

International Marketing and Internet: Identified Stages of Internet Use at Company Level

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Abstract

Despite Internet's short life and history, during the last fifteen years, a large number of research studies focused on the subject of Internet use as a marketing tool. However, further research is needed in the area of Internet's contribution to international and export marketing activities. The aim of this paper is to present the main findings regarding the use of Internet for both marketing and international marketing purposes and to describe an extended model of identified stages of Internet use for international marketing purposes at company level. The model was developed based on the findings of the in depth and careful investigation and analysis of six empirical research studies combined with a literature review conducted on the specific subject.

Keywords

International Marketing, Stages Model, E-commerce, SMEs, Internet

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INTRODUCTION

The rapid progress of electronic communications and the growth in the adoption of the Internet in marketing are drastically changing traditional marketing methods. Internet, the massive global network that connects millions of computers (Webopedia 2004a), is a new marketing medium that has the potential to radically change the way firms do business with their customers (Hoffman and Novak 1996, 50). Rather than the fixed, direct, expensive connections of EDI (Electronic Data Interchange), the Internet offered new means for buying, selling and providing customer service, which in turn impacts on traditional relationships between buyers and sellers (Eurostat 2004, 2).

Originally, known as the ARPANET (Advanced Research Projects Agency NETwork commissioned by the US Department of Defense), the Internet was started in 1969 as an experimental network connecting different university computer centers throughout the U.S. The first node was established at UCLA, closely followed by nodes at Stanford Research Institute, UCSB (Santa Barbara) and University of Utah (Netvalley 2004). In the 1980s, ARPANET was divided into MILNET (MILitary NETwork) which was used primarily for government and military purposes, and NSFNET (National Science Foundation NETwork) which was used to support education and research (Pallab 1996, 27). In 1989, the world faced probably the most important development to date on the subject of the Internet. The World Wide Web (WWW) was invented by Tim Berners-Lee at the European Centre for Nuclear Research (Cern) (Samiee 1998a, 425). The combination of NSFNET and commercially

available backbone services forms what the Internet is today – the world’s largest collection of decentralized computer networks (Pallab 1996, 28).

The WWW is an interactive graphical communications medium that is transmitted in digital form through a system of Internet servers that support specially formatted documents (Samiee 1998a, 425; Webopedia 2004b). The documents are formatted in a mark up language called HTML (Hyper Text Markup Language) that supports links to other documents, as well as graphics, audio, and video files.

Despite the fact that many people use the terms Internet and WWW interchangeably, it is important to make clear that the two terms are not synonymous. The Internet and the Web are two separate but related things. As we described earlier, Internet is a massive networking infrastructure that connects millions of computers together globally. Information that travels over the Internet does so via a variety of languages known as protocols. On the other hand, the WWW is an information-sharing model that is built on top of the Internet. The Web uses the HTTP (Hyper Text Transfer Protocol), only one of the languages spoken over the Internet, to transmit data. The Web is just one of the ways that information can be disseminated over the Internet. The Internet, not the Web, is also used for e-mail, which relies on the SMTP (Simple Mail Transfer Protocol), Usenet news groups, instant messaging and the FTP (File Transfer Protocol). So the Web is a large portion of the Internet, but the two terms are not synonymous and should not be confused (Webopedia 2004c).

This paper, first describes the use of Internet as a marketing tool. The use of Internet for international marketing purposes is highlighted in the second section, followed by a literature review on the subject of identified stages of Internet use at company level. Next, based on the results of a survey of six empirical investigations that have been conducted throughout the world, the investigation approach, the methodological aspects and the developed model of identified stages of Internet use at

company level are presented, respectively. Finally, the conclusions of the research together with some thoughts about much needed further research in the area investigated by this paper are discussed.

