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ELECTRONIC MARKETING PRACTICES, COMPETITIVE ENVIRONMENT AND PERFORMANCE OF TELECOMMUNICATIONS COMPANIES IN KENYA

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ABSTRACT: *The objective of the study was to ascertain the effect of e-marketing practices on the performance of telecommunications companies in Kenya. The population of the study was drawn from all telecommunications companies Kenya. Primary and secondary data were used where a semi-structured questionnaire was used to collect primary data while secondary data was extracted from industry performance reports. Data was analyzed using descriptive statistics, factor analysis and regression analysis. The findings showed statistically significant relationship between e-marketing practices and organizational performance. Results of the moderating effect of competitive environment on the relationship were equally statistically significant. The results imply that organizations that have adopted e-marketing practices have also been able to record better performance. This relationship is however moderated by competitive environment meaning that while e-marketing practices contribute to organizational performance, the competitive environments within which they operate require that they develop mechanisms that enable scanning and adapting to competitive environment for competitiveness and better performance. Failure to adapt to the competitive environment can result into organizational demise despite adopting appropriate marketing strategies including, e-marketing practices.*

KEYWORDS: Competitive Environment, E-Marketing Practices, Organizational Performance, Telecommunications Companies, Kenya

INTRODUCTION

Marketing organizations conduct business in unpredictable, dynamic and volatile environments that demand origination of workable strategies that include e-marketing practices, for attainment of goals. Companies seek to develop appropriate strategies that are capable of assuring management of success. Organizations that have adopted e-marketing practices have reported better performance through improved distribution, increased sales and acquisition of new customers (Hossinpour et al., 2014; Brodie et al., 2007). Notably, the development of mechanisms that enable adaptation to the dynamisms in the competitive environment with appropriate strategies contribute to better organizational performance. Recognition of the effect of organizational strategies, including adoption of e-marketing practices, and application of the strategies in adapting to the turbulent competitive environment, have effects on organizations performance.

In Kenya, the telecommunications industry is experiencing rapid growth that is highly impacting the economy in line with the Vision 20130. There are many players in the industry which is categorized into International Network Facility Providers, National Network Facility Providers (NFP) and Non-Infrastructure Based Service Providers (Communications Authority

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of Kenya, 2015). Following liberalization of the industry in 1990s, the marketing environment has become highly competitive with technological advancements introducing turbulence and diversity all of which have resulted into declining performance (Letangule & Letting, 2012). Players have had to be more innovative and scanning the environment, adopting appropriate strategies that enable effective market targeting and customer engagement (Lwiza & Nwankwo, 2002).

Electronic Marketing Practices

E-marketing practices describe the use of marketing philosophies in the communication of offerings of a company using internet technology (Kotler, 2003; Harridge-March, 2004). Banerjee and Dash (2011) argue that e-marketing practices makes use of the internet in enabling organizations adapt to customer needs, lower costs of doing business while aiding access company offerings cost effectively. Ellis-Chadwick and Doherty (2012) maintain that e-marketing practices entail interactive actions that facilitate customer engagement without heavily relying only internet technology. E-marketing practices are therefore concerned with the application of electronic technology that include online and offline activities in accomplishing organizational objectives (Baker & Sinkula, 2005).

Dann and Dann (2011) state that e-marketing practices are actions that require some level of interactivity to enable implementation. In this case, organizations that seek to realize execution of marketing principles using e-marketing practices have to rely on some form of technology that includes electronic and interactivity. E-marketing practices do not purely therefore only rely on the internet to communicate company products and managing relationships with company customers. It is considered a contemporary corporate activity involving marketing of company offerings using internet and electronic technology (El-Gohary, 2010).

Competitive Environment

Environmental competitiveness defines how organizations strive to attain improved performance over and above the competition (Pereira-Moliner et al, 2015). Competitive intensity is dependent on barriers to entry, size of organizations, regulations within the industry and brand image of the organization (Afande, 2015). The dynamic and complex environments within which organizations operate require variation of strategies for adaptation (Kennerly & Neely, 2003). Uncertainty within the environment comes from agents' diversity as well as technology and market heterogeneity. Together, they contribute to the complexity within the competitive environment (Barrales-Molina et al, 2010). Moreover, both market turbulence and technological advancement affect the environment while adaptation to the turbulent environment determines organizational competitiveness. The make-up of costs within an economy with minimal cost of land, capital and labour, compared to competing industries, result into superior industry competitiveness (Solvell, 2015).

