (RA) trained by the principal researchers. The content analysis was undertaken over a two week period and random checks were performed by the principal researchers in order to verify the accuracy of the RA’s recorded observations. Observations were recorded on specific adaptations to the firm’s communication strategy in pursuing foreign business online. The translation of the company’s website content into languages other than French and English was observed. The existence of more than one country home page was also noted as evidence that the firm is interested in attracting and retaining foreign customers. As part of the firm’s adaptation of its communication strategy to a foreign audience links to internationally recognizable certification bodies e.g. ISO 9000, were considered important. Such links on the company’s website will engender trust among foreign online customers, who may have available little other evidence of the firm’s capabilities to assist them in supplier selection. Observations were, therefore, recorded on the presence or absence of such links. Pricing strategy adjustments analyzed included whether customers were able to observe prices in more than one currency or whether the firm provided links to currency conversion calculators. Distribution strategy considerations should lead to adjustments related to international logistics, and questions were included on the content analysis form dealing with the existence of a written international shipping policy and a policy on international product returns.

The focus of this research is on the incorporation of the Internet into a firm’s international marketing transactions. The content analysis form, therefore, contained a series of questions oriented to the use of the Internet in transactions. Observations were recorded on the website’s ability to allow prospective foreign customers to calculate landed costs and whether provision was made in the order form for the customer to record more than six alphanumeric characters in the shipping address. Provision for non-credit card payment options were also observed in the analysis of exporter websites. It is well known that despite the heavy reliance on credit cards in North America, this form of payment is much less popular in many foreign jurisdictions. Links to international providers of facilitative services are also considered a useful adaptation in developing a base of online foreign customers. As illustrated in the content analysis form the authors were also concerned with the extent to which firms used technology that would be appropriate to prospective international customers, particularly those in developing countries. While it is recognized that firms may well be targeting customers in other parts of the developed world, given the volume of trade with newly industrialized and developing countries, it was still considered important to include this particular item. Excessive use of flash animation and other bandwidth-intensive technologies was, therefore, also observed in the analysis of exporter websites.

Table 1
# Website Content Analysis Form

<table>
<thead>
<tr>
<th>Observation</th>
<th>Yes</th>
<th>No</th>
<th>NA</th>
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<tbody>
<tr>
<td>1. Does the website provide language options other than French and English?</td>
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<tr>
<td>2. Does the website allow users to view more than one country home page?</td>
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<td>3. Does the website support multiple cultural and linguistic variables?</td>
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<tr>
<td>4. Does the website provide multi-lingual customer support?</td>
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<tr>
<td>5. Does the website allow customers to see prices in more than one currency?</td>
<td></td>
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<tr>
<td>6. Does the website allow for non-credit card payment options?</td>
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<tr>
<td>7. Does the order form on the company’s website allow for more than six alphanumeric characters?</td>
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<tr>
<td>8. Does the website allow users to calculate landed costs?</td>
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<tr>
<td>9. Does the website include a written international shipping policy?</td>
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<tr>
<td>10. Does the website include a written policy on international returns?</td>
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<tr>
<td>11. Does the website contain an FAQ section dealing with international sales?</td>
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<tr>
<td>12. Does the website contain hyperlinks to providers of international facilitative services, e.g. shipping companies, brokers etc?</td>
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<td></td>
<td></td>
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<tr>
<td>13. Does the website contain links to internationally recognizable certification bodies?</td>
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<tr>
<td>14. Does the website indicate the company’s hours of operation and time zones?</td>
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<tr>
<td>15. Does the website contain links to community forums?</td>
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<tr>
<td>16. Does the website contain links to local agents for after sales product service?</td>
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<tr>
<td>17. Does the website contain an explicit statement that products will only be shipped to those countries where they can legally be sold?</td>
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<td></td>
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<tr>
<td>18. Does the website exclude features such as flash animation that use significant amounts of bandwidth?</td>
<td></td>
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<td></td>
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<tr>
<td>19. Does the website provide the company’s address, telephone and fax numbers?</td>
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<tr>
<td>20. Does the website contain pictures of physical products sold?</td>
<td></td>
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</tbody>
</table>

## Research Hypotheses
The following research hypotheses will be tested in the empirical component of this pilot project:

H1: Consistent with other studies the overall level of website internationalization among Canadian high technology and agricultural exporting firms will be low.

H2: Given greater familiarity with technology, exporters of high technology products will demonstrate a higher level of website adaptation than exporters in the agriculture sector.

Data for the test of the above hypotheses were generated from the content analysis of websites of exporting firms in the Canadian high technology and agricultural sectors.

