

EFFE ECT of Drivers of Internationalization on Performance of Commercial Banks in Rwanda: A Case Study of Ecobank Limited, Rwanda

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Abstract: *The global market is increasingly becoming popular and gaining importance as a market and a base for internationally active organizations as well as those intending to go international. The general objective of the study was to determine the effect of drivers of internationalization on performance of firms. The study specifically sought to establish the effect of competitive drivers on performance of Ecobank Limited; to assess the effect of market drivers on performance of Ecobank Limited; to investigate the effect of technological drivers on performance of Ecobank Limited and to evaluate the effect of Government drivers on performance of Ecobank Limited. The study was carried out at Ecobank Limited in its Head offices in Kigali City. The study focused on the period between 2013-2015. The study was conducted through a case study design. The population of this study included the 36-top level management at Ecobank Limited including the CEO of the firm, who were involved in international operations of the bank. The sample size for this study was 36 respondents selected through convenience sampling since only the staff relevant to the study (top level management) were considered. The source of data was primary data which was collected using an interview guide and a questionnaire. Interview guide was used to interview the CEO and Directors of the company. The researcher personally discussed each of the issues detailed in the interview guide with the respondents. In order to analyze this study, use of Content Analysis was applied. In addition, descriptive (percentages and frequencies) and inferential (linear regression) statistics were conducted to determine the extent to which the independent variable influenced the dependent variable. The study found out that internationalization of Ecobank was influenced by competitive, market, technology and Government drivers. The study concluded that internationalization drivers presented lots of opportunities to firms in the banking industry creating the prospect of trade and investment in foreign markets. Ecobank needs to put more effort into expanding its business empire into more countries or regions. It can also add more branches in the countries it is already doing business in.*

Keywords: Organizational performance, Internationalization, Competitive drivers of Internationalization, market drivers of Internationalization; Government drivers of Internationalization, Technological drivers of Internationalization;

1. Introduction

1.1 Background to the Study

The global market is gaining popularity and gaining importance as a market and a base for internationally active organizations and those that want to go international. At the same time, there are organizations across the globe that supports the global economy because of their economic and technological importance. A look at the strategic management of international active firms reveal that investments being made in the world market are shaped by the current trends in internationalization of companies and the increased global competition (Lyubersky, 2008).

Organizations are recognized in various ways especially in the internationalization process which has been of much attention to many scholars, academicians and business people in recent years. Companies have played a great role in the global economy in the recent years with many of them going international or at least having the idea of internationalizing their operations. This model has been criticized from the beginning. The initial and increased criticism from scholars led to other authors like as Andersen (1993) and Johanson and Mattsson (2008) to come up with another theory that that is known as the network theory which explains the importance of relationships and networks with suppliers, customers, contractors and other competitors in helping a firm to internationalize. McDougall and Oviatt

(2000) introduced a new theory later by explaining internationalization through entrepreneurship in international entrepreneurship theory (IET).

Technology has advanced in the modern world and barriers to trade have reduced enabling the global economy to become more integrated and it is this globalization that is rapid that is enabling many organizations to internationalize in a faster manner that is more effective. Due to advanced technology, some scholars are questioning the validity of the Uppsala model arguing that the model is no longer applicable in the modern world where internationalization of firms has taken a different approach especially in companies that have taken on international new ventures. Researchers have tried to explain the internationalization of firms in a new manner and have come up with new modern network theory and entrepreneurial theory (Schmukler, & Vesperoni, 2006).

The process of internationalization involves taking risks and uncertainties and therefore, a good strategy is required to overcome the risks and uncertainties. Success internationalization of organizations has to reduce the risks involved through a good choice of the entry strategy. Hill (2007) explains the advantages and disadvantages of the entry modes that a company can use to internationalize. Each of the entry methods as will be explained later can apply to any of the organizations regardless of the size of the

firm, resource endowment, age etc (Masum, & Fernandez, 2008).