Pereira-Moliner et al (2015) measured competitive environment in terms of cost and differentiation. On their part, Sanders et al (2015) viewed it in terms of intensity, dynamism and complexity while Barrales-Molina et al (2010) described it in terms of dynamism, complexity and munificence. Porter (1980) introduced the competitive forces within an environment that detail the level of competition within an industry, behavior of existing industry players and the structure of an industry environment that can influence organizational performance. An organization's competitive environment can provide

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opportunities for growth, development, value, wealth creation as well as threats (Njeru, 2013). It is therefore a source of constraints, contingencies, problems and opportunities that influence the way organizations transact business thereby affecting their performance (Bourgeois, 1980). The way managers respond to the competitive environment through adoption of innovative strategies has influence on the performance of such organizations.

Organizational Performance

The concept of organizational performance has been viewed differently by different scholars. McCann (2004) and Firer (2003) have defined organizational performance in terms of the efficiency as well as the effectiveness with which organizations convert inputs into outputs. Bourne et al (2003) contend that organizational performance relates to the efficiency, effectiveness, adaptability and financial aspects of an organization. Kaplan and Norton (1987) on their part proposed the balance scorecard that presents organizational performance around financial, customer, innovation and learning and internal process perspectives. Notably, Hubbard (2009) advanced the Triple Bottom Line that viewed organizational performance along natural environment and social responsibility parameters. Lusthaus et al (1999), on the other hand, proposed the International Development Research Centre (IDRC) model that introduced effectiveness, efficiency, relevance and financial measures as important indicators of organizational performance. In spite of the differences in views of the term by different scholars, it is notable that organizational performance receives a lot of focus by organizations.

Research Problem

Organizations conduct businesses in dynamic and volatile environments that call for advancement of strategies that can guarantee organizational competitiveness. Adoption of e-marketing practices results into organizational performance through improvements in sales and distribution (Hossinpour et al., 2014). Notably, organizations that have embraced e-marketing practices are readily able to circumnavigate the volatile and fast-changing marketing environments for goal attainment (Trainor et al. (2011).

The telecommunications sector was liberalized in the 1990s and this introduced volatility, dynamisms and intense competition within the sector. This requires the players to develop mechanisms that enable adaptation to the changing environments. The dynamic competitive environments affect organizational performance through presentation of growth opportunities as well as threats that require close management attention for organizational survival (Njeru, 2013). Players within the telecommunications sector are adopting novel strategies that include e-marketing practices which guarantee effectiveness (Letangule & Leting, 2012). E-marketing practices result into performance whenever organizations are capable of developing strategies and instruments capable of integrating and adapting to the competitive environment (Egan et al, 2004).

A number of studies linking e-marketing practices and organizational performance have revealed contradictions in concepts and scale regarding the linkage of the variables. In his study, Harridge-March (2004) applied the famous 7 marketing mix elements where he illustrated that e-marketing is a novel marketing strategy that's gaining global acceptance. However, he failed to take into account individual aspects constituting e-marketing practices and how their alignment to the 7ps can assure organizations of competitiveness. On their study of the influence of e-marketing on Sales of Life and Investment Insurance, Hossinpour

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et al. (2014) relied heavily on internet marketing without taking note of the effects of other elements of e- marketing. Notably, Brodie et al. (2007) ascertained that marketing organizations are rapidly embracing e-marketing practices and this has had great contribution to efficiency and effectiveness of such organizations. They however did not establish if organizations that had embraced e-marketing practices had recorded positive financial performance.

Studies seeking to determine the moderation of competitive environment on the relationship between electronic marketing practices and organizational performance are rare. Asikhia, (2009) studied the moderating role of electronic marketing on the consequences of market orientation in Nigerian firms while Raoofi (2012) studied the moderating role of electronic marketing on the consequences of market orientation in Iranian firms. On both studies, e-marketing was treated as a moderating variable while the current study has treated it as an independent variable. This gives e-marketing a pedestal position on the study compared to rest of the study variables. There are also notable gaps on studies relating e-marketing practices and performance of Telecommunications companies in Kenya. Brodie et al. (2007) undertook a research on service companies in United States of America**;** Hossinpour et al. (2014) considered Life and Investment companies in Germany whereas Tsiotsou and Vlachopolous (2011) studied Travel and Tourism companies in Greece. Better still; Salem et al. (2013) researched on Hotels in Egypt while Asikhia (2009) considered service companies in Nigerian. The above illustrate that the linkage of e-marketing practices to Telecommunications companies in Kenya has not received adequate research attention.

THEORETICAL REVIEW

Organizational view of the marketing environment can guide on the selection of marketing strategies adopted by managers for the achievement of goals. The Diffusion of Innovations Theory (DIT) and the Wheel of Retailing Theory have been used to guide the study. DIT describes how adoption of e-marketing practices can be affected by competitive environment within which telecommunications companies operate. On its part, the Wheel of Retailing Theory aids managers in understanding the effect of competition on organizations.