Use of the Internet as a Marketing Tool

Internet Marketing (IM) is defined as the process of building and maintaining customer relationships through online activities to facilitate the exchange of ideas, products, and services that satisfy the goals of both buyers and sellers (Ngai 2003, 24). The Internet is unique because it is both a market and a medium. This means that it can efficiently assume a multi-channel role by serving as a computer-mediated market in which sellers and buyers access each other, and as a medium to conduct and execute business functions such as marketing, sales, and distribution (Ngai 2003, 24).

Another important consideration in the business analysis of the Internet as a media environment is to recognize that it possesses unique characteristics that distinguish it in important ways from traditional commercial environments (Hoffman and Novak 1997, 43; Kiani 1998, 185). These characteristics are: a) the shift from the conventional “One-to-Many” communication model to the “Many-to-Many” model (Hoffman and Novak 1997, 44), b) the flow in computer-mediated environments (Hoffman and Novak 1997, 44-45), c) the existence of goal-directed and experiential navigation behavior (Hoffman and Novak 1997, 45-46), d) the shift from “one-way” to “two-way” information flows between producers and consumers (Kiani 1998, 185-186), and e) the shift from “supply-side” to “demand-side” thinking (Rayport and Sviokla 1995, 85).

More and more companies, regardless of size, are using Internet and the WWW for communication purposes in order to conduct daily business and to promote awareness (Illingworth, Williams, and Burnett 2002, 292). On the one hand, large enterprises are using the Internet as an important tool

through which they communicate internally with their business partners and externally with their customers, while at the same time smaller companies are discovering the Internet to be a cost-effective communications means through which they can conduct research activities relating to their products, customers, and markets, as well as conduct efficient product sales transactions (Pallab 1996, 29; Illingworth, Williams, and Burnett 2002, 292).

Although the first wave of growth of the WWW was in the business-to-consumer (B2C) domain, the business-to-business (B2B) domain is regarded as larger (Sharma 2002, 77). In Europe, for the year 2001 the overwhelming majority of Internet sales were to business customers in every Member State, although in Germany the split between business (51%) and consumer (49%) clients was almost equal (Eurostat 2004, 15 – Table 2.4.4). For the same period of time, the situation of e-commerce was the same in USA and Japan. According to the Census Bureau of the US Department of Commerce (DoC), in 2001 B2B activity, dominated e-commerce in the USA (E-Business W@tch 2003, 43), while based on data and findings from the ‘E-commerce Survey 2001 in Japan’, carried out by the METI (Ministry of Economy, Trade and Industry), B2B e-commerce was believed to account for the largest part of online commerce. More specifically, the E-commerce Survey 2001 in Japan found that the scale of the B2B market expanded to around 34 trillion yen in 2001, including the service-related segments added into the survey, and faced an increase of about 58% compared to 21.6 trillion yen for 2000 (E-Business W@tch 2003, 44). The results of the 2002 survey for the Member States of the European Union were proportional to those of the 2001 survey (Eurostat 2004, 14).

Given that the traditional communication medium has been shifted to a digital environment, the business characteristics and marketing practices also need to change accordingly (Siu 2002, 177-178). This means that marketing activities are difficult to implement in their present form, so they must be reconstructed into a paradigm more compatible with new media environments like the WWW

(Hoffman and Novak 1997, 46). Marketing on the Internet is a very different process from traditional marketing where the target market is aimed with an advertising message via various media (television, radio and publications) (Angelides 1997, 407). The key to a more successful marketing effort on the Internet will be the creation of a dynamic, highly interactive and customized to the audience website in order to attract new and maintain old customers (Wilson and Abel 2002, 89-90). The unique interactivity of the Internet (Avlonitis and Karayanni 2000, 442) and the advantages that derive from its use, led many companies, regardless of size, to use it for the expansion of their marketing efforts to foreign markets.

Use of the Internet as an International Marketing Tool

International marketing is the extension of the process of planning, promoting, distributing and pricing of the goods and services desired by intermediate and ultimate consumers across national and political boundaries (Albaum, Strandkov, and Duerr 1998, 8-9; Griffin and Pustay 1999, 584). Several authors and academics have proposed use of the Internet as a tool to facilitate the internationalization of firms, and especially of the SMEs (Angelides 1997; Hamill 1997; Hamill and Gregory 1997; Poon and Jevons 1997; Moen 2002; Wilson and Abel 2002; Moen, Endresen, and Gavlen 2003).