Ecobank is the leading pan-African banking group, with a presence in 36 African countries, in Paris, London, Dubai and Beijing. Its vision is to build a world-class pan-African bank and to contribute to integration of Africa. Back in 2007, Ecobank arrived at Rwanda, absorbing the operation of a local bank that at that time was bankrupted. From that moment, the efforts were focused on turning around this bank, cleaning it up, retraining people and realign the business' strategy. Up to date, Ecobank has a very strong position in the Rwandan market and a very active participation on the growth of this country. Currently, Ecobank has three strategic priorities: Providing world-class customer service, embracing technology to offer convenient, accessible and reliable banking services, building shareholder value by taking a long-term strategic view and monetizing our unique presence in Middle Africa, becoming an employer of choice though attracting, retaining and growing Africa's best talent. Also, this bank believes it has a responsibility to be socially relevant to the communities that it serves, being strongly committed to sustainable development of the region and are a signatory of the Equator Principles, the UNEP Finance Initiative and the UN Global Compact.

1.2 Statement of the Problem

The analysis of the causes and consequences of international expansion, like other corporate strategy decisions, constitutes a mainstream topic in management. However, the results are still non-conclusive regarding core research questions such as why do firms expand abroad and what are the performance consequences of international expansion. Interestingly, some recent phenomena such as globalization, and the surge of internationalization during these past decades, coupled with the prevalence of pure domestic firms has renewed the interest of this research line. A final catalyst of studies on this topic is the refinement of econometric techniques that makes possible more robust estimations that could shed light on the reasons behind the decision of companies to establish a foreign subsidiary and the effect it has on their performance.

Previous research dealing with the drivers of the international expansion of firms has acknowledged several reasons why companies might aim to establish foreign subsidiaries, mainly the possession of a competitive advantage (Buckley, 2014), the existence of managerial discretion (Oesterle et al., 2013), and the presence of threats to their position in the market (Wang et al., 2012). These causes have been traditionally applied to multinationals coming from developed countries. However, researchers studying emerging market multinationals stress the need to adapt them and search for new ones which fit better this special setting (Moghaddam et al., 2014).

Internationalization is a new phenomenon in developing economies and specifically in Rwanda. In order to solve the dilemma posed by the inconclusive performance results of both incremental and new venture theory (Vermeulen & Barkema, 2002), researchers have suggested that

internationalization should not only be considered from content but also through a process lens. This includes the rates and patterns by which firms organize their internationalization processes and incorporates the notion of time (Jones & Coviello, 2005).

They acknowledged that when market-seeking firms internationalize they must face new competitors and new customers unlike resource seeking firms. Taking into account these research gaps in the literature on the causes and consequences of internationalization on performance, this study seeks to establish the effect of drivers of firm internationalization on performance of Rwandan firms.

1.3 Objectives

1.3.1 General Objective

The general objective of the study was to determine the effect of drivers of firm internationalization on performance of Rwandan commercial banks.

1.3.2 Specific Objectives

- 1) To establish the effect of competitive drivers on performance of Ecobank
- 2) To assess the effect of market drivers on performance of Ecobank
- 3) To investigate the effect of technological drivers on performance of Ecobank
- 4) To evaluate the effect of Rwanda Government drivers on performance of Ecobank

1.4 Research Questions

- 1) Do competitive drivers affect performance of Ecobank?
- 2) Do market drivers affect performance of Ecobank?
- 3) Do technological drivers affect performance of Ecobank?
- 4) Do Rwanda Government drivers affect performance of Ecobank?

1.5 Significance of the study

This study would be of great importance to the management of Ecobank. since it examines the effect of drivers of internationalization on performance of operations at Ecobank.

The government of Rwanda would be enlightened in a bid to make policies relating to internationalization of operations. To academicians and researchers, this study calls for continuous research to ascertain the actual situations rather than living on assumptions.

1.6 Scope of the study

This study sought to investigate the effect of drivers of firm internationalization on performance of Rwandan firms. The study was carried out at Ecobank in its Head offices in Kigali City. The study focused on the period between 2013-2015

2. Research Methodology

2.1 Research Design

The study was conducted through a case study design.

