



Building Competitive Advantage?

**The Internet's Impact on the Value System:
A Study of the South Australian Wine Industry.**

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Abstract

This research investigates use of the internet for marketing purposes amongst firms within the South Australian Wine Industry. The thesis explores the benefits that are created through this internet use. The relationship between internet use for marketing and the benefits realised is then measured using multiple regression analysis. This research is intended to have a strong practical orientation and to identify a lucid, practical framework that firms can use to integrate the internet into their overall marketing activity.

Much of the academic literature on internet marketing centres around descriptions of the medium itself and hypothetical discussion of what the internet 'could' deliver for business. This research examines the *actual* internet use for marketing purposes by firms. The approach taken offers practical insight and highlights what may be stages of internet adoption for marketing activity. The activity based approach of internet marketing is extended in the investigation of Competitive Benefit. The notion of Competitive Benefit presented here may go some way to assisting firms come to terms with the rather abstract nature of Competitive Advantage. Furthermore, it seeks to develop a framework for practical use of the internet for marketing purposes. It also illustrates the commercial benefits that arise from this new area of business strategy and marketing.

The research is a cross-sectional study of the South Australian Wine Industry, with the scope to extend into longitudinal research. The literature review provided the background for initial interviews used to investigate internet use and the benefits realised. The knowledge developed in this exploration drove the design of the survey instrument. Data was then collected through a self-administered mail survey of 800 firms, including (i) wineries, (ii) distributors, (iii) trade customers and (iv) suppliers. Examining these four groups as a value system enabled measurement of the use of the internet to administer and coordinate marketing activity.

Hypotheses were tested which identified four stages of internet adoption for marketing activity. It was found that time was *not* related to the extent of internet use nor to the creation of Competitive Benefits for the firm. In fact, *it is the way* the internet is used that generates Competitive Benefit. In the internet enabled economy, the framework presented may represent a planning model for business activity as well as a basis for further research. Separate use of the internet is likely to be just a brief evolutionary step in the conduct of business and implementation of marketing activity. Its full competitive value will steadily emerge from full integration with the business as a whole.