The main uses of Internet for international marketing are: a) for communication (including contract negotiations) through e-mail, discussion groups, voice mail, IRC (Internet Relay Chat, a chat system developed by Jarkko Oikarinen in Finland in the late 1980s that enables people connected anywhere on the Internet to join in live discussions) and video conferencing, targeting customers, suppliers, partners, distributors, agents, research centers and governments, b) for information access (including product specification and technical data) through the WWW and other information search

and retrieval software, targeting country and market research reports, industry specific reports, trade contacts, agents and distributors, c) for advertising and promotion through corporate website(s), d) for direct sales of existing products and services through corporate website(s), e) for sales of Internet-based products and/or services in which the Internet is integrated in the offerings itself, and f) for on-line distribution of digital information and/or data (e.g., software, music, press release information, and market research) through corporate website(s) (Hamill 1997, 306; Samiee 1998b, 8-9).

The Internet can be a very helpful tool for managers in the field of international marketing due to the large number of potential advantages that can be derived from its use. After detailed reviewing of several important research studies that have been conducted during the last fifteen years (Ainscough and Luckett 1996, 37; Pallab 1996, 30-32; Quelch and Klein 1996, 67-71; Poon and Swatman 1997, 385-386; Bennett 1997, 325; Bennett 1998, 27; Breitenbach and Van Doren 1998, 561; Kiang, Raghu, and Shang 2000, 384-386) the most important advantages of Internet use for international marketing purposes are presented in Table 1.

On the other hand, Internet can also be a nightmare for firms that are not aware of the challenges that the Internet creates (Palumbo and Herbig 1998, 253). The main problems in this new environment regarding international marketing are lack of security, lack of privacy, lack of censorship, absence of unified international law, lack of protection of the intellectual property, cultural aspects (such as different languages, different perception of images, gestures and colors), telecommunication infrastructures (excluding USA), personal computers' availability (especially for developing countries), the different popularity of credit card use across nations (Palumbo and Herbig 1998, 253; Melewar and Smith 2003, 366-368), the reduced selectivity of audience since websites can be accessed by anyone on the Internet, the intense competition generated by the existence of thousands of other homepages, all of which are trying to attract and retain visitors, the existence of choice for Internet users (the user must

actively decide to visit the website), unlike radio and TV (Breitenbach and Van Doren 1998, 562), the existence of high cost for common users, and the accessibility (Pallab 1996, 32-34).

A great deal of discussion among researchers is related to the subject of Internets' contribution to the internationalization process of small and medium-sized enterprises. While there are several research studies denoting that the Internet has the potential of neutralizing some existing advantages of bigger corporations and thus of creating a level playing field for almost any interested small and medium-sized enterprise to obtain a presence on the Internet and to list its address on various directories and Internet search engines (Quelch and Klein 1996, 60; Hamill and Gregory 1997, 23; Wilson and Abel 2002, 88; Moen, Endresen, and Gavlen 2003, 129), there are other researchers expressing a different point of view by underlining the fact that large firms still enjoy a substantial competitive advantage because of larger resources, more visibility among prospective customers

INSERT TABLE 1

worldwide, more elaborate and extensive Internet-based activities, better image and more recognizable brand names (Samiee 1998a, 425; Samiee 1998b, 18-19; Arnott and Bridgewater 2002, 94; Eid and Trueman 2004, 25). Consequently, it can be said that the use of Internet for international marketing purposes has the potential to enhance the internationalization process of SMEs, but the playing field is by no means level (Samiee 1998b, 19).

In the following section, a literature review on the subject of identified stages of Internet use at company level is presented. The objective is to establish the theoretical background of a model, described at a later section, which emerged from the investigation of six empirical research studies.

