

Profiting on the Internet

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Despite the hyperbole, there are many examples that prove that business use of the Internet is not always profitable, the bursting of the dot.com bubble aside. Now, a Tunisian researcher reports in the *International Journal of Technology Marketing* that while unique use of the technology is not enough to generate competitive value, there are approaches that allow companies to improve their performance and so their bottom line.

Moez Bellaaj of the Institut Supérieur d'Administration des Affaires de Sfax, in Tunisia, is hoping to reduce the gap in understanding by examining the competitive value of Internet-based resources and by taking into consideration the synergy produced by the complementarity of two technological capabilities: online capability and technological opportunism.

The Internet is a powerful strategic tool for business because it can improve competitiveness as well as the efficiency of operations. Integrating the Internet into a business plan is fast becoming an imperative given the rapidly shifting and emerging electronic marketplaces. "Internet technologies provide better opportunities for companies to establish distinctive strategic positioning than did previous generations of information technologies," says Bellaaj, "So, the key question is not whether to deploy Internet technologies but how to deploy it to gain competitive advantage."

"Online capability" is a new type of technological resource that representing a company's ability to use the Internet to share information, facilitate transactions, improve customer services, and integrate

customer activities. "Technological opportunism" refers to the ability to recognize and respond to new technologies, regardless of whether those technologies are developed internally or externally. "Overall, technologically opportunistic firms are aware of technology developments and are more likely to invest resources in adopting Internet technologies and developing online capability," says Bellaaj.

Bellaaj carried out case studies on 86 e-commerce companies using standardized questions about companies engaged in Internet projects. Statistical analysis then allowed them to determine the strengths and weaknesses of the companies in terms of their Internet activities. An important theoretical contribution of the study is the finding that Internet-based capabilities combine with other complementary organizational capabilities to lead to competitive advantage.

"The study suggests that one way for firms to become technology driven is to equip themselves with high levels of technological opportunism," says Bellaaj. "In the technology-driven context of the Internet, a company can be more competitive by creating resource complementarities through capitalizing on this and online capability."

More information: "The competitive value of the Internet: an empirical investigation" in Int. J. Technology Marketing, 2009, 4, 338-354

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