The Utility of Information Technology in Marketing at Saudi Arabia

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Abstract

The ever changing developments in information technology (IT) have affected our economic and social life all over the world in many ways. This revolution in informatics is outweigh the effects of Industrial revolution. It was evident the spreading of communications technology and the proliferation of computer networks and the internet, integration between information technology and communications has turned the world into a global village, where individuals are able to enter into commercial transactions and access information on any subject from anywhere in the world speedily and economically. This research paper was successful in identifying the usage of IT in the public as well as private sector in its operations especially the usage in the Marketing is phenomenal in the Kingdom of Saudi Arabia.

Originality/value: This research paper troughs light on the prevailing conditions of IT and its usage in the businesses and its implications in the field of Marketing to satisfy the ever changing needs of consumers in the Kingdom of Saudi Arabia.

Key words: IT, Marketing, IMC, MIS, Internet Marketing, web, mobile phones, social media, and customer relationship management systems

Paper type: Research paper

Introduction

There is no scope of separation between business and communication technology. Therefore, communication helps businesses grow and prosper, creates relationships, strengthens the effectiveness of organizations, and allows people to learn about one another. Recent technologies, such as the Internet, mobile phones, social media, and customer relationship management systems greatly affect the way companies communicate with prospective customers. These new forms of communication are changing the media landscape and the type of messaging strategy organizations use.

As per the above diagram, it clearly denotes that communication can be made by using various methods like RSS, Blog, Forum, mobile phone, messenger, social network and email which are widely used in online communication. In the present world the marketing people are contacting the consumers and business professionals seek information and connect with other people and businesses from their computers and phones. Due to proliferation of internet and information technology people are access to many sources of information and an interest in interactive media. Also consumers started collecting product information on their own. There is a dramatic change in work environments with more people having virtual offices, texting on their cell phones, or communicating through social media sites such as Facebook, LinkedIn, Pinterest, and Twitter. Day by day the organizations are using variety of communication methods and reaching the consumers with ease and speed. Thus, it was more faster to reach consumers once the companies are completed the productions of products or services. Another striking development in Integrated marketing communications (IMC) provide an approach designed to deliver one consistent message to buyers through an organization's promotions that may span all different types of media - such as TV, radio, magazines, the Internet, mobile phones, and social media. Brand image can be established in the minds of present consumers as well as potential consumers through the delivery of consistent information to capture the target markets. Strong customer relations only possible with IMC as organizations can coordinate their messages by helping customers satisfy their needs.

In the millennial generation the young people today are part of this generation who are driving the change toward new communication technologies. Latest advertisements on Facebook are popular as businesses continue to utilize more social media. Traditional media (magazines, newspapers, television) compete with media such as the Internet, texting, mobile phones, social media, user-generated content such as blogs, and YouTube as well as out-of-home advertising such as billboards and movable promotions. Therefore, all forms of marketing media have been forced to come up with new innovations to remain relevant.

**Concept Map — Internet Marketing**

![Internet Marketing Concept Map](Image)

Source: This example is created using Concept Draw PRO diagramming software enhanced with solution Basic Diagramming from Concept Draw Solution Park.

The above diagram explains us how the internet marketing widens its network by connecting activities, the products and removing building blocks in the network as follows:
The integration of all the above would complete the network. This is called the 'Internet Marketing Concept Map'. This has given scope for this research paper.

Objectives of this research
1. To know how much attention is being given by the Saudi Arabian Government for the proliferation of IT in the Kingdom
2. To find out how the government of Saudi Arabia has strengthened the role of higher educational institutions in delivering IT education to meet the challenges as per the international standards.
3. To study how the government supports the public and private sectors to increase the use of IT in order to raise levels of efficiency in production and administration and in the field of Marketing throughout the economy.
4. To identify the dynamic nature of MIS and to find out how the businesses in private sector uses the advantages of IT by their Managers and business owners for their decision making processes in variant businesses.

Method
The researchers have been widely used the secondary data in this research and also had discussions with the governmental agencies and educational institutions in the Kingdom to elicit the required information and to fulfill the research objectives. In this attempt, the researchers believe that they are highly successful.