LITERATURE REVIEW

Despite the fact that there is an extremely limited number of research studies referring to the subject of identified stages of Internet use at company level, there were some interesting attempts to describe the conceptual framework of the specific research area.

Rowley (2001, 204-206), in her attempt to highlight the impact of Web presence on the role of marketing communications in business, listed four stages of Internet use at company level for service development. At stage one, the contact stage, the Internet is simply an additional channel through which marketing communication can be delivered and the emphasis is on website content. The characteristics of this stage are the promotion of corporate image and the publication of corporate and contact information. At stage two, the interact stage, Internet provides enhanced information exchange with customers and trading partners. At this stage, Web pages are also providing links to facilitate communication. At stage three, the transact stage, catalog order/fulfillment, interaction with trading partners and online transactions are available. At this stage, e-commerce and e-shopping are becoming features of corporate websites. At the final stage, the relate stage, websites are providing a two-way customer relationship, with full integration of Internet capabilities into the business. At this stage, service interface is integrated with delivery and other business operations.

Sharma (2002, 78-80), focused on the subject of Internet use at company level for B2B marketing purposes, and described a five-stage model. At stage one, the information stage, firms are providing information to customers, but the flow of information is one-way, from the marketer to the customer. At stage two, the knowledge stage, firms attempt to collect more information regarding such concerns as preferences, attribute importance, channel preference, purchase cycle and purchases, through both internal databases and actual behavior on their websites. At stage three, the conversations stage, B2B

marketers use the Internet to begin two-way conversations in the ways that letters and telephone conversations were used in the past. At stage four, the relationship stage, firms use the Web to develop relationships with their customers through communication and design of the interaction platform. At the final stage, the e-commerce stage, firms conduct commerce through the Internet and all the systems are tied together in order to reduce costs related to transactions, as well as other inefficiencies such as cycle times. The evolution to the e-commerce stage will increasingly lead to a common information platform (the Internet) that encompasses all the functions of a firm and of external suppliers and customers.

Sorensen and Buatsi (2002, 483-484), described three levels of Internet use as part of the business strategy at company level. At level one, the brochure or publishing level, the company provides common information materials through its own website while there is no possibility for interaction. This stage primarily aims in cutting costs through digitalizing present market activities. At level two, the manual or database level, information is extended with the ability to get responses on user requests. At this stage, there is limited interaction, so restricted as it is to ask-response interaction. At level three, the e-commerce and personalization level, the interaction is more complex and it is possible to personalize it. At this stage, value creation is as important, if not more important, as cost cutting. The user, and potential customer, must reveal some information about him/her in order for the company to reach and implement level three. Sorensen and Buatsi (2002, 484) underlined the fact that the three levels may be seen as stages with newcomers to the Internet starting in stage one by cutting costs through digitalizing their information materials, moving into stage two with limited interaction possibilities and ending at stage three with a full blown interaction website.

Wilson and Abel (2002, 86-87), identified five stages-types of Internet use as a marketing tool at company level. At the first stage-type, named communication stage, Internet provides effective

communication with customers and suppliers through e-mail and discussion groups (e.g., Usenet groups or Listserv groups). It is important to underline the fact that the authors do not see e-mail as a sales tool but just as a communication tool. At the second stage-type, the market research stage, firms are using the Internet in order to gather primary and to search for secondary data regarding their customers and their competitors. At stage-type three, the brand building stage, companies are using the Web to build their brand name by posting their existing marketing literature to their website(s). More complicated forms of brand building include current news, forums, articles for customers on various topics of interest, investor information and corporate mission statements. At stage-type four, the e-commerce stage, firms are giving the opportunity to their customers to view, purchase and pay for their products or services through an interactive website. At stage-type five, named e-organization or e-business stage, there is full integration of order taking with supply chain and the majority of the company's revenues are being generated from the Internet.