Results of Website Content Analysis

In this section of the paper is presented the results of the content analysis of high technology and agriculture firms. High technology, communications and aerospace firms represent Canada’s so called new economy while agriculture, horticulture and forestry companies represent the old economy. As noted earlier the content analysis performed was based on a population of 242 exporter websites, 160 in the high technology sector and 82 in the agriculture sector. Figures 1 and 2 illustrate the distribution of website adaptation for firms in the high technology and agriculture sectors, respectively. The percentage of the twenty items in the content analysis form observed to have been adapted (adjusted for the number of “NA” responses) was low for both groups of companies. In both cases the distributions are skewed to the left indicating that the majority of firms in both sectors have not undertaken significant adaptations.

The mean percentage adaptation was calculated as 27% in the case of the high technology group and only 22% in the case of firms in the agriculture sector. These percentages are well below the authors’ subjective 50% threshold representing a significant degree of adaptation and leads to acceptance of this study’s first hypothesis (H1) that the overall level of website adaptation will be low. In the case of the high technology sector only seven firms were observed to have implemented more than 50% of the adaptations contained in the content analysis form. Firms achieving the 50% threshold include Alcatel Networks and Hummingbird Ltd. For firms in the agriculture sector none of the websites evaluated had adopted more than 50% of the adaptations contained in the content analysis form.

In order to test H2, i.e. that the means of the two website distributions are different a test of normalcy was first undertaken. This was considered necessary given that the distributions shown in Figures 1 and 2 are skewed and a t-test may well be sensitive to violation of the underlying assumption of normalcy. The one-sample Kolmogorov-Smirnov test was performed to test whether the observed values are in fact normally distributed. The results shown in Table 2 indicate that the assumption of normalcy is supported in the case of the distribution of high technology adaptations but not supported in the case of firms in the agriculture sector. A t-test of the mean of the high technology distribution was next performed to determine whether it is significantly different from 22%, the mean of the agriculture distribution. The t-value (6.534, sig. 0.000) leads to acceptance of H2. There is a significant degree of difference between the levels of adaptation observed for old versus new economy companies.
Figure 1
Distribution of Website Adaptation, Canadian High Technology Sector

Figure 2
Distribution of Website Adaptation, Canadian Agriculture Sector
Table 2

Test of Normalcy, High Technology and Agriculture

<table>
<thead>
<tr>
<th>Sector</th>
<th>Kolmogorov-Smirnov Z</th>
<th>Asymptotic Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>1.445</td>
<td>0.031</td>
</tr>
<tr>
<td>High technology</td>
<td>1.189</td>
<td>0.118</td>
</tr>
</tbody>
</table>

Conceptual Model

The results of the content analysis indicate that while the overall level of adaptation is low, there are some firms that are advanced in integrating the Internet into their international marketing strategies. In this section of the paper is presented a conceptual model of the decision process that firms follow in the integration process. The model is illustrated graphically in Figure 3. Although the Internet is inherently global it is assumed that established exporting firms go through a series of stages in the process of incorporating the Internet into their export strategies. The firm is assumed to begin the process with a limited web presence geared to providing information and transaction capability to existing domestic customers. External forces in the international market environment, however, force changes in the domestic Internet marketing strategy of the exporting firm and triggers the need for adaptations in order to service international customers. The firm may be motivated by competitive factors such as the need to protect market share in international markets from traditional rivals that have moved to develop sales online. The impetus may also come from “pure-play” Internet companies seeking to create value through the establishment of electronic B2B exchanges which would provide the firm’s existing foreign customers with substantial new supplier options. Opportunistic factors such as the receipt of unsolicited online requests from prospective international customers may also serve as a catalyst for the website internationalization process. The monetary value of these unsolicited requests may, however, have to hit a meaningful threshold before the firm is prompted to act.

The firm faced with these external forces will recognize the need to adjust. In the model proposed these external forces are viewed as a necessary but not a sufficient condition for internationalization to occur. Internal forces within the firm also play a part in the adaptation process. Within the firm, vision and leadership will be needed to recognize the significance of the external forces and the opportunities that internationalization presents. Senior management “buy-in” and the election of a prime mover to spearhead the internationalization effort will be required to marshal the resources needed to execute the internationalization strategy. Without this executive level commitment it is hypothesized that the firm will do little to fully incorporate the internet into its international marketing strategy.
External Forces
- competitors initiate web-based international sales
- unsolicited web-based international orders
- emergence of international B2B exchanges

Exporter Internal Forces
- sensitivity to changing external environment
- leadership
- vision
- appointment of an executive level “prime mover”

Evaluation of the need to modify traditional entry mode strategies, trade barriers and government regulations

New International Website
- Re-evaluation of internet marketing mix variables point to the need for adaptation
  - Product
  - Distribution
  - Pricing
  - Communication
  - Community

Existing Domestic Website

Specific Website Adaptations
- e.g. currency conversion links, languages, alternatives, international shipping policies etc.