Diffusion of Innovations Theory

Diffusion of Innovations Theory (DIT) illustrates how innovations are adopted by different consumers. Rogers (1995) states that diffusion process is a way of passing new ideas, using different channels, to group members within a given time period. Schiffman and Kanuk (2010) maintain that the degree of acceptance of innovations vary with consumers with some accepting innovations easily, others take longer to accept the innovations while others reject the innovations completely. Consumer adoption of innovation depends on its relative advantage, compatibility, complexity, trialability and observability (Rogers, 1995; Schiffman & Kanuk, 2010; Armstrong & Kotler, 2003).

Relative advantage is the way potential customers view an innovation stands out in comparison with competing ones. Compatibility conveys the way potential consumers comprehend an innovation to be consistent with their beliefs. Complexity refers to how an innovation is hard to understand. Trialability denotes how an innovation can be tried in bits while observability is the ease with which a product’s characteristics can be visualized by

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potential consumers. The diffusion process is suitable in understanding how strategies that can enable scanning of the competitive environment can be implemented.

The Wheel of Retailing Theory

The theory illustrates the forces that shape retail developments as espoused by McNair (1958). It details how new retail developments start off with crude facilities, little prestige and a reputation of cutting prices and margins. As they grow and mature in business, they acquire more expensive spaces with more elaborate services that force them to impose higher margins on offerings until they reach high level in price scale resulting into uncompetitive offerings. The wheel of retailing revolves when new retailers emerge as low-status, low-price and low-margin making the original institutions vulnerable to new competition. Replacement of institutions' founders by second generation management who are less cost conscious and concerned more with stores' appearance and image create upward pressure on costs and prices thereby compounding the stores' uncompetitiveness (Findley & Sparks, 2002).

The theory explains the decline of certain types of retailers and introduction of others through the life cycle of shopping centres (Abrudan & Dabija, 2009) and is applicable to the current study in aiding understanding of the effect of competition in an environment. Survival of companies in competitive environments therefore requires adaptation without which they risk failure. Though informative, the theory is criticized for not being applicable to all economies but more in developed and growing economies (Brown, 1991). Moreover, convenience stores, planned shopping malls and specialty stores do not follow the pattern and enter into the market with high margins and high cost but remain competitive. Despite the critique, the theory serves as a useful reminder that organizations that operate in dynamic and competitive environments must adapt to changes and increasingly anticipate change or run the risk of inevitable decline (Abrudan & Dabija, 2009).

Electronic Marketing Practices and Organizational Performance

E-marketing practices entail using the internet and other interactive technologies to create and mediate dialogue between organizations and identified customers. It differs from other marketing practices due to its reliant on technology to enable interactivity. The gains achieved by organizations through adoption of e-marketing practices are many and include effective communication, marketing research, improved sales performance and better customer relationship management (Brodie et al., 2007). Ellis-Chadwick and Doherty (2012) describe it as a novel marketing strategy with significant capability of impacting organizational marketing performance. Harridge-March (2004) contends that it plays an important role in organizations considering its ability in creating value to both customers and organizations.

Studies that relate e-marketing practices to organizational performance have conveyed contradictory findings. Hossinpour et al (2014) maintained that the application of e-marketing practices positively impacts organizational sales, distribution and reach. Trainor et al (2011) posit that adoption of e-marketing practices assure organizations of better mechanisms for scanning and responding to constant changes within the business environment. Brodie et al (2007) add that organizations that have adopted e-marketing practices perform better in acquisition of new customers despite challenging the impression that information technology enabled business process innovations lead to speedy business performance. Notably, Avlonitis and Karanyani (2000) maintain that e-marketing practices

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improve organizational performance through better sales achievement. They however argue that despite this, its adoption does not assure organizations of any competitive advantage. This study addresses all these differing opinions with a focus on telecommunications companies.

Electronic Marketing Practices, Competitive Environment and Organizational Performance

The need for organizations to respond to changes within the competitive environment has led to increased attention to the way organization's resources are utilized to influence organizational performance (Owino, 2014). Competitive environment plays a vital role in the determination of success or failure of an organization due to the volatility and complexity in the environment. Organizations that are able to adapt to the challenges within the competitive environment often develop winning strategies that enable them report better performance (Njeru, 2013). On the contrary, when organizations fail to check and respond to competitive environments appropriately, competition is capable of undermining the strength of the marketing strategies put in place. Competition therefore affects organizations differently and this depends mainly on the industry structure and conditions of the market. Asikhia and Binuyo (2012) contend that increased intensity of competition is experienced in industries that allow easy market entry and shrinking growth opportunities. In the long-run, organizational performance affects the structure of the market as inefficient organizations diminish and are replaced by more efficient ones (Findley & Sparks, 2002).