Finally, Rao and Metts (2003, 14-22), proposed a four stages model of Internet use and e-commerce development at company level. At stage one, the presence stage, the majority of the companies make their first steps in electronic commerce by displaying their company brochure and product offer on a Web site. The second stage, named the portals stage, is viewed as the introduction of two-way communication, customer or supplier order placing, the use of profiles and cookies. The third stage, named the transactions integration stage, is differentiated from the portals stage mainly by the presence of financial transactions between partners. The fourth stage, named enterprises integration stage, refers to complete integration of business processes to the extent that old-line business is indistinguishable from online business and involves high levels of collaboration between customers and suppliers.

A closer look at the above models leads to the fact that there are several stages, which are commonly adopted by all the former described research studies. These stages are the information stage,

where Internet is used by firms in order to provide corporate information, the communication stage, where Internet provides a two-way communication between firms and their suppliers and/or customers, the e-commerce stage, where firms allow customers to view, order and pay for their products through an interactive website, and the e-business stage, where all major processes of the company are connected and fully integrated with the online environment. The fact that these stages are common reflects their importance and makes necessary their inclusion in the results of similar research studies in the future.

Investigation Approach and Methodological Aspects

The investigation of the literature covered the empirical research on the subject of Internet's role in exporting and international marketing activities. The study covered both SMEs and larger firms from developed and developing countries. The latter enabled us to define similarities or differences on a larger scale providing results for further research. Among the researched firms, 96.3% were exporters, while 61.2% of the total were using the Internet. Some of the firms had their own website and some of them were using the Internet without having a personal Web page.

The sources for the investigation were journal articles. A total of six empirical research studies, contained in five articles (Bennett 1997; Poon and Swatman 1997; Bennett 1998; Moodley 2002; Sorensen and Buatsi 2002) were identified as appropriate for the purposes of this investigation. Only studies for which research was based on the collection, analysis and presentation of primary data were selected for inclusion in the review process. In that way, we were able to reassure the collection of adequate information on research methodologies and empirical findings. Studies without empirical

investigation (e.g. Samiee 1998a) were not considered due to the comparative nature of the analysis pursued in this paper.

In general, the studies followed the pattern of the overall stream of international marketing research and adopted a single-country orientation, with only one (Bennett 1998) researching Internet use in exporting on a two-country cross-cultural basis. Half of them, focused on issues encountered by developing countries (Sorensen and Buatsi 2002; Moodley 2002) while the rest focused on issues encountered by developed ones (Bennett 1997, 1998; Poon and Swatman 1997). The developed countries are UK, Germany and Australia, while the developing countries are Ghana and South Africa.

All the studies investigated deal with SMEs, while three (Bennett 1997, 1998; Sorensen and Buatsi 2002) include larger firms in their samples. This focus is justifiable because SMEs have to deal with many more difficulties in exploiting overseas opportunities due to a number of limiting factors, such as limited access to foreign markets, lack of skilled personnel, subdued technological infrastructure and limited exporting experience.

The sample sizes ranged from 19 to 210 enterprises, with two studies questioning more than 100 firms. Personal contact methods were used for smaller samples, with mail questionnaires used in large-scale studies. Overall, 1,517 firms were contacted, while 621 were researched by the studies examined, of which 241 were not using Internet. The majority of the studies gave indication of the response rate, ranging from 27% to 94.6%, with an average response rate of 46.2 %.

Five studies chose the mail survey as their basic method of data collection, mainly for reasons associated with convenience, economy and time. Personal interviews were employed in half of the studies and were used more extensively for small sample sizes. Only Poon and Swatman (1997) used telephone interviews, replacing personal interviews and site visits when they were not feasible, due to distance or time factors.