Strategic International Internet Marketing Decisions

Evaluation of the need to implement:
- organizational
- business model
- business process
- changes to allow adaptations to be effective

Incremental Change
Architectural Change
Radical Change
Exit international internet marketing

Transaction/Non-Transactional Customer Feedback

Conceptual Model
The firm, once committed to the incorporation of the Internet into its foreign sales activities, will next consider the specifics of the adjustments needed in its marketing strategy. The firm is assumed to examine each element of the internet marketing mix to determine the precise adaptations required to serve international customers online. The internet marketing mix variables considered are price, communication, distribution, community and product (Mohammed et al., 2004). Distribution considerations, for example, may suggest the need for the firm to develop an international shipping policy that would be posted on its website. A re-examination of the communication variable may highlight the importance of the firm offering content in more than one language and possibly hosting alternative home pages to serve specific foreign market segments. Price considerations on the other hand may lead the firm to focus on ensuring that its website hosts links to currency conversion calculators or that its website allows users to calculate landed costs. Given the visual nature of some cultures the firm may opt to adjust its product strategy by inclusion of photographs of packaging and labeling in order to appeal to overseas target customers. The company may also provide links to community forums or create its own electronic bulletin board to facilitate the exchange of ideas and viewpoints across domestic and foreign customer segments.

The firm is assumed to evaluate the need for changes to its organizational, business model and business processes. These changes may be required in order to make the specific website adaptations workable. For example, does the company need to establish an international online division or department to pursue this opportunity? How, if at all, will the firm’s existing distributors and agents in the target countries be involved in sales transactions via this new channel? Are changes required in the firm’s invoicing and accounting procedures? As the firm moves to incorporate the Internet into its international marketing efforts more traditional considerations come into focus. These include the online strategy’s compatibility with existing entry modes and the need to consider trade barriers and government regulations with respect to Internet sales in the target country. For example, would international online sales compromise existing joint venture or strategic alliance agreements with foreign partners?

The conceptual model assumes that the firm will implement the specific strategic adaptations suggested by the Internet marketing mix and will receive feedback from foreign international customers. This feedback may be transactional or non-transactional. Transactional feedback refers to feedback from the international customer during the course of concluding (or abandoning) a specific transaction. This may include a request for a revised order form that includes a telex number, because this form of communication is still used in the customer’s country. Feedback may also be non-transactional, for example, should the firm conduct an online survey of international customers to solicit their views on its approach to international marketing. Whether transactional or non-transactional the feedback received will lead the firm to undertake incremental, architectural or radical changes to its international Internet marketing strategy. Foreign customer feedback may also lead the firm to abandon efforts to incorporate the Internet into its export strategy, triggering a reversion to its earlier approach to using the Internet purely for domestic transactions.

**Research Questions:**

Based on the above conceptual model of the process by which the Internet is incorporated into the firm’s international marketing strategy, a number of research questions are posed. As a second phase of this research a survey of Canadian exporters that have adapted, and those that have not adapted, their Internet strategies will be undertaken. In this follow-up phase the researchers will attempt to generate empirical data which provides answers to the questions stated below.
Q1: What are the external factors that would drive a firm to implement an international Internet marketing strategy? What are the most important of these factors?

Q2: What internal factors (if any) provided an impetus for the development of an international Internet marketing strategy?

Q3: What external or internal factors might inhibit a firm from internationalizing its website and capitalizing on this additional revenue stream?

Q4: Were traditional trade and entry mode barriers considered in the decision to implement an international Internet marketing strategy?

Q5: What elements of the Internet marketing mix were adjusted in the website adaptation process?

Q6: What areas of the firm’s organizational strategy, organizational structure, business model or system processes (if any) were adjusted in order to facilitate the implementation of the specific website adaptations considered?

Q7: What is the specific mechanism that firms use to solicit feedback on their international Internet marketing strategy (customer tracking/IP address recognition/online surveys etc).

Q8: Which form of feedback (transactional vs. non-transactional), if any, provided the exporter with the most useful information to revise and adjust its new international Internet marketing strategy?

Q9: Given feedback from foreign online customers did the firm pursue an incremental approach to the revision of its international Internet marketing strategy? Why was this particular approach used?