E-marketing practices influence performance when the organization is able to develop mechanisms and strategies that enable integration and adaptation to the competitive environment (Egan et al., 2004). Market and technology orientation lead to electronic marketing capability that favourably influences organizational performance through improved customer retention and satisfaction due to the organization's ability to use e-marketing capability to scan and respond to the competitive environments (Trainor et al., 2011). Organizations that seek to gain from e-marketing capabilities therefore need to invest in resources that enable adoption of e-marketing practices. Such resources are varied and include development of skills that enable effective use and adaptation of e-marketing practices as well as physical resources required in establishment of e-marketing practices. It is notable that studies have considered e-marketing - performance linkage on the one hand and competitive environment – performance linkage on the other hand. The current study however combined all the three variables together and sought to determine the linkage among e-marketing practices, competitive environment and organizational performance.

The conceptual framework and hypotheses of the study are detailed in the following sections followed by the methodology, analysis, results and conclusions.

Conceptual Framework and Conceptual Hypothesis

Figure 2.1 presents the conceptual framework developed from reviewed theoretical models and literature. Previous studies supported the positive relationship between e-marketing practices and performance. Similarly, this study hypothesizes that Telecommunications companies in Kenya may enhance their performance by implementing e-marketing practices. However, this relationship may be moderated by competitive environment.

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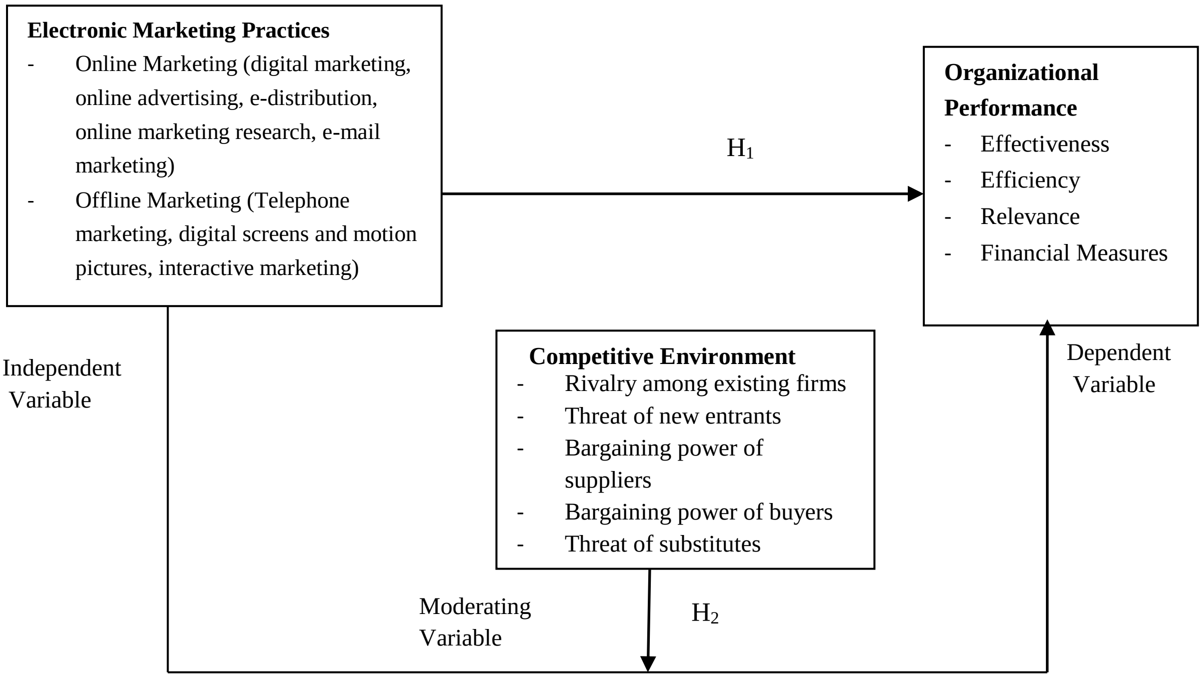

Figure 2.1: Conceptual Framework

From the conceptual framework on Figure 2.1, the conceptual hypotheses were derived thus:

H1 There is a significant relationship between e-marketing practices and performance of telecommunications companies in Kenya

H2 The relationship between e-marketing practices and performance of telecommunications companies in Kenya is significantly moderated by competitive environment

METHODOLOGY

The study applied a descriptive cross-sectional survey design with the population comprising all 408 telecommunications companies in Kenya licensed by the Communications Authority of Kenya. An approach recommended by Krejcie and Morgan (1970) was used in arriving at a sample size of 205 telecommunications companies. Stratified random sampling technique was used in the selection of representative companies as advocated by Cooper and Schindler (2010). Proportionate sampling was used to determine the desired sample size for each stratum to enable adequate representation of every stratum.