Compared to typical research in international marketing, the statistical analysis carried out on the subject of Internet use for exporting purposes was relatively simple. Percentage and, in some cases, absolute frequencies were the predominant analytical techniques employed by all the studies. Less extensively, mean scores were also used for analysis, particularly in relation to ordinal data (Bennett 1997, 338; Bennett 1998, 36; Sorensen and Buatsi 2002, 494). For scaling purposes, the studies used ordinal scales (usually Likert-type scales ranging from three (Sorensen and Buatsi 2002, 494) to five points (Bennett 1997, 337; Bennett 1998, 34)). More advanced statistical techniques, such as factor analysis, principal components analysis and varimax factor rotation, were employed only by Bennett (Bennett 1997, 1998).

An Extended Model of Identified Stages of Internet Use at Company Level

INSERT FIGURE 1

The in depth and careful analysis of the reviewed studies combined with the findings of the literature review yielded an extended model of six basic stages of Internet use for international marketing and exporting purposes at company level. These stages are presented in Figure 1.

At the first stage, the non-Internet use stage, belong mainly exporting firms that are totally unaware of Internet uses, either as a communication medium or as a business transaction tool. Despite the fact that this stage is not included in any other model, we believe that it is essential to introduce it, since it represents a large number of companies in developing and some developed countries where information technology is still at early stages of development. For example, a quantitative research study conducted from October 13, 2003 to January 8, 2004 by the E-Business Forum in Greece, using both face-to-face interviews and questionnaires over a sample of 2,012 Greek SMEs, revealed that

80.2% of them belong to this stage, meaning that they were not connected to the Internet (E-Business Forum 2004, 77). This specific result highlights the importance of the non-Internet use stage, since it represents in the specific research study the largest part of the researched Greek SMEs. Based on the same findings, we attempted to put into practice all the other suggested (from the literature) models. The result was a distorted description of the Greek business reality due to the fact that only 19.8% of the researched Greek SMEs were properly explained by the stages of all the other suggested models, while 80.2% of the researched firms were insufficiently represented. Therefore, we believe that the inclusion of the non-Internet use stage is necessary in order to explain the Internet use in a more complete and comprehensive manner.

The market research/e-mail stage includes companies that use e-mail services, instead of a Web site, not only for communication purposes (with customers and suppliers replacing or in addition to fax and telephone) but also for the running of day-to-day commercial and business activities such as distribution of product catalogs (e-mail use for marketing purposes), order placement (e-mail use as a sales tool), and exchange of documents (replacing older and more expensive systems such as EDI). A very significant characteristic of e-mail use is the fact that provides an asynchronous two-way communication. The e-mail facility is within the financial capacity of most companies and institutions and it is easily adopted. At this stage, firms are also using the Internet in order to conduct market research regarding their customers, suppliers, competitors, business partners and market trends. According to Moodley (2002, 653), the majority of wooden furniture SMEs in South Africa should start engaging with e-commerce from the second stage (meaning that the majority of SMEs were in the first stage), while according to Sorensen and Buatsi (2002, 496), the current stage of Internet use by SMEs in Ghana was the e-mail stage.

At stage three, the promotion stage, Website-owning exporters upload their brochures and other common information materials on their Web page in order to inform their current and potential customers about their products/services. All visitors get the same information and there is no possibility for interaction resulting in a one-way communication channel. This does not mean that the Web page is dull, only that it is used to provide information to interested parties and nothing more.

At stage four, the enhanced communication stage, firms provide through their website(s) a two-way communication channel in order to collect detailed information about their customers. The information will be used by firms to create a large and enhanced database that will support potential future commercial (B2C and/or B2B) transactions. Of course, this means that firms have to employ extra IT literate personnel, in order to follow up on a 24-hour basis the requests of the users. No transactions and order fulfillment are available at this stage of Internet use.

At the fifth stage, the simple e-commerce stage, interaction is highly complex. A dialogue between sellers and potential customers takes place and it is possible to personalize the interaction.

Personalization is an important marketing tool that helps promoting on line direct sales by creating customized environment within the Web page according to user interests and preferences. This information is processed and used to provide appropriate responses to the highly valued visitor.

Another important characteristic of this stage is that firms are able to receive and fulfill orders by using complete payment and verification methods.

