E-Government in Marketing a Country: A Strategy for Reducing Transaction Cost of Doing Business in Tanzania

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Abstract

There are limited studies examining the role of Investment Promotion Agencies (IPA's) and their respective marketing techniques used in attracting Foreign Direct Investment (FDI). Using an exploratory case study approach, this article addresses this research gap by exploring the role of e-government as a promotion technique in eliminating barriers to FDI inflows in Tanzania; particularly barriers related to information accessibility and bureaucratic procedures facing foreign investors in acquiring relevant licenses and business permits. The findings indicate that foreign investors utilize information to create knowledge of business environment in the host country, though some additional information may not be found due to informational specificity of a particular investment project. In addition, the findings indicate that implementation of e-government has reduced some monetary and non-monetary transaction costs of complying with government authorities. The article contributes to the existing body of knowledge in the field of marketing by examining the role of e-government services in the public sector marketing within a macro-marketing domain.

Keywords: E-government, Transaction cost, FDI, Destination marketing, Investment Promotion Agency, TIC, ZIPA.

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