Data was derived from both primary and secondary sources. Secondary sources comprised company financial statements and annual industry performance reports published by the Communications Authority of Kenya for 2015 and 2016. The data entailed financial performance of telecommunications companies which was used in testing the relationship between e-marketing practices and organizational financial performance. Semi-structured questionnaire was used in collecting primary data from three managers in charge of human resources, finance and marketing functions in every organization. The study recognized the importance of using multiple respondents in improving reliability in collected data thereby reducing bias of a study.

ISSN 2053-4043(Print), ISSN 2053-4051(Online)

The researcher pre-tested the questionnaire among managers in five telecommunications companies that were not part of the study. The questionnaire was administered through drop and pick up later method and was accompanied by an introductory letter explaining the purpose of data collection and confidentiality of data collected. Research assistants were trained on appropriate interviewing skills and convincing respondents to complete the questionnaire. Follow up was made by the research assistants using emails and telephone calls in order to improve rate of response.

Reliability test was determined by use of Cronbach's alpha with coefficients between 0.7 and 0.9 considered appropriate for reliability test (Cooper & Schindler, 2006). Gliem and Gliem, (2003) argued that a value of 0.7 should be considered reliable while Asikhia (2009) recommends reliability cut off point of 0.6. The study construed coefficient of 0.6 and above as reliable scale. The findings showed that e-marketing had a Cronbach’s value of 0.852, competitive environment was 0.763 while organizational performance had a value of 0.772. Construct and face validity were utilized in examining validity of the study variables. Notably, sampling adequacy tests that demonstrate the appropriateness of items for factor analysis was equally considered. Kaiser-Meyer-Olkin (KMO) test of sampling adequacy and Bartlett's test of sphericity were performed and results revealed appropriateness of data for factor analysis.

Face validity was assessed by discussing the questionnaire with scholars and practitioners in marketing and organizational behaviour while content validity was determined through a pilot test with chosen managers from two telecommunications companies. The comments from the respondents on the clarity of the questionnaire were observed in the construction of the final questionnaire. On the other hand, construct validity was established through factor analysis.

Operationalization of e-marketing practices was based on online and offline marketing activities, competitive environment was operationalized along porters’ five forces while organizational performance was operationalized along both financial and non-financial indicators. The non-financial indicators comprised efficiency, effectiveness and relevance while Return on Equity (ROE) was used in measuring organizational financial performance.

Data Analysis

The data was analysed using descriptive and inferential statistics where mean, standard deviation and coefficient of variation were applied under descriptive analysis. Regression analysis was employed in testing the relationships between the study variables (Fairchild & Mackinnon, 2009).

The general regression model arrived at from the analysis:

$$y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \ldots + \beta_n x_n + \varepsilon \qquad (1)$$

The regression model used in testing the influence of the explanatory variables on organizational performance was:-

$$\text{Organizational Performance} = \beta 0 + \beta_1 \text{Electronic Marketing Practices} + \beta_2 \text{ Competitive Environment} + \varepsilon \qquad (2)$$

ISSN 2053-4043(Print), ISSN 2053-4051(Online)

RESULTS

A total of 205 Questionnaires were sent out to representative companies that formed the sample size. Out of the Questionnaires sent out, 160 were returned but 5 of them were incomplete and were therefore not used in the analysis. The response rate was 75.6% which was considered adequate for the study. Fowler (1984) recommends a response rate of 60% as representative for any study. Three managers in charge of marketing, human resource and finance functions were targeted with the questionnaires, aggregate scores were computed and scores used in reducing single source response bias.

Descriptive Results

For e-marketing practices, competitive environment and non-financial performance indicators, relevant statements depicting each of the variables were developed and the respondents were asked to show how each of the statements depicted practices within their organizations. A 5-point Likert scale ranging from 1 - 'not at all' to 5 - 'very large extent' was used. Financial performance was based on Return on Equity (ROE) which was presented as a percentage. Overall organizational performance was also expressed in percentage after converting non-financial measures to percentage as recommended by Brown and Beik (1969).

The results revealed that the overall organizational performance indicator which was expressed in percentage scored Mean = 58%, SD = 2.102 and C_V = 9.46%, e-marketing practices scored mean of 4.56, SD = 0.646, Cv = 14.4% while competitive environment scored mean =4.07, SD = 0,799, C_V = 19.8%. The results imply that since the environment within which the telecommunications companies operate is highly competitive, the companies have to apply appropriate marketing strategies that include e-marketing practices and at the same time adapt to dynamisms within the business environment so as to realize better performance.