2.2 Target Population

The population of this study included 36 top-level management at Ecobank including the CEO of the bank.

2.3 Sampling Frame

Table 2.1: Sampling Frame

Sampling Frame	Population
Chief Executive Officer	1
Heads of Departments	7
Managers within Departments	15
Branch managers	13
Total	36

2.4 Data collection Instruments

The research was conducted using questionnaires and interview guide

2.5 Data Processing and Analysis

The raw data collected from primary sources by the researcher is edited and coded, is statistically treated and drafted in tables, the statistical package for social sciences (SPSS) is used to produce results that are further interpreted.

3. Research Findings and Discussion

Table 3.1: Respondents' views on Specific Internationalization Drivers affecting Internationalization of Ecobank

Drivers		Percentages	
		YES	NO
Government Drivers	Granting of licenses	96%	4%
	Unrestrictive trade and investment policies	68%	32%
	Market liberalization and privatization	98%	2%
	Reduction of tariff barriers	48%	52%
	Common marketing regulations	55%	45%
Market Drivers	Common customer needs	73%	27%
	Global customers	96%	4%
	Global market channels	88%	12%
	Convergence of per capita income, lifestyles and tastes	91%	9%
Competitive Drivers	High two-way trade across countries	92%	8%
	Global competitors	93%	7%
	Interdependence among countries	81%	19%
Technological Drivers	Innovations	73%	27%
	Internet	96%	4%
	Technology transfer	96%	4%

From the responses, an overwhelming majority of respondents agreed that Granting of licenses by the Government (96%) was a major Government driver to internationalization of Ecobank. In addition, respondents

agreed that unrestrictive trade and investment policies (68%); Market liberalization and privatization (98%) and Common marketing regulations (55%) were also Government drivers affecting internationalization of Ecobank. However, 52% said that reduction of tariff barriers by the Government did not favor Ecobank internationalization.

On market drivers, majority (73%) said that Common customer needs favored internationalization of Ecobank. Other market drivers included presence of global customers (96%), Global market channels (88%) and Convergence of per capita income, lifestyles and tastes (91%)

On competitive drivers, majority (92%) respondents revealed that the high two-way trade across countries favoured internationalization of Ecobank. In addition presence of global competitors (93%) and Interdependence among countries (81%) also favoured Ecobank Internationalization.

Finally, on technological drivers, majority (73%) of the respondents believed innovations in technology drove internationalization of Ecobank as well as internet (96%) and technology transfer (96%)

Table 3.2 Respondents' views on Contribution of internationalization drivers to Ecobank Internationalization

	Mean	Std. Deviation
Government drivers	2.439	1.163
Competitive drivers	2.622	1.0012
Technology drivers	2.728	1.390
Market drivers	3.813	1.608

Source: Primary Data, 2016

The study established that competitive drivers, market drivers, technological drivers and Government drivers were important for the internationalization of Ecobank. From the findings, the study established that the most important driver was market, followed by technology, competition and Government as shown by the mean scores 3.813, 2.728, 2.622 and 2.439 respectively.

Respondents were requested to rate the importance of international markets to the future success of Eco-bank. Findings were as shown in Figure 4.1 below;

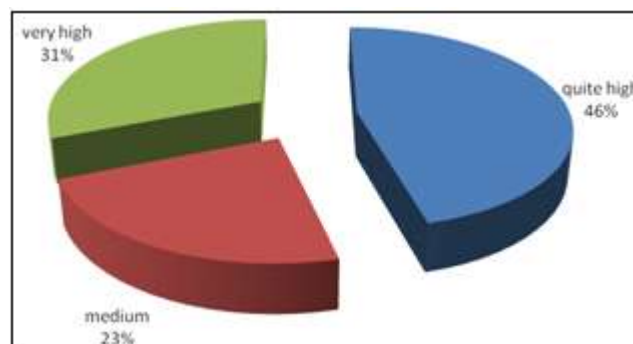


Figure 3.1: Rating the importance of international markets to the future success of Ecobank

From the responses, most (46%) of the respondents rated the importance to be quite high, 31% rated the importance to be

very high while 23% rated it as moderate. The finding depicts that international markets are of great importance to the future growth and success of Ecobank.

