



## THE IMPACT OF INTERNET MARKETING RESEARCH ON ACHIEVING COMPETITIVE ADVANTAGE

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This paper aims at investigating the impact of internet marketing research on achieving competitive advantage in the telecommunication sector in Jordan. To achieve this aim, one main hypothesis and two sub-hypotheses were developed based on the literature review and previous studies. A regulated systematic research methodology was implemented; a survey approach was adopted to test the hypotheses. Two measurement tools were used; interview with the four telecommunication operators in Jordan and a questionnaire directed to a proportional random sample of their clients. Statistical Package for the Social Science (SPSS) was selected to describe and analyze the data of four interviews and 200 filtered and screened questionnaires. Results reveal that internet marketing research has a positive direct impact on achieving competitive advantage in general, however, the results also indicate that this effect is relatively weak. Discussion, conclusion, and recommendations were provided based on the finding of this study.

**Keywords:** Marketing research, Internet marketing research, Competitive advantage, Telecommunication sector, Jordan.

### Introduction

Marketing research is very important to all kind of business and firms; it can affect the overall performance of the firm in many aspects. It is essential in strategic planning, decision-making, and evaluation (Bulut, 2013). It is also used to spot opportunities and threats. Marketing research general purpose is to generate, assess and enhance marketing activities, this includes; observing performance; and enrich knowledge of marketing as a process. The significance of marketing research comes from the fact that many decisions in businesses are based on the results obtained from such research, which make marketing research a vital practice within businesses.

Marketing research is just like any other scientific research, can be categorized into two kinds: primary research (based on primary data) and secondary research (based on secondary data).

Day after day, internet importance in marketing is increasing. Internet now represents a powerful tool and medium, especially with the continuing increase of internet users worldwide. Marketing utilized Internet on so many levels. This would include marketing research, commonly known as internet marketing research. Internet provides a good platform to collect data and conduct research, Internet is becoming more popular as a research tool by the use of e-mail and the World Wide Web (Sedwick, 2004). The main aim of any research is to get better information, as better information will lead to better decisions (Naveh & Halevy, 2000) and better decision are normally associated with better performance which may lead to competitive advantage.

In Jordan, the telecommunication sector has four operators: Zain, Orange, Umniah, and Friendi serving around 10.31 million users by the end of 2013, and generated around 1.7 Billion USD in 2012

(TRC, 2014). Remarkably, the population of Jordan is around 6.4 million based on the last scan by the government in 2012 (DOS, 2014) it is true that Jordan host around 2 million residents (none Jordanian) based on the maximum estimates, but the number of telecommunication users remain much higher than the overall population in Jordan. This reflects the high penetration rate of telecommunication services and the wide adoption of such services in Jordan. However, in such scenarios, the competition between firms become tuff, and the need for distinguishing offers become necessary, achieving competitive advantage over the others is a critical concerns for the telecommunication operators. Internet marketing research could assist this process, and this paper is investigating the impact of internet marketing research on realizing competitive advantages in the telecommunication sector in Jordan.

## **Literature Review**

### **Internet Marketing Research**

American Marketing Association (AMA) (2014) describes marketing research as “the function that links the consumer, customer, and public to the marketer through information-information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve understanding of marketing as a process. Marketing research specifies the information required to address these issues, designs the method for collecting information, manages and implements the data collection process, analyzes the results, and communicates the findings and their implications”, AMA approved this definition in (2004) and still use it as it is till now.

Marketing research could be conducted in the traditional methods or through internet, many authors compared the traditional methods to the internet based methods (Furrer and Sudharshan, 2001; Wilson and Laskey, 2003) their work revealed that internet marketing research has many valued insights compared to traditional methods. Many firms turned to internet to collect data and conduct research because internet marketing research is relatively low in cost and easy, provide the ability to reach large population, provide the capability to reach physical disabled participants, provides rapid access to participants and the fact that participants can complete it easily increases the participation level and saves time. Internet marketing research provides flexibility and control over format, improves accuracy and simplicity of data entry with ability to incorporate rich media (such as audio, graphics, and video) and the interactive nature of the web in general, and maintain methodological rigor. Internet marketing research is popular among certain populations especially the younger generations, ensures anonymity to participants, simplicity of administration, and provides the ability to follow-up with participants for uncompleted surveys. It also has the capability to provide participants with immediate feedback (such as individual response summaries), eliminates interviewer bias, increases generalizability of data, with the ability to address sensitive topics, and promotes increase access to cultural groups (Sax et al., 2003; Betz & Farr, 2004; Tourangeau et al., 2004; Granello & Wheaton, 2004; Ahern, 2005; Wright, 2005; Parks et al., 2006; Van Selm & Jankowski, 2006; Albrecht,2009).

