

Journal of **AFRICAN**

BusinessTM

Volume 8
Number 2
2007

CONTENTS

EDITORIAL	1
Factors Stimulating Initial Export Activity: Any Difference for Nigerian Firms? <i>Kevin I. N. Ibeh</i> <i>Essam Ibrahim</i> <i>Patrick O. Ezepue</i>	7

This paper explores the key factors stimulating initial export activity among Nigerian firms against the backdrop of previous findings from studies undertaken in more advanced economies. Based on a sample of seventy-eight SMEs and a factor analysis procedure, it finds support for the view that proactive stimuli, including growth aspirations, opportunity search and managerial interest, predominantly trigger initial export activity among Nigerian firms. This diverges from the pre-eminent position of external-reactive stimuli, notably the receipt of fortuitous foreign orders, in North American and other Western studies, and adds to earlier calls for caution in generalising empirical findings across different geo-economic contexts. The possible reasons for the identified divergence are discussed in this paper, along with the policy and managerial issues raised by the nature of initial export stimulation among the study firms.

KEYWORDS. Export stimulation, stimuli, motives, advanced economies, developing economies, sub-Saharan Africa (SSA), Nigeria

Brand Management and Strategic Performance:
Some Evidence from South Africa 27

Jean-Paul Berthon
Robert A. Opoku
Leyland F. Pitt
Deon Nel

This article reports on a study using a previously published checklist to assess the brand management practices of South African firms. Indications are that the perceptions of a sample of senior managers regarding how well their institutions manage their brands are reasonably positive, and that the management of brands has effects on a firm's profitability, market share and growth compared to competitors. While the checklist used seems to possess the characteristic of reliability, further development needs to be done on aspects of its underlying structure. Implications for managers and further avenues for research are identified and discussed.

KEYWORDS. Brand management, strategic performance, South Africa

Race Portrayals in Ghana, Kenya, and South Africa
Television Advertisements 41

Laura M. Milner

The current study examines racial portrayals in television advertisements from Ghana, Kenya, and South Africa. Whites are over-represented relative to their actual demographic presence in all three countries, and both Blacks and Whites are depicted as over-employed. In general, however, depictions are not significantly different for either race, though there is a hint that a stereotyped portrayal of Blacks as athletes and/or entertainer may be going global.

KEYWORDS. Advertising, Blacks, Whites, role portrayals, African role portrayals, Ghana, Kenya, South Africa, television

Intermediation Behavior of the Financial Superstructure
in Response to Environmental Stimuli: Theory, Issues
and Further Empirical Evidence from Nigeria 61

Chinedu B. Ezirim
Michael Muoghalu
Emmanuel Emenyonu

This paper is an empirical extension aimed at investigating the relationships between the indicators of the financial superstructure and its intermediation environments; and especially how the former responds to the effects of the latter. Intermediation-environmental models patterned after multivariate regression, causality, and partial adjustment models of both linear and log-linear formulations were estimated and analyzed. The results reveal that three environments: socio-political, regulatory, and international finance-exerted significant effects on the intermediation function of the superstructure. Previous intermediation successes ginger up current performance. In the long run, the effects of the environ-

mental factors on the intermediation function of the superstructure, in whatever direction, more than quadruples. In any given year, the Nigerian financial superstructure attains only about 21.9% of desired (optimal) FIR. Given this, it would take about 4-1/2 years for it to adjust its intermediation operations (FIR), in light of the effects of environmental factors, to optimal levels in order to significantly impact the economy as desired. Some consistent behavioral traits were identified from the results to include: the precepts of potential maximization, profit maximization, accommodation principles, survival and cost-minimization principles, and the neutrality axiom.

KEYWORDS. Intermediation Behavior, Financial Superstructure, Environmental Stimuli, socio-political environments, regulatory environments, international financial environments, eco-financial environments, Nigeria

Financial Intermediation in an African Setting: Performance Differences Between Domestic and Multinational Banks in Ghana

91

*Jocelyn Evans
Rhonda Mack
Evelyn Winston*

This paper analyzes whether multinational, domestic national and domestic rural banks are perceived differently by consumers in a developing economy—Ghana. The paper investigates the critical determinants of consumer perceived product and service quality for each type of institution in the Ghana banking industry. The evidence shows variation in bank quality in the sense that multinational banks are perceived more positively than both types of domestic banks on the dimensions of transactional and relational customer service, but they are viewed more negatively for benefits advertised in promotions and interest rate on savings accounts. Unexpectedly, multinational banks have a competitive advantage with respect to both technology and human relationship management. Their competitive advantage enables multinational banks to pay lower interest rates on deposits.

KEYWORDS. Banking, Ghana, developing country, customer perception, service and product quality

Long Run Determinants of Stock Market Development in Ghana 105

*Peter Quartey
Mawuli Gaddah*

The paper investigates how macro-economic factors affect Stock Market development in Ghana using the Johansen's cointegration procedure. Quarterly data from 1991 to 2004 was used and the paper made very useful observations. First, the paper finds that gross domestic savings causes stock market development. A related finding is that real income, gross domestic savings, domestic credit to the private sector, and exchange rate predict the long run development of the Ghana Stock exchange. However, Treasury bill rates have negative impact on the long run development of the GSE. Contrary to expectation, inflation did not prove to be a significant factor in predicting the long run development of the stock market.

KEYWORDS. Stock market, savings, credit, development

When Their Tomorrow Comes: African Business Schools
and Strategic Management Standards
of AACSB-International 127

*Gerry Nkombo Muuka
Dannie E. Harrison
James P. McCoy
Roger Schoenfeldt*

The paper examines Africa's progress towards AACSB accreditation, especially to satisfy the 5 strategic management standards. Sadly, although there are 515 accredited business schools (as of January 2006) in 28 countries, Africa—with 54 nations—does not have a single AACSB accredited school. Many African business schools (ABSs) have the capacity to meet Standard 1 (mission statement), Standard 3 (student mission), and Standard 4 (continuous improvement objectives). But they have limited capacity to meet Standard 2 (mission appropriateness) and Standard 5 (financial strategies). Therefore, if AACSB-International wishes to truly become the accrediting agency for business schools worldwide, the agency and its members will need to play a more proactive, facilitative and enabling role in assisting business schools in Africa tackle these significant obstacles to accreditation.

KEYWORDS. AACSB-accreditation, African business schools, strategic management standards

Promoting SMEs in Africa: Some Insights from an Experiment
in Ghana and Togo 151
Leo Paul Dana

Under colonial rule, sub-Saharan Africa was self-sufficient in food production, and much produce was exported from Africa to Europe. Prior to obtaining independence, in 1957, Ghana—formerly British West African Gold Coast—had one of the most prosperous economies on the African continent. The same is true for Togo, which was administered as part of Afrique Occidentale Française from World War I until its independence in April 1960. Since these two countries obtained independence, however, Indigenous population growth has not been matched by a growth in agriculture and business activity. Today, both Ghana and Togo are net importers, even in basic grains. Can government policy help?

KEYWORDS. Africa, Ghana, Togo, government policy, SMEs, market forces, state intervention

EXECUTIVE OPINION

Mr. Friederich G. (Fritz) Mahler,
Nestlé Central and West African Region 175
D. K. "Skip" Smith