Review of Literature
“At the heart of business today lies the Internet, a global network of networks enabling heterogeneous computers to directly and transparently communicate and share services with customers. It can lead to a completely new economy. Internet business is the point where economic value creation and information technology come together.” (Lee et al., 2003, p. 163). “Information technology (IT) contributed to the growth of world economy. In the network economy, business applications and management must embrace the Internet in order to survive in the e-Commerce age.” (Chou et. al., 2004, p. 340). However, one should compare the Internet, as a research tool, to the more traditional means of conducting market research. This has been done by Furrer and Sudharshan, (2001) and Wilson and Laskey (2003), who have analyzed whether the Internet poses a serious threat to the traditional ways of conducting research. Their studies showed that, although there were numerous valuable insights which could be obtained via Web-based analyses, the Internet-based research is often used as a special type of study applied exclusively for the Web evaluation.
online questionnaires. The answers can be formulated as multiple choice answers, open-ended or a scale that offers the degrees of agreeing or disagreeing. Essentially, before deciding on which MIS strategy to use, it is vital to ensure that the choice made is fully compatible with your current system. This will not only help in avoiding erratic choices but it will also save you the time and money that would have been otherwise wasted by that person (Rhodes, 2010; Jahangir, 2005). In addition to that, it is noteworthy for the MIS strategy or tool used to be in line with the decisions that are to be made. In other words, there should be a connecting point between the decision to be made and the MIS to be used by individual or corporate business owners (Jarboe, 2005). As a key consideration, Management Information Systems is a highly complex and delicate arena that calls for a lot of caution to be taken by its managers. It is for this reason that it is recommendable for organizations to ensure that they carefully select the individuals who are placed to control the systems. The more cautious and professional a person is, the better the person gets an assurance of positive prospects of in MIS with regards to decision making and other related areas of business (Lingham, 2006).

Further enhancements in this IT field and its usage in Marketing was to spreading of globalization. It was found that globalization has changed the entire business game and having a larger role in the global business landscape than ever before. Time is condensing, markets are integrating, and geographic barriers are disappearing. Companies must now adapt to the new global marketplace in order to maintain a successful business. Companies must now, if they have not already, design, implement and manage global business strategies that will not only help the company survive, but also create added value for the company. In order to achieve these global business strategies, businesses must utilize information technologies that are the backbone in creating and implementing global business strategies specifically in the field of marketing is significant. Information technology creates the framework for which these global strategies can be built upon. Information technology facilitates the effortless exchange of information across borders, as well as the expansion of resources from countries all across the world. This expansion leads to new ideas and products, as well as new ways of doing business. The global strategies have the effects of information technology on businesses’ ability to create standards in Marketing Strategies, I will use a model developed in a study done by Alan McAfee. He classified information technology into three categories: function, networking, and enterprise.

It is very interesting note that in the globalized era the new consumer is characterized mainly by cynical attitude manifested for traditional advertising (which tell him to buy something, but not to explain why) and Internet addiction, the media that enjoyed a growing confidence on the part of consumers and from which it gets information that IT directs the buying decision (Onete et al., 2010). The kind of emotional responses to a website, the enjoyment of the shopping experience and the usefulness of the web site are the factors which may influence the intentions of customers to visit the website again Koufaris (2002). As per the research findings of Euro RSCG Worldwide (2009), consumers have increasingly higher self-confidence in online content generated by their peers and therefore use the most of online tools to join with others and to document in order to make the best purchase. The purchase decisions of the consumers are highly dependent on the extent of time spent in searching for information via Internet and more frequently they do so, more the information gathered online influences. Some parameters like gender, education, age and Internet experience influence the time consumers spend in searching for information (Ratchford et al., 2003 and Bhatnagar & Ghose, 2004), while search patterns may be different in retail services because of product classification (Bhatnagar & Ghose, 2004). As per the research findings of Wood (2002) it was observed that as compared to older consumers, younger adults, especially those under age 25, are more attracted in adopting new technologies, like the Internet, to find out about new products, search for product information, and compare and assessing alternatives. The interesting reason behind this is that older consumers may perceive the benefits of Internet shopping to be less than the cost of investing in the skill needed to do it effectively, and therefore avoid shopping on the Internet (Ratchford et al., 2001). By taking gender into consideration Burke (2002) and Li et al. (1999) revealed that men express more
interest in using different types of technology in the shopping process compared to women. The striking fact is female shoppers prefer using catalogs to shop at home, but among they prefer to shop on the Internet more frequently online than men. As Glazer (1989) and Braddock (1989) point out, information technology blurs the classic strategies of cost leadership (seeking market share through low cost) and differentiation (targeting special market segments). Traditionally, low cost is achieved by standardization and economies of scale. Then broad markets can be approached competitively. Differentiation, on the other hand, focuses narrowly on meeting the needs of a specific customer group in the marketing strategies by using IT. But information technology offers the possibility of achieving both. Today the IT proliferation in Marketing facilitates not only rapid and flexible design but also targeted delivery of products and services of many businesses.

**Background to Educational Systems in Saudi Arabia**

The researchers have found out that the aims of the Saudi educational policy are to ensure that education becomes more efficient, to meet the religious, economic and social needs of the country and to eliminate illiteracy among Saudi adults. There are several government agencies involved with planning, administrating and implementing the overall governmental educational policy in Saudi Arabia. As per the discussions the researchers had with the government officials it was found that the Ministry of Education (MoE) sets the overall standards for the country’s educational system (public and private) and also oversees special education for physically challenged students. Also, in 2003, the General Presidency for Girls’ Education was dissolved and its functions taken over by the MoE, to administer girls’ schools and colleges, supervise kindergartens and nursery schools, and sponsor literacy programs for females. The General Organization for Technical Education and Vocational Training (GOTEVT) was established in 1980 to coordinate and implement the manpower development plans and supervise all related training centers and institutes in the Kingdom. Another important finding of the researchers is the Ministry of Higher Education (MHE) was established in 1975 to implement the Kingdom’s higher education policy in the rapidly expanding sphere of postsecondary education. The various responsibilities of the MHE are to:

a) Provide support and services for the Kingdom’s universities and colleges.

b) Supervise, coordinate and follow-up post-secondary programs and to connect them with the national development programs (in all the various fields); the MHE also provides the various sectors with the necessary technical and administrative manpower.

c) Supervise awarding scholarships to Saudi students studying abroad, coordinate international interuniversity relations, and oversee the educational and cultural mission offices in all countries around the world.