Tests of Hypotheses

The study hypothesized that there is a relationship between e-marketing practices and overall performance of telecommunications companies. This relationship is however moderated by competitive environment. Simple regression analysis was used in testing the direct relationship while multiple regression analysis was used in testing the indirect relationships. In assessing the relationship between the study variables, two broad hypotheses were derived and tested. The first one focused on e-marketing practices and overall organizational performance of the telecommunications companies. The second hypothesis sought to establish the effect of competitive environment on the relationship between e-marketing practices and overall performance of the telecommunications companies. The first hypothesis was tested as follows:

Hypothesis 1: There is a significant relationship between e-marketing practices and overall performance of telecommunications companies

The results of regression analysis are presented in Table 4.1

ISSN 2053-4043(Print), ISSN 2053-4051(Online)

Table 4.1: Summary of Regression Results for the Relationship between E-Marketing Practices and Overall Organizational Performance

a) Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.498[a]	.248	.243	.31955

a) b) ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.147	1	5.147	50.405	.000[b]
	Residual	15.623	153	.102		
	Total	20.770	154			

b) c) Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.654	.251		10.560	.000
	E-marketing Practices	.416	.059	.498	7.100	.000

a. Predictors: (Constant), E-marketing Practices
b. Dependent Variable: Overall Organizational Performance

The results in Table 4.1 showed that e-marketing practices had a positive and significant effect on overall organizational performance with a correlation coefficient of .498, R2 = .248. This implies that electronic marketing practices explained 24.8% of the variance in overall organizational performance. The F statistics was significant at 0.000 with a value of 50.405. This shows fitness of the regression model. The relationship was therefore positive and statistically significant. The standardized beta coefficient indicated that electronic marketing practices make significant contribution to overall organizational performance (Beta = .498, t = 7.100, p< 0.05). This implies that electronic marketing practices are good predictors of overall organizational performance. The hypothesis was therefore supported.

The regression model that explained the above relationship was arrived at as follows:

Where:-

Where: -

Y = Organizational Performance

EMP = electronic Marketing Practices

The second objective aimed at determining the extent to which competitive environment influences the relationship between e-marketing practices and performance of telecommunications companies. Hypothesis 2 was tested.

ISSN 2053-4043(Print), ISSN 2053-4051(Online)

Hypothesis 2: The relationship between e-marketing practices and overall performance of telecommunications companies is significantly moderated by competitive environment

The regression results are presented in Table 4.2

y = 2.654 + .498 EMP(3)

Table 4.2: Summary of Regression Results for Electronic Marketing Practices, Competitive Environment and Overall Organizational Performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.581[a]	.338	.329	.30074	.338	38.818	2	152	.000
2	.617[b]	.381	.369	.29175	.043	10.516	1	151	.001

b) ANOVA[c]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.022	2	3.511	38.818	.000[a]
	Residual	13.748	152	.090		
	Total	20.770	154			
2	Regression	7.917	3	2.639	31.004	.000[b]
	Residual	12.853	151	.085		
	Total	20.770	154			

c) Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.597	.510		1.170	.244
	E-marketing Practices	.250	.066	.299	3.770	.000
	Competitive Environment	.587	.129	.361	4.553	.000
2	(Constant)	-15.782	5.075		-3.110	.002
	E-marketing Practices	5.227	1.536	6.252	3.403	.001
	Competitive Environment	4.082	1.085	2.508	3.762	.000
	Interaction Term of e-marketing and Competitive environment	-1.058	.326	-7.364	-3.243	.001

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics: R Square Change	F Change	df1	df2	Sig. F Change
1	.581[a]	.338	.329	.30074	.338	38.818	2	152	.000
2	.617[b]	.381	.369	.29175	.043	10.516	1	151	.001

b) ANOVA[c]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.022	2	3.511	38.818	.000[a]
	Residual	13.748	152	.090		
	Total	20.770	154			
2	Regression	7.917	3	2.639	31.004	.000[b]
	Residual	12.853	151	.085		
	Total	20.770	154			

c) Coefficients

Model		Unstandardized Coefficients: B	Std. Error	Standardized Coefficients: Beta	t	Sig.
1	(Constant)	.597	.510		1.170	.244
	E-marketing Practices	.250	.066	.299	3.770	.000
	Competitive Environment	.587	.129	.361	4.553	.000
2	(Constant)	-15.782	5.075		-3.110	.002
	E-marketing Practices	5.227	1.536	6.252	3.403	.001
	Competitive Environment	4.082	1.085	2.508	3.762	.000
	Interaction Term of e-marketing and Competitive environment	-1.058	.326	-7.364	-3.243	.001

a. Predictors: (Constant), Competitive Environment, E-marketing Practices
b. Predictors: (Constant), Competitive Environment, E-marketing Practices, Interaction Term of E-marketing and Competitive Environment
c. Dependent Variable: Overall Organizational Performance

The results in Table 4.2 reveal that e-marketing practices contribute 33.8% in the variability of overall organizational performance with R^2=.338. The relationship is statistically significant at F=38.818, p<0.05. The relationship remains statistically significant when the interaction term was introduced with adjusted R^2=.369, F= 10.516, p=.001 meaning that both

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e-marketing practices and competitive environment contribute 36.9% in the variability of the overall organizational performance. The coefficient results (Beta = -7.364, t=-3.243, p=.001) show statistical significance of the moderating effect of competitive environment on the relationship between e-marketing practices and overall organizational performance. It is notable that the Beta value moves from 6.252 to -7.364 upon introduction of the interaction term. The coefficient results imply that for every unit increase in competitive environment, overall organizational performance changes by -7.364 revealing an inverse relationship. The hypothesis was therefore supported.