3.1 Effect of competitive drivers on performance of Ecobank

Table 3.2: Respondents' views on Competitive drivers in internationalization of Ecobank

	Mean	Std. Deviation
Avoidance of intense domestic competition	2.731	1.63
Need to respond to competitors initiatives	2.895	0.737
International competitive nature of Industry	3.153	1.1442
Large proportion of potential foreign customers	3.753	1.3643
Desire to be an international market leader	4.096	1.0893

From the results above, majority of respondents agreed (m=4.096) that Ecobank engaged in internationalization due to a desire to be an international market leader. In addition, majority agreed (3.753) it was due to the large proportion of potential foreign customers. Further, majority respondents believed that Ecobank, to a moderate extent, internationalized due to avoidance of intense domestic competition, need to respond to competitors' initiatives and due to international competitive nature of Industry as shown by mean scores of 2.731, 2.895 and 3.153 respectively. This finding shows that Ecobank internationalized to tap to the large pool of international foreign customers as well as a desire to be an international market leader.

Table 3.3: Respondents' views on competitive drivers on financial performance at Ecobank-Rwanda

	Mean	Std. Deviation
Innovation has led to increase in Ecobank profitability	4.5362	1.50050
Quality of product/service has led to increase in Ecobank profitability	3.7899	1.16802
Lower cost base has resulted to increased profitability at Ecobank	4.0870	1.68857
Uniqueness of the product/service has led to increase in Ecobank profitability	3.2754	1.01050
Strength of customer relationship has led to increase in Ecobank profitability	2.6618	1.04539

From the findings, majority (4.5362) of the respondents said that innovation had led to increase in Ecobank profitability to a great extent. Quality of product/service and lower cost base had resulted to increased profitability at Ecobank, to a great extent as shown by mean scores of 3.7899 and 4.087 respectively. In addition, majority respondents felt that uniqueness of the product/service and Strength of customer relationship had led to increase in Ecobank profitability, to a moderate extent (3.2754 and 2.6618 respectively). This finding depicts that internationalization of Ecobank-Rwanda had resulted to innovation, quality of products/ service and lower costs, which boosted its competitiveness compared to its peers.

3.2 Effect of market drivers on performance of Ecobank

Table 3.4: Respondents' views on Market seeking motives for internationalization of Ecobank

	Mean	Std. Deviation
Drive to securing/develop existing markets or market shares	2.9348	1.02786
Drive to exploit or enter new markets	3.9855	1.12039
Drive to gain "first mover advantage"	3.7500	1.18919
Drive by limited home market	4.0435	1.77242
Drive to better adapt products to foreign markets by physical presence	3.1014	1.25733
Drive to improve domestic sales	3.3623	1.03896

From the findings, majority respondents agreed that Ecobank internationalization was to exploit or enter new markets (3.9855); to gain "first mover advantage" (3.75); and driven by limited home market (4.0435). in addition respondents moderately believed Ecobank internationalization was driven to secure/develop existing markets or market shares (2.9348); to better adapt products to foreign markets by physical presence (3.1014) and to Drive to improve domestic sales (3.3623). These findings shows that Ecobank internationalization was majorly exploit new markets as well as expanding from limited home markets.

Table 3.5: Respondents' views on market drivers on financial performance at Ecobank-Rwanda

	Mean	Std. Deviation
Entry into new markets have increased Ecobank's market share	4.2270	1.68857
Drive to exploit or enter new markets has enabled Ecobank to increase its profitability	4.6212	1.63297
Better foreign adapted products have led to increased profits for the bank	3.6618	1.04539
Drive to improve domestic sales has resulted to increased profits for the bank	3.5153	1.3643

From the results, majority of the respondents rated entry into new markets to have increased Eco bank's market share to a great extent (4.227). in addition, drive to exploit or enter new markets had enabled Ecobank to increase its profitability (4.6212); Better foreign adapted products had led to increased profits for the bank (3.6618) and that Drive to improve domestic sales had resulted to increased profits for the bank (3.5153). These findings reveal that Ecobank performance had greatly improved as a result of market drivers.