### **Competitive Advantage**

At its most essential scale, competitive advantage is a measure of the value that the firm is capable to invent and transfer to customers. Competitive advantage has many definitions; Baltzan and Phillips (2010) define it as providing a product that the firm’s customers will value more compared to similar competitors’ product. Ghemawat and Rivkin (2006) stated that to create a competitive advantage, the firm has to construct itself to do something distinctive and valuable, something hard to replace perfectly. Competitive advantage can be created from a complete range of activities, from marketing to logistics, from manufacturing to finance, operating in synchronization. The core of creating competitive advantage is allocating an incorporated set of selections that place the firm apart from its competitors.

It has to be clear that every firm normally faces different defiance, but the main guidelines of creating competitive advantage remain the same for all.

Competitive advantage is typically temporary, because it is a matter of time before competitors find a way to imitate the competitive advantage source, therefore, and in order to stay ahead of competition, organizations have to continually develop new competitive advantages.

Managers have to analyze the complete range of activities to understand the sources of added value to their firms, internet marketing research could be the tool to facilitate such analysis by providing both primary and secondary researches.

**Internet Marketing Research and Competitive Advantage**

Information resulted from sound and reliable research can be a powerful support to marketing activities. Competitive advantage can be achieved with the support of precise, appropriate information since it helps managers make better decisions. Organizations can use the obtained information to identify opportunities and develop new products, it also can be used to spot and identify new markets and perhaps modify the way business is conducted. This normally leads to reduce the time and cost which is essential in competitive advantage creation (Chui & Fleming, 2011).

Thompson, Strickland & Gamble (2005) argued that corporate executives should give special attention on how corporate resources and capabilities can be used, to enhance the competitiveness of particular business division; such decision can enhance achieving competitive advantage and can be clearly tracked to marketing research results.

Karayanni (2006) conducted a study, in order to verify the function of the business usage of the Internet and found that the important usage motivation is to distinguish oneself from the competition (competitive advantage) which includes both marketing research and market expansion opportunities. This indicates that one of the most important usages of internet is for marketing research to achieve competitive advantage.

**Hypotheses and Study Model**

Based on the previous studies and literature review, the study model presented in figure (1) below was developed.

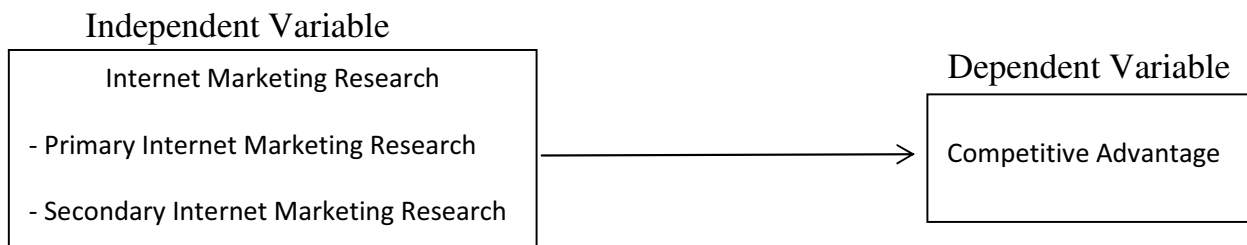


Figure (1): Study Model

One main hypothesis and two sub-hypotheses were devolved to examine the impact of internet marketing research on achieving competitive advantage in telecommunication operators in Jordan, as follow:

Ha1: Internet marketing research has a positive direct impact on achieving competitive advantages at ( $\alpha \geq 0.05$ ).