At the final stage, the complete e-commerce stage, all the characteristics of the 'simple e-commerce' stage are enhanced through a full integration of Internet-based activities with all the internal systems and major processes (i.e., accounting, logistics management, marketing management, customer and inventory management) of the firm. The existence of internal systems fully integrated with the online environment allows an organization to be highly flexible and able to execute changes promptly, a

characteristic that is extremely essential to success, since changes are so rapid in the digital business environment (Wilson and Abel 2002, 87).

In some cases, like for example in the case of South African wooden furniture producers (Moodley 2002, 653), the third and fourth stages are merged into one. The outcome of the “merger” is described as a stage where companies create a simple Web site only for marketing purposes. In that sense, firms offer via the Web site all the required information for their products, while at the same time they are promoting them by supplying online catalogs and a limited ask-response interaction. We chose to present them as two different stages, because there is still a significant number of firms belonging to each stage, giving the distinction a compulsory rather than an optional meaning.

Finally, an interesting finding is that firms which operate in developing countries belong mainly to the first three stages and rarely to the other three, while the vast majority of the companies in developed countries belong to the last three stages. This finding reflects the technological gap between developing and developed countries and, at the same time, the large difference in the level of exploitation of Internet uses for exporting and international marketing.

CONCLUDING REMARKS

This paper first presented, in a comprehensive form, the use of Internet in both fields of marketing and international marketing. Next, a literature review on the subject of identified stages of Internet use at company level was conducted in order to establish the conceptual framework on the specific scientific area, followed by the presentation of an extended model of identified stages of Internet use which was based on the findings of six empirical investigations.

The contribution of this paper is twofold. First, there is an introduction of a new stage, the non-Internet use stage, which includes companies that are not connected to the Internet. The inclusion of this stage in a model that describes the use of Internet at company level is rather obligatory than optional, due to the fact that it represents the largest part of SMEs in several developing and in some developed countries. The omission of this specific stage can result in an erroneous description of business reality. Second, at the market research/e-mail stage, there is an extension of e-mail use, ranging from communication purposes to international marketing and sales activities. Furthermore, this model can provide business managers with a clear and comprehensive picture of the process of Internet use for exporting and international marketing purposes, while at the same time it enables them to recognize the stage that their firm belongs to and to identify their position relative to their competition.