3.3 Effect of Technological Drivers on Performance of Ecobank

From the results of the study, majority (77%) of the respondents thought that internationalization of Ecobank was driven by technology. The following were their opinion on technology motives for internationalization of Ecobank as captured through likert scale; Where 1 strongly disagree; 2 disagree; 3 neutral; 4 agree and 5 strongly disagree

Table 3.6: Respondents' views on Technology motives for internationalization of Ecobank

	Mean	Std. Deviation
Drive for increased possibility to gain unique technology in Rwanda	2.455	0.6992
Drive for innovation capabilities in Rwanda	2.761	0.3365
Desire to capitalize on proprietary technology	1.653	0.7640
Drive for technology transfer	3.933	1.3643
Drive for reduced international barriers as a result of advanced IT	4.153	1.1622

From the findings, respondents disagreed that internationalization of Ecobank was driven by increased possibility to gain unique technology in Rwanda (2.455) as well as the desire to capitalize on proprietary technology (1.653). Respondents moderately believed that internationalization was due to a drive for innovation capabilities in Rwanda (2.761). However, majority respondents agreed that Ecobank internationalization was as a result of the drive for technology transfer (3.933) and a drive for reduced international barriers as a result of advanced IT (4.153). This finding shows that technology transfer and a drive for reduced international barriers drove Ecobank to internationalize.

Table 3.7: Respondents' views on technology drivers on financial performance at Ecobank-Rwanda

	Mean	Std. Deviation
Unique technology in Rwanda have led to increased profits for the bank	2.322	1.2483
Innovations in Rwanda have led to increased profits for the bank	3.743	1.2364
Technology transfer have led to increased profits for the bank	4.035	1.1353
Reduced international barriers as a result of advanced IT have led to increased profits for the bank	4.315	1.7297

From the results of the study, majority respondents said that unique technology in Rwanda had led to increased profits for the bank to a small extent (2.322). In addition, majority respondents believed that innovations in Rwanda had led to increased profits for the bank to a great extent (3.743), as well as that technology transfer and reduced international barriers as a result of advanced IT had led to increased profits for the bank (4.035 and 4.315 respectively). This shows that technology transfer and breaking international barriers as a result of IT had led to Ecobank increasing its profitability

3.4 Effect of Rwanda Government drivers on performance of Ecobank

From the study, majority (84%) of the respondents thought that internationalization of Ecobank was driven by Rwandan Government policies.

Table 3.8: Respondents' views on Government drivers for internationalization of Ecobank

	Mean	Std. Deviation
Desire to obtain advice from Rwanda government agencies	1.331	0.0164
Desire to obtain Rwanda Government subsidies	2.403	0.4360
Drive from trade and investment policies in Rwanda	3.945	1.3350
Drive from Rwanda common marketing regulations	3.536	1.1183

From the findings, majority of the respondents disagreed that Ecobank internationalization was due to a desire to obtain advice from Rwanda government agencies (1.331) or the desire to obtain Rwanda Government subsidies (2.403). However respondents agreed that Ecobank internationalization was due to the drive from trade and investment policies in Rwanda (3.945) and due to a drive from Rwanda common marketing regulations (3.536). This finding depicts that favourable trade and investment policies as well as regional integration were some of the major drivers of internationalization for Ecobank.

Table 3.9: Respondents' views on Government drivers on financial performance at Ecobank-Rwanda

	Mean	Std. Deviation
Rwanda Government subsidies have led to increased profits for Ecobank	2.192	.9083
Trade and investment policies in Rwanda have led to increased profits for the bank	3.588	1.77
Rwanda Common marketing regulations have led to increased profits for the bank	3.700	1.55

From the results, majority of the respondents said that Rwanda Government subsidies had led to increased profits for Ecobank-Rwanda to a small extent. However, they said that trade and investment policies as well as the Rwanda Common marketing regulations had led to increased profits for the bank to a great extent (3.588 and 3.7 respectively). This finding shows that Government drivers of internationalization, especially trade and regional integration policies could lead to profitability of international companies.