This main hypothesis is measured through the following two sub-hypotheses:

Ha1-1: Primary internet marketing research has a positive direct impact on achieving competitive advantages at ( $\alpha \geq 0.05$ ).

Ha1-2: Secondary internet marketing research has a positive direct impact on achieving competitive advantages at ( $\alpha \geq 0.05$ ).

## METHODOLOGY

This study is a causal one as it is trying to examine the impact of the independent variable on the dependent variable. Quantitative approach and survey strategy are used to assess the dimensions of the study model and test the hypotheses.

Both an interview and questionnaire are used to collect data. To assess the use of internet marketing research in the four telecommunication operators in Jordan, an in-depth structured interview with the marketing managers of the four operators will be conducted (separately of course) to underline the different marketing research methods used by the operator. In order to qualify for this study and as a precondition, the operator has to use internet marketing research on regular bases and as a main method to conduct research. The structured interview used multiple items measures on organization of marketing research, marketing information collection vehicles, marketing research information types. Marketing information collection is assessed by using a scale developed by Hart & Tzokas (1999) and Köksal (2008) and presented in a five point likert scale. Marketing research information types are developed based on Hart and Diamantopoulos (1993), Xu and Kaye (1995), and Köksal (2008) studies. The questionnaire is designed based on review of literature and consists of two main parts; the first part gathers demographic information about the respondents and the second part gathers data on the dependent variable competitive advantage dimensions in relation to internet marketing research. The second part is a five point likert scale. The questionnaire is directed to a proportional random sample of telecommunication operators' clients.

### Validity and Reliability

Content and face validity of the survey instruments were evaluated by a panel of experts in marketing research, necessary modifications were conducted based on their valuable contribution.

Reliability was assessed using Cronbach Alpha Coefficient (Sekaran, 2003). According to Nunnaly (1978) any value above 0.70 means a reliable measure. Table (1) below shows the result of Cronbach Alpha Coefficient.

Table (1) Cronbach Alpha Coefficient

Domain	Number of Items	Cornbach Alpha Value
Competitive Advantage	14	0.909
Internet Marketing Research	13	0.927
Overall	27	0.946

### Study Population

The population of the study is the telecommunication operators in Jordan, namely Zain, Orange, Umniah, and Friendi and a proportional sample of their clients. The survey strategy adopted for this study has two measurement tools; structured interview and questionnaire. The interview is directed to the top managers and marketing managers in the telecommunication operators, eight interviews were conducted to gather data on internet marketing research. upon the results of these interviews friendi was excluded for not

matching the precondition of using internet marketing research on regular basis, this operator use only the traditional methods in gathering data and conducting research, and therefore was excluded from the population of the study. The remaining three operators match the precondition and prove to be using internet marketing research as a main method of research in their firms. Accordingly, the questionnaire is directed to a proportional sample of the telecommunication operators' clients. The total number of each operator clients were obtained from the telecommunication regulatory commission (TRC) in Jordan, which is the official regulatory commission for this sector, the updated list received from TRC is presented in table (2) below.

Table (2) Active telecommunication Subscriptions as in the fourth quarter of 2013

Operator	Number of Users
Zain	4,044,062
Orange	3,255,549
Umniah	2,929,345
FRiENDi mobile	84,850
Total	10,313,806

Source: Telecommunications Regulatory Commission (TRC) Jordan (2014)

Based on the above, and since friendi was excluded, the questionnaire was distributed to proportional clients sample of Zain, Orange, and Umniah. Zain shar is 39.6% of the distributed questionnaires, Orange share is 31.8% and Umniah share is 28.6%. The total number of distributed questionnaires is 200; 79 for Zain's clients, 64 for Ornage's, and 57 for Uminah's . the sample description is presented in table (3) below.