**Information Technology Education in Saudi Arabia**

As per the information search done by the researchers currently, the Saudi government supports all aspects of education; however, in the past the educational system did not provide a comprehensive modern education, and some fields, such as mathematics, technology, science and engineering, were found to be inadequate (www.mohe.gov.sa). As a result, many Saudi students traveled abroad to study and gain advanced education and training. Education in Saudi Arabia is now considered to be one of the most important sectors in the Kingdom and receives high priority in the government’s development plans. As per the literature review done by the researchers, the author (Behery, F. A. 1999) IT in Saudi Arabia is concentrated in three major centers: Riyadh, the capital in the centre of the country, Dammam on the east coast, and Jeddah on the west coast. Riyadh is perhaps the most important, as many multi-national companies are located there, along with the headquarters of many national organizations. Also, according to Behary [Behery, F. A. (1999).], Saudi IT labor is sourced both locally and globally, and the local source is through college graduates with degrees in IT or computing sciences from Saudi universities. Three major universities in the Kingdom offer programs in Computer Sciences and I T related studies, and in the other universities, the same studies are currently being established (www.mohe.gov.sa). The first of these three Saudi universities is King Saud University (KSU) in Riyadh, which offers degree programs in Computer Engineering, Computer Science and
Information Systems. The second is King Abdulaziz University (KAU) in Jeddah, which offers similar programs with specializations in Computer Science, Structural Programming, Program Languages, Database Systems, System Analysis, Operating Systems, and Computer Engineering. The third but probably the most recognized, both in the national and international academic community, is King Fahad University of Petroleum and Minerals (KFUPM), which is located in the Eastern Province (Behery, F. A. 1999). KFUPM offers similar programs to KSU and KAU as well as programs in Software and Hardware Engineering.

**Academic Discussion**

As per the Sixth Development Plan of Saudi Arabia inclusion of private sector is based on the private ownership of establishments that engage in various industrial, agricultural and commercial activities with the aim of realizing profits. In some cases the this scope can be extended to include some companies of mixed public and private ownership, which operate as joint stock companies according ("The Sixth Development Plan). It was found out by the researchers many companies in the Saudi private sector have been operating in this fashion since 1994 (Al-Sudairy, T. M. (1994).; Al-Turki, S. M. & joint author/editor Tang, N. K. H. (1998). In Saudi Arabia, whether private, public or joint stock, realize the need to improve their Information technology and acquisition if they are to fulfill their targets and to widen their revenue base. For example, some organizations like banks, financial institutions, oil companies and manufacturing are all using the advantages of Information Technology and realize their Marketing objectives successfully.

The private organizations are encouraged and supported financially and legally by the government. This is clearly stated in the various governmental development plans (Ministry of Planning (MOP) (1997)]. It was evident that the governmental plans are supportive in nature for the growth of Information Technology and its wide usage in Marketing operation of various organizations in the Kingdom (Al-Turki, S. M. & joint author/editor Tang, N. K. H. (1998). With this kind of boosting by the government the private sector used the IT advantages in stages of their operations there is a greater role of IT in Saudi Arabia even in the operations of Marketing. (The Royal Embassy of Saudi Arabia in Washington, DC, Information Office (August 2002).

**Conclusion**

The researchers have made an earnest attempt to understand the IT environment in the Saudi Arabia and find out key factors for success have been largely dependent on the Governmental support both to the public and private sector in the Kingdom. The researchers has found out that the Saudi Arabian Government has been giving the required attention for the proliferation of IT in the Kingdom by strengthening higher education to meet the international challenges as per the research objectives. It is interesting to note that the government supports the public and private sectors to increase the use of IT to improve the efficiency in production and administration and in the field of Marketing throughout the economy. Therefore, it is recommend that the public sectors as well as private sectors has to understand the dynamic nature of MIS by their Managers and business owners for their decision making processes in all fields and especially in the field of Marketing more emphasis should be given. The impact on society and economic development by the usage of IT not only in the manufacturing sector but also in the field of Marketing has been widely used to reach consumers by way of online shopping in the Kingdom of Saudi Arabia. As the majority of population are more conservative and it was a herculean task on the part of Marketers to reach their potential consumers and selling their products and services. So, the support extended by the government of Saudi Arabia is phenomenal and worth appreciating for their forward looking and deep sense of understanding the IT and its usage in all fields of business and especially in the field marketing is superb.

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