3.5 Drivers of Internationalization and Performance of Ecobank

Table 3.10: Respondents' views on Drivers of Internationalization and Performance of Ecobank

	Mean	Std. Deviation
Reducing operating costs	3.956	1.9643
Increasing deposits	4.399	1.2508
Opening new markets	4.603	1.6376
Differentiating your product or service offering	3.637	1.1735

From the findings, respondents rated effects of drivers of internationalization on reducing operating costs to be of great extent (3.956) as well as increasing deposits (4.399); opening new markets (4.603) and differentiating product or service offering for the bank (3.637). This finding shows that drivers of internationalization have had an effect on

performance of Ecobank-Rwanda. In general majority (76%) said that internationalization drivers affected performance of Ecobank to a great extent, 20% said to a moderate extent while only 4% said it was to a small extent.

3.6 Regression Analysis

In this study, a multiple regression analysis was conducted to test the influence among predictor variables. The research used statistical package for social sciences (SPSS V 21) to code, enter and compute the measurements of the multiple regressions. Like questions were used to determine the relationship between effects of drivers of firm internationalization on performance of Ecobank-Rwanda. The Likert questions were quantified through SPSS and run for the multiple regression analysis on the relationship between effects of drivers of firm internationalization on performance of Ecobank-Rwanda.

Table 3.11: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.972a	.945	.891	.88133

Adjusted R² is called the coefficient of determination and it shows how change in the independent variable results to changes in the dependent variable. From the data, the value of adjusted R² is 0.891. This implies that, there was a variation of 89.1% of performance of Ecobank Rwanda due to changes in effects of drivers of firm internationalization at 95% confidence interval.

This is an indication that 89.1% performance of Ecobank could be accounted for by changes in effects of drivers of firm internationalization. The study also found that there was a strong positive relationship between effects of drivers of firm internationalization and performance of Ecobank-Rwanda as shown by correlation coefficient of 0.972.

Table 3.12: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.639	.396		3.133	.052
	Government drivers	.400	.884	.823	4.792	.017
	Technological drivers	.138	.193	1.00	6.448	.008
	Competitive drivers	.173	.085	.545	2.984	.058
	Market drivers	.614	.394	.671	4.098	.000

The established regression equation was;

$$Y = 0.639 + 0.173 X_1 + 0.614 X_2 + 0.138 X_3 + 0.400X_4$$

From the above regression model it was revealed that holding Government, Technological, Competitive and Market drivers to constant zero organizational performance would stand at 0.639. A unit increase in Government drivers would lead to increase in performance by 0.400 units, a unit increase in technological drivers would lead to increase in performance of Ecobank by 0.138 units, a unit increase in competitive drivers would lead to increase in performance of Ecobank by a factor of 0.173, a unit increase in market drivers would lead to increase in amount of performance of Ecobank by 0.614 units.

4. Summary, Conclusions and Recommendations

4.1.1 To establish the effect of competitive drivers on performance of Ecobank

From the responses, all respondents were of the opinion that internationalization of Ecobank was driven by competition in the banking industry. From the results above, majority of respondents agreed that Ecobank engaged in internationalization due to a desire to be an international market leader. In addition, majority agreed it was due to the large proportion of potential foreign customers. Further, majority respondents believed that Ecobank, to a moderate extent, internationalized due to avoidance of intense domestic competition, need to respond to competitors' initiatives and due to international competitive nature of Industry. Results of the study revealed that innovation had led to increase in Ecobank profitability to a great extent. Quality of product/service and lower cost base had resulted to increased profitability at Ecobank, to a great extent. In addition, majority respondents felt that uniqueness of the product/service and Strength of customer relationship had led to increase in Ecobank profitability, to a moderate extent.