Table (3) Demographics of the Sample

Variables	Category	Frequency	Percent
Age	18 < 29	76	38
	29 < 39	59	29.5
	39 < 49	40	20
	49 < yeas and more	25	12.5
	<b>Total</b>	<b>200</b>	<b>100.0%</b>
Educational Level	2 years diploma and below	67	33.5
	Bachelor degree	110	55
	Post graduate	23	11.5
	<b>Total</b>	<b>200</b>	<b>100.0%</b>
Gender	Males	138	69
	Females	62	31
	<b>Total</b>	<b>200</b>	<b>100.0%</b>
Mobile usage period	Less than 5 years	41	20.5
	5 < 10 years	68	34
	10 < 15 years	73	36.5
	15 years and more	18	9
	<b>Total</b>	<b>200</b>	<b>100.0%</b>
Internet usage Period	Less than 4 years	16	8
	4< 8years	64	32
	8 < 12 years	79	39.5
	12 years and more	41	20.5
	<b>Total</b>	<b>200</b>	<b>100.0%</b>

### Hypotheses Testing and Results

This study is based on one main hypothesis and two sub-hypotheses as follow:

Ha1: Internet marketing research has a positive direct impact on achieving competitive advantages at ( $\alpha \geq 0.05$ ).

This main hypothesis is measured through the following two sub-hypotheses:

Ha1-1: Primary internet marketing research has a positive direct impact on achieving competitive advantages at ( $\alpha \geq 0.05$ ).

Ha1-2: Secondary internet marketing research has a positive direct impact on achieving competitive advantages at ( $\alpha \geq 0.05$ ).

The sub-hypotheses are tested by simple linear regression, the result are presented in table (4) below.

Table (4) Simple liner regression results

Component	R <sup>2</sup>	f	Sig(f)	t	Sig(t)	$\alpha$ Constant	$\beta$ Coefficient	Alternative Hypothesis decision
Primary internet marketing research	0.289	102.24	0.000	10.11	0.000	1.82	0.503	Accept
Secondary internet marketing research	0.095	60.95	0.001	7.80	0.001	2.086	0.400	Accept

Critical f at 0.05 level = 3.89 (degree of freedom 1&251)

Table (4) indicates the simple linear regression of the independent variable on the dependent variable. Both sub-hypotheses were accepted since the both were significant and the computed f value was higher than tabulated f value.  $\beta$  Coefficient shows that secondary internet marketing research is more important than primary internet marketing research, as for the strength of the relation, R<sup>2</sup> shows that the relation between secondary internet marketing research and competitive advantage is stronger than the relation between primary internet marketing research and competitive advantage, however both values remain relatively weak.

### Conclusion

This study aims at investigating the use of internet marketing research and its impact on achieving competitive advantage in the telecommunication sector in Jordan. The study is based on one main hypothesis and two sub-hypotheses. The main result of this study reveals that internet marketing research has a positive direct impact on achieving competitive advantage by providing the necessary data, information, and knowledge essential for identifying opportunities and taking decisions. This result is consistent with previous studies in this filed (Fortin, 2011; Chui & Fleming, 2011; BusinessAdvisor, 2009; Karayanni, 2006; Goodman, 2003;2000; Daniel & Wilson, 2002; Shin, 2001; Gauzente & Ranchhod; 2001).

However, the result shows that the strength of this impact is weak; it is true that the result was higher for secondary internet marketing research compared to primary internet marketing research but both values remain weak. This suggest that telecommunication operator in Jordan are not depending heavily on internet marketing research to create their competitive advantage. The result shows that internet is mainly used to collect information and gather the competitors offerings, which is mainly secondary internet marketing research, it is not utilized in its full capacity. None of the respondents participated or took part in a primary internet marketing research run by telecommunication operator in Jordan. The literature review presented strong evidence on the impact of internet marketing research on

achieving competitive advantage; this means that telecommunication operator could benefit more from internet marketing research if they started using it more professionally.

### Recommendations

Based on these findings, the researcher recommend that telecommunication operator in Jordan should understand the value and possible benefits internet marketing research will have on their performance especially in creating and achieving competitive advantage.

Training and educating people responsible of marketing research in these firms could help accomplish this point. Once the telecommunication operators start to utilize internet marketing research in full power, they might change the way they conduct business.

### Future Research

Since the findings of this study indicate the need for better usage of internet marketing research, future studies on the barriers of using internet marketing research will be a good area to explore. replicating this study on different sectors and in different markets will give the chance to compare the results and lead to better understanding of internet marketing research situation in Jordan and the region in general.

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