The regression model explaining the variations in overall organizational performance due to the moderating effect of competitive environment was:

$$y = 15.782 + 6.252\ EMP + 2.508\ CE - 7.364X \qquad (4)$$

Where:

Y = Overall Organizational Performance

EMP = Electronic Marketing Practices

CE = Competitive Environment

X = Interaction Term of E-marketing Practices and Competitive Environment

DISCUSSION

The effect of e-marketing practices on organizational performance has drawn substantial research attention. Prior studies (Brodie, 2007; Trainor et al, 2010; Hossinpour et al, 2014) proved that e-marketing practices are linked to long term organizational performance. The current study revealed a positive relationship between e-marketing practices and organizational performance when organizational performance was measured along both perceptual and objective indicators. E-marketing practices were operationalized around online and offline marketing practices while organizational performance measures were guided by the IDRC model (Lusthaus, 1999) that entails both non-financial (efficiency, effectiveness and relevance) and financial measures. Competitive environment on the other hand was measured using Porter's (1980) Five Forces.

These findings are consistent with results obtained by Brodie (2007) and Trainor et al (2010) who established a positive relationship between e-marketing practices and organizational performance. Specifically, Trainor et al. (2010) found a positive relationship in improved sales and distribution of organizations that had adopted e-marketing practices. The findings are consistent with the current study that revealed how organizations that have adopted e-marketing practices have reported improved Return on Equity. Asikhia (2009) indicated that e-marketing practices contribute to better delivery of customer offerings and obtaining of marketing intelligence while Trainor et al (2010) stated that e-marketing practices lead to improved customer reach, engagement and retention. The current study further revealed that e-marketing practices do not only enable wider customer reach but also proved cheaper than traditional marketing practices. Adoption of e-marketing practices therefore positively

ISSN 2053-4043(Print), ISSN 2053-4051(Online)

influences the overall organizational performance through both non-financial and financial performance indicators.

Notably, the findings are contrary to results obtained by Avlonitis and Karanyani (2000) who found that there is no competitive advantage that e-marketing practices contribute to organizational performance while adding that organizations that adopted e-marketing practices have no assurance of improved performance. Similar sentiments were held by Salem et al (2013) who maintained that there is no evidence of positive impact on the performance of five star hotels in Alexandria that had adopted e-marketing practices. Hossinpour et al (2014), while basing their studies on Iranian Insurance companies concluded that whereas e-marketing practices facilitate market oriented strategies that enable interactive sales activities and customized product offerings in business to business markets, there is no evidence that the improved sales performance is a direct influence of adoption of e-marketing practices. Moreover, adoption of e-marketing practices does not automatically lead to competitive advantage.

Despite the contrary opinions presented in the above studies, empirical evidence presented in the current study as well as in majority of previous studies reveal that e-marketing practices as a marketing strategy cannot be ignored by organizations that seek to improve their overall performance along both non-financial and financial perspectives. The findings are also consistent with the position held by Rogers (1995) in espousing the factors that determine acceptance of innovations through the Diffusion of Innovations Theory that details how innovations with higher relative advantage are easily adopted. Organizations have increasingly discovered that e-marketing practices have relative advantage over traditional marketing practices through wider customer reach, reduced marketing costs, improved interactivity with the customers and overall marketing efficiency. It is therefore no wonder that organizations have adopted e-marketing practices as an unmatched marketing strategy and a resource for superior performance.

The findings revealed that competitive environment moderates the relationship between e-marketing practices and performance of telecommunications companies. The results imply that e-marketing practices influence performance when the organization is able to develop mechanisms and strategies that enable integration and adaptation to the competitive environment. Organizations that have adopted orientation towards technology and market have been able to develop capabilities on e-marketing. This has positively influenced their performance through improved customer retention and satisfaction due to the ability of the organizations to use e-marketing capability to scan and respond to competitive environments (Trainor et al, 2011).