Q10: Given feedback from foreign online customers did the firm pursue an architectural approach to the revision of its international Internet marketing strategy? Why was this particular approach used?

Q11: Given feedback from foreign online customers did the firm pursue a radical approach to the revision of its international Internet marketing strategy? Why was this particular approach used?

Q12: Given feedback from foreign online customers did the firm decide to abandon the development and implementation of its international Internet marketing strategy? Why was this particular approach used?

Q13: If abandoned did the firm revert to a domestic Internet strategy or not pursue the Internet as a marketing/communication channel?

These research questions will be addressed, by the authors, in a large scale survey of firms that have undertaken adaptations in the development of an international Internet marketing strategy and those that have not. An integral component of this process will be the use of content analysis to identify those firms that have made international adaptations. The empirical results reported in this paper represent the first stage in testing the content analysis form and identifying firms pursuing an internationalized Internet marketing strategy.
Research Agenda

The results presented in this paper are preliminary. Based on this pilot study a more comprehensive project is planned. In the second phase of this study the authors will expand the number of industrial sectors to be subjected to content analysis, revise and expand the content analysis form and identify sub-groups of firms in various industrial sectors that have successfully integrated the Internet into their international marketing program. Sub-groups that have not internationalized will also be identified. The two groups will be surveyed in order to develop a better understanding of the process followed in making full use of the Internet for international transactions and the constraints encountered in the transition. The results of this survey will allow the researchers to identify the specific steps in the decision making process, assuming it is structured, and thereby validate the conceptual model postulated in this paper. Differences in the decision process by type of firm, industrial sector and size will be noted and the feasibility of developing a generalized model will be explored.

Summary and Discussion

This paper has examined the issue of integrating the Internet into the international marketing strategy of the firm. The paper sought to address three objectives, viz:

(1) to determine whether there is currently a significant difference in the degree of website internationalization between old and new economy firms.

(2) To develop a conceptual model of the decision making process by which firms incorporate the Internet into their international marketing strategies.

(3) To formulate a number of research questions that result from the conceptual model, and which will form the foundation of analysis in a follow-up phase of this project.

This paper used content analysis to investigate the extent to which firms in the new and old economies have internationalized their website strategies. The corporate website of over 240 firms in the high technology and agriculture industries were subjected to systematic observation using a structured content analysis form. The content analysis sought to test the following research hypotheses:

H1: Consistent with other studies the overall level of website internationalization among Canadian high technology and agricultural exporting firms will be low.

H2: Given greater familiarity with technology, exporters of high technology products will demonstrate a higher level of website adaptation than exporters in the agriculture sector.

The results of the content analysis indicated that the overall level of website adaptation is in fact low for both industrial groups. The mean level of adaptation was 22% for agricultural firms and 27% for firms in the high technology industry. The difference in the means of the two populations is statistically significant indicating that the degree of website internationalization varies by industrial grouping.

While the observed level of internationalization is low some firms have made significant progress in integrating the Internet into their international marketing strategies. A conceptual model of the process of integration was developed by the authors building on concepts from a
number of disciplines. The model proposed assumes that a combination of external and internal forces provide the necessary impetus for the firm’s efforts to more fully utilize the Internet in international marketing transactions. The firm, once committed, to internationalization will focus on ensuring compatibility of its online initiatives with traditional entry mode considerations as well as trade barriers and the regulatory environment. Consideration of the Internet marketing mix variables result in the firm embarking on a series of website adaptations designed to more effectively service international customers online. The firm also recognizes the importance of adjusting organizational and business model elements in order to give effect to the website adaptations to be implemented. The firm’s new international Internet marketing strategy is subjected to revisions based on customer feedback. These adjustments may be incremental, architectural or radical or may result in the company abandoning the Internet as an international marketing channel. The model developed resulted in a number of questions to be addressed in a second phase of this project. Answers to these questions will allow the researchers to verify the validity (or otherwise) of the conceptual model proposed.

The results of this study have implications both for government agencies concerned with the challenge of using the Internet to increase export sales as well as for corporate executives interested in making better use of this new channel. The low level of website adaptation, even for firms in the high technology sector, suggests the need for greater effort on the part of policy makers in encouraging firms to take a more serious approach to using this new channel for international transaction. Without adaptation there will be little progress in attracting new foreign online customers. Corporate executives should also find the results above useful. The conceptual model proposed suggests the need for a structured approach to incorporating the Internet into international marketing. While the model has not yet been validated major factors in the decision have certainly been identified.

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