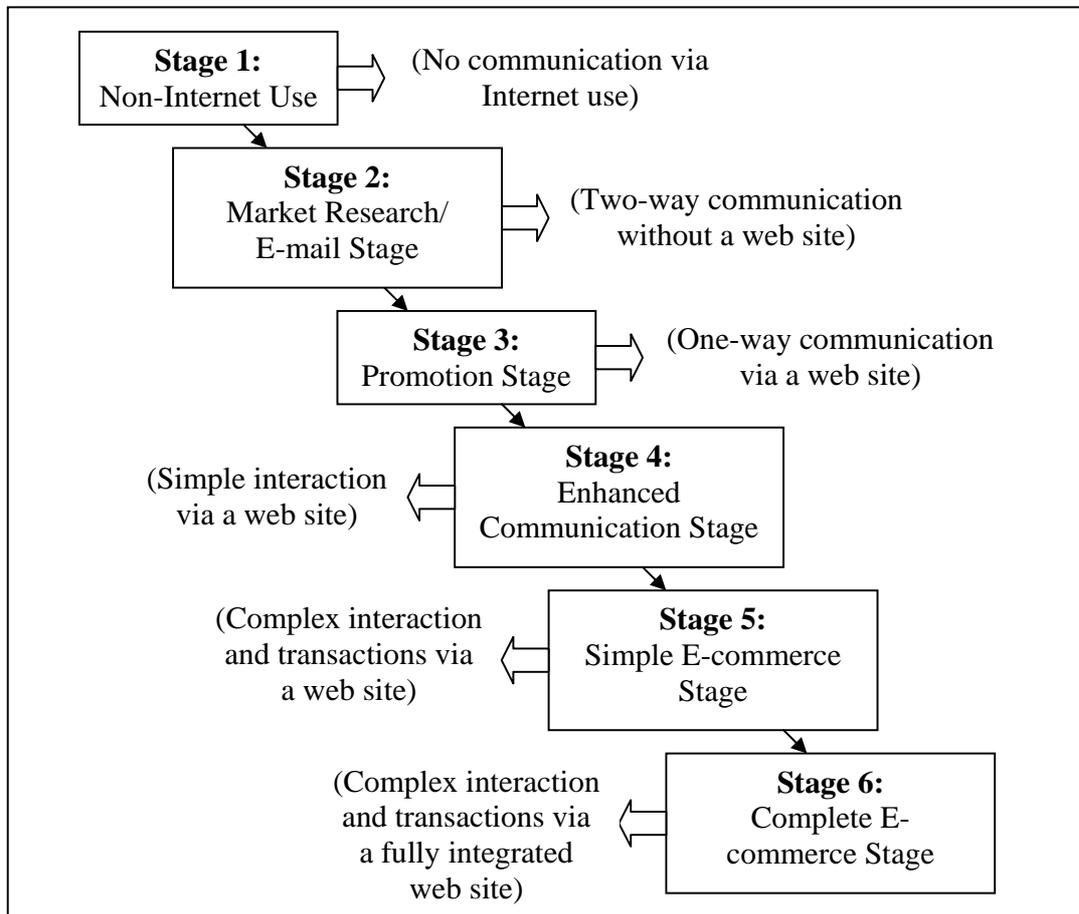
TABLES & FIGURES

Table 1: Advantages of Internet use for international marketing purposes

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1. Accessible from all corners of the world
 2. Global nature
 3. Easy access to a vast amount of information of any kind
 4. Low cost of acquiring information
 5. Promotes direct sales via interactive dialogue with new customers
 6. Helps the spread of existing knowledge
 7. Created a whole new industry
 8. Continuous (24/7) and low cost advertisement and promotion of the products
 9. Increases revenues
 10. Access to new unexploited markets
 11. Low costs of initiation and maintenance
 12. Higher efficiency of business transactions
 13. High speed and low cost of communications
 14. Web sites are cheap and easy to set up
 15. Suppliers may incorporate into their Web sites as much information about themselves as they wish
 16. Origination costs are lower than for hard copy catalogs
 17. Print expenses are non-existent
 18. Access to the WWW is available to all enterprises on an equal basis, regardless of company size
 19. Small businesses can express WWW ‘voices’ as salient and professional as those of the largest firms
 20. Information can penetrate the narrowest of niche markets among information seekers
 21. Removes all geographical constraints
 22. Permits the instant establishment of virtual branches throughout the world
 23. Allows direct and immediate foreign market entry to the smallest of businesses
 24. Offers online customer support
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25. Creation of Cybermalls (a variety of web pages in a single site) has the potential of capturing a variety of customer types
 26. Improves communication between suppliers, distributors and foreign customers
 27. Psychic distance might not be as relevant for an Internet user as for others, because an exporting firm communicates with the entire world's markets simultaneously and regardless of economic, cultural and commercial differences
 28. In contrast to the requirements for EDI across a value-added network, a company can use the Internet even before it has identified its ultimate trading partners
 29. Provides both synchronous and asynchronous communications overcoming time problems
 30. Supports the transmission of electronic documents
 31. Advertisement effectiveness and capability to compile statistics
 32. Enhances market research and analysis
 33. Increased interactivity
 34. Web sites can be dynamic; information can be updated and expanded at relatively low cost, enabling availability of real-time information
 35. Provides full support for multimedia applications
 36. Provides customized promotion and sales to individual customers and improves flexibility
 37. Eliminates huge inventories, storage costs, utilities, and space rental
 38. Shortens the supply chain and reduces commission and operating costs
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Figure 1. Identified stages of Internet use at company level



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