Whereas Trainor et al (2011) admit that there is a moderating influence of competitive environment on relationship between e-marketing practices and organizational performance; they are quick to add that competitive intensity and market turbulence have a negative relationship with customer service. This implies that customer loyalty and satisfaction are difficult to achieve in industries that experience rapid changes as customer expectations and demands keep on changing. This means that intensity of competition has a negative effect on organizational performance because achieving corporate goals and objectives are much harder when competition in an industry increases. Organizations must therefore seek to gain competitive advantage through distinct capabilities that enable them navigate competitive environments for success (Felzensztein et al, 2015).

ISSN 2053-4043(Print), ISSN 2053-4051(Online)

The findings from the current study upon introduction of the interaction term of e-marketing practices and competitive environment (β=-7.364, t = -3.243, p=.001) support the above sentiments. The findings imply that although the model is statistically significant, there is an inverse relationship which means that the changes in the competitive environment negatively affect e-marketing practices and organizational performance relationship. Specifically, when organizations operate in highly competitive environments characterized by cut throat competition with ease of entry into the industry and where players aggressively defend their positions and swiftly match offerings of one another, it is more difficult for the industry players to record favourable performance.

Pereira-Moliner et al (2015) maintain that an increase in the number of market players reduces overall performance and that intense competition increases the chances that organizations are unlikely to meet their goals and are therefore likely to fail. This is likely to result into their failure as depicted by the wheel of Retailing Theory (McNair, 1958). On the contrary, Porter (1980) holds that competition improves organizational performance as highly competitive environments force players to be more innovative in order to succeed in the market. Moreover, organizations faced with stiff competition learn to respond to environmental pressures better by developing appropriate strategies that enable better performance. The telecommunications industry in Kenya faces intense competition and whereas this may have negative effects on their performance, their proactiveness in ensuring competitiveness is seen in need to develop appropriate strategies that include e-marketing practices. These assure the companies of success and sustainability.

IMPLICATION TO RESEARCH AND PRACTICE

The findings are in support of the hypothesized direct relationship between e-marketing practices and organizational performance. This is consistent with the general view and extant literature (Hossinpour et al, 2014; Trainor et al, 2011; Brodie et al, 2007; Avlonitis & Keranyani, 2000) that detail how adoption of e-marketing practices have positive effects on overall organizational performance. The study builds into the Diffusion of Innovations Theory as espoused by Rogers (1995). The study further considered competitive environment while drawing from the Wheel of Retailing Theory (McNair, 1958) and The Industrial Organization Theory (Pecotich et al, 1999) with Porter's (1980) five forces being applied in establishing the competitiveness within the telecommunications industry. The study established statistical significance of the moderating effect of competitive environment on the relationship between e-marketing practices and overall organizational performance thereby supporting findings in extant literature (Egan et al, 2004).

Findings of the study showed that majority of the telecommunications companies operate mainly nationally with minimal regional, continental and international reach. Moreover, majority of the companies only offer content service provision with very few of the companies offering full range of telecommunications products. Furthermore, the study has also shown that majority of the telecommunication companies, despite having operated for over ten years, are still in the category of small companies employing less than 50 permanent employees. From these findings, deliberate policy measures aimed at encouraging the companies to enhance their product range – specifically policies related to investment in infrastructure, will not only enhance scope of operations but also enable growth of the companies thereby providing more employment opportunities.

ISSN 2053-4043(Print), ISSN 2053-4051(Online)

The study findings suggest that telecommunications companies that need to succeed in this dynamic and competitive industry must adopt marketing strategies that not only assure them of sustainability but also enable success. Specifically, they should consider adopting e-marketing practices; combine both online marketing and offline marketing tactics for synergy in delivery of outstanding performance. They also need to continuously monitor the competitive environment and adapt to the changes for competitiveness. All these would assure the companies of positive and improved performance.

CONCLUSIONS

The study established that majority of the telecommunications companies have adopted e-marketing practices and that both online and offline marketing strategies are employed in the companies' marketing tactics. Reduced marketing expenditure was noted by majority of the companies that had adopted e-marketing practices. The companies were also more able to not only advertise their products cost effectively but also received feedback on their performances through e-marketing practices.

It was established that competitive environment had moderation influence on the relationship between e-marketing practices and performance of telecommunications companies. This suggests that e-marketing practices competitive environment independently contribute towards variations in the performance of telecommunications companies. The results therefore suggest that telecommunications companies should assess and adapt to competitive environmental changes for success. Organizations need to realize that the changes in the environment can offer opportunities and at the same time pose threats that can affect their overall performance. Telecommunications companies therefore need to focus on strategies that assure them of competitiveness and sustainability. The companies need not only adopt marketing strategies that assure them of competitiveness like e-marketing practices but also align their strategies to practices that enable adaptation to the competitive environment. This leads to competitive advantage and superior organizational performance reflected in the organizations' efficiency, effectiveness, relevance and overall financial performance.

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