4.1.2 To assess the effect of market drivers on performance of Ecobank

All respondents agreed that Ecobank internationalization was driven by search for market opportunities. From the findings, majority respondents agreed that Ecobank internationalization was to exploit or enter new markets; to gain "first mover advantage"; and driven by limited home market. In addition respondents moderately believed Ecobank internationalization was driven to secure/develop existing markets or market shares; to better adapt products to foreign markets by physical presence and to drive to improve domestic sales. From the results, majority of the respondents rated entry into new markets to have increased Ecobank's market share to a great extent. In addition, drive to exploit or enter new markets had enabled Ecobank to increase its profitability; better foreign adapted products had led to increased profits for the bank and that Drive to improve domestic sales had resulted to increased profits for the bank.

4.1.3 To investigate the effect of technological drivers on performance of Ecobank

From the results of the study, majority of the respondents thought that internationalization of Ecobank was driven by technology. From the findings, respondents disagreed that internationalization of Ecobank was driven by increased possibility to gain unique technology in Rwanda as well as the desire to capitalize on proprietary technology. Respondents moderately believed that internationalization was due to a drive for innovation capabilities in Rwanda. However, majority respondents agreed that Ecobank internationalization was as a result of the drive for technology transfer and a drive for reduced international barriers as a result of advanced IT. From the results of the study, majority respondents said that unique technology in Rwanda had led to increased profits for the bank to a small extent. In addition, majority respondents believed that innovations in Rwanda had led to increased profits for the

bank to a great extent, as well as that technology transfer and reduced international barriers as a result of advanced IT had led to increased profits for the bank.

4.1.4 To evaluate the effect of Rwanda Government drivers on performance of Ecobank

From the regression model it was revealed that holding Government, Technological, Competitive and Market drivers to constant zero organizational performance would stand at 0.639. A unit increase in Government drivers would lead to increase in performance by 0.400 units, a unit increase in technological drivers would lead to increase in performance of Ecobank by 0.138 units, a unit increase in competitive drivers would lead to increase in performance of Ecobank by a factor of 0.173, a unit increase in market drivers would lead to increase in amount of performance of Ecobank by 0.614 units.

4.3 Conclusions

The study concluded that internationalization drivers such as competition, market, technology and government affected performance of Ecobank.

For competitive drivers, the study concluded that Ecobank internationalized to tap to the large pool of international foreign customers as well as a desire to be an international market leader. In addition, internationalization of Ecobank-Rwanda had resulted to innovation, quality of products/service and lower costs, which boosted its competitiveness compared to its peers.

Further, the study concluded that Ecobank internationalization was majorly to exploit new markets as well as expanding from limited home markets. From the findings, Ecobank performance had greatly improved as a result of market drivers.

On technology, the study concluded that technology transfer and a drive for reduced international barriers drove Ecobank to internationalize. In addition, technology transfer and breaking international barriers as a result of IT had led to Ecobank increasing its profitability.

On Government drivers, the study concluded that favourable trade and investment policies as well as regional integration were some of the major drivers of internationalization for Ecobank. In addition, the finding shows that Government drivers of internationalization, especially trade and regional integration policies could lead to profitability of international companies.

4.4 Recommendations

Basing on the findings from this research concerning the effect of drivers of firm internationalization on performance of Rwandan firms, this research makes the following recommendations;

As Ecobank continues with seeking opportunities in foreign markets, it must conduct detailed feasibility studies to understand the barriers to entry and prepare on how to overcome them.

Ecobank needs to put more effort into expanding its business empire into more countries or regions. It can also add more branches in the countries it is already doing business in.

Ecobank needs to broaden its market scope, it must take time and put in the proper amount of research when going into different communities and countries. By balancing out its income between several different markets, Ecobank will not have to worry as much about the crash of one particular market. Ecobank has taken great efforts to expand its sales base but it still needs to increase its percentage of foreign investment.

4.5 Recommendations for Further Studies

In relation to the findings of the study, the study recommends that a deeper insight into the activities of internationalization of operations by firms should be undertaken adequately. Specific areas of research should revolve around the challenges experienced in international market and the strategies employed in dealing with the challenges. Particular attention needs to be focused on the ability of the firms to endure these challenges and make a difference in their activities.

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