

**CONTACT EFFICIENCY OF WEB SITES: A  
MARKETING PERSPECTIVE**

by

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Submitted in fulfilment of the requirements for the degree of

**MAGISTER COMMERCII**

**in the Department of Business Management**

at the

**UNIVERSITY OF THE FREE STATE**

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**March 2003**

## **ACKNOWLEDGEMENTS**

I would not have completed this study without the invaluable guidance of my study leader and friend, Gert Human, who showed great interest and dedication. Thanks Gert for all your assistance and patience in the past few years.

Special thanks to my family for their support, endless love and care.

I also want to acknowledge the role of Prof Willie Van der Merwe in the completion of this thesis. You were always willing to listen to any questions and offer advice.

During the past few years I have met many people who supported me in different ways on this journey. Thank you to everyone who was willing to listen and provide advice that contributed to the completion of this thesis. However, I would like to single out the following people: Jane Smith from the Computer Services Department for analysis of the data; the colleagues of the Department Statistics for their advice; and Gert's wife, Elana, for her support and care.

Above all, I want to thank my Creator for giving me this opportunity and providing along this journey.

## **ABSTRACT: CONTACT EFFICIENCY OF WEB SITES: A MARKETING PERSPECTIVE**

The Internet has received a great deal of attention in the media and many companies have set up an Internet presence. According to NUA the commercial domain is the largest domain on the Internet (44 520 209 hosts). Not only have the number of businesses increased on the Internet, but also the number of Internet users. This growth in commercial activity on the Internet creates opportunities for businesses to provide products and services to new and existing markets.

Although a lot of hype was created regarding the commercial possibilities of the Internet, the expectations of many companies have sadly not been met. The Internet landscape is also littered with failures. Some researchers argue that the problems companies experience may have little to do with a lack of technology or imagination, but arise instead from a lack of understanding.

To assist marketers and advertisers in gaining a better understanding of marketing on the WWW and developing more effective advertising Web sites, the model of the conversion process on the Web was developed. One of the stages in this model deals with the conversion of “hits” into “visits”. This stage is important to consider since it is the starting point for interaction between the Web site of the business and the Internet user.

As this study will point out, a number of factors could influence the conversion of “hits” into “visits”. For example, the study identified product related information as one of the factors that could provide an incentive to Internet users not only to “hit” the site, but also to interact with the Web site. The study also pointed out that marketing managers could use purchase facilitation as a strategy to improve the conversion rate of this stage. Other issues that were considered in the study included; the influence of addressing specific customer values on contact efficiency, twenty-four different interactive functions that could be included in a Web site and their influence on

converting “hits” into “visits”, and the influence of navigation and Web site design considerations on the conversion of “hits” into “visits”.

The study concludes with recommendations based on the findings of an empirical survey administered to establish what the factors are to enhance the contact efficiency of a Web site. These recommendations could enhance the ability of marketing managers and practitioners to design Web site strategies to improve the contact efficiency of advertising Web sites.

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# CHAPTER 1: GENERAL ORIENTATION

## 1.1 INTRODUCTION

The Internet provides new ways for consumers to learn about and acquire products and services on-line (Kwak, Fox and Zinkhan, 2002:23). For instance, the Internet gives consumers access to rich new information sources and thus helps them to make better-informed decisions. According to Hart, Doherty and Ellis-Chadwick (2000:974) the Internet has been used in three main ways to facilitate marketing. In the most basic respect it is a means of communicating information about the organisation, its products and services. At the next level, it is used as a more proactive marketing tool, inviting consumers interactively to access the Web site to gain more product information to facilitate their decision-making process in respect of buying, and at the same time providing valuable consumer data for traders to enable greater targeting. A third level involves physically selling products on-line through transactions with consumers.

Understandably, the differences between success and failure often relate to the efficiency with which firms can execute these processes/functions. A key aspect to consider in this debate is related to the specific efficiency of an advertising Web site. The Efficiency theory is fundamentally concerned with the ratio of inputs consumed to produce the desired amount of outputs. Hence, the efficiency of an advertising Web site deals, inter alia, with the ability of a given Web site to convert “hits” (referring to an active/passive surfer clicking on a Web site) into “visits” (referring to an active/passive surfer entering a Web site and spending time there). The conversion process is a key element of marketing success via the Internet (Berthon, Pitt and Watson, 1996a:48). Hence, the focus of this study is on enhancing the efficiency of advertising Web sites through improving the conversion of “hits” into “visits” (also referred to as contact efficiency).

This chapter will explain the motivation and the objective of the study, as well as the research methodology. In addition to this, problems experienced with the study will also be documented, and an outlay of the study will be provided.

## 1.2 DEMARCATION OF THE FIELD OF STUDY

Marketing is one of the functional areas within a business for which a functional area strategy needs to be developed (Thompson and Strickland, 1998:50). Marketing is defined as the process of planning and executing the conception, distribution, promotion, and pricing of ideas, goods, and services, to create exchanges that satisfy individual and organizational objectives (Lamb, Hair and McDaniel, 1996:19). The activities in the marketing process are illustrated in Figure 1-1.

Figure 1-1 The marketing process



Source: Adapted from Lamb et al. (1996:19)

As indicated in Figure 1-1, one of the steps in the marketing process is to develop a marketing mix. Lamb et al. (1996:21) define the marketing mix as a unique blend of product, distribution, promotion, and pricing strategies designed to produce mutually satisfying exchanges with a target market. According to Etzel, Walker and Stanton (2001:17) the marketing mix is a combination of the product, how it is distributed and promoted, and its price.

Gordon and De Lima-Turner (1997:362) are of opinion that the Internet has the potential to affect each component of the marketing mix. Moreover, the component of the marketing mix being most quickly transformed as a result of Internet usage, is promotion (Gordon and De Lima-Turner, 1997:362 and Leong, Huang and Stanners, 1998:44). The phenomenal growth of consumers and businesses connecting to the Internet indicates a viable audience for advertising and promotional messages for many companies. It appears that the Internet is potentially an attractive advertising medium (Leong et al., 1998:44).

The Internet as a medium for advertising has been discussed by many researchers and academics (Yoon and Kim, 2001; Kwak et al., 2002; Gordon and De Lima-Turner, 1997; Bush and Bush, 1998; Leong et al., 1998; and Bezjian-Avery and Calder, 1998 and Ducoffe, 1996). These studies have explored issues related to the Internet and advertising, such as: advertising media characteristics of the Internet, effectiveness of the Internet as an advertising media, and consumer attitudes towards Internet advertising. However, none were dedicated to identifying Web site strategies that could enhance the conversion of “hits” into “visits” in advertising Web sites. This is the aim of the study, as will be explained in section 1.7 of this chapter. Thus, the field of study falls broadly into marketing, and more specifically into advertising, which is part of the promotion element of the marketing mix.

Internet literature confronts readers with a wide range of relatively new terminologies brought about by the computer age. Therefore it is useful to define and explain these terminologies to ensure the appropriate level of shared understanding for the purpose of this study.

### 1.3 EXPLANATION OF TERMINOLOGY

The following terminology will be used in the study and can be defined as follows:

**Advertising value.** A subjective evaluation of the relative worth or utility of advertising to consumers (Ducoffe, 1996:1).

**Advertising.** Nonpersonal communication through various media by business forms, non-profit organisations, and individuals who are in some way identified in the advertising message and who hope to inform or persuade members of a particular audience (Schlosser and Kanfer, 1996:1).

**Browser.** Often called a Web browser. A browser allows the user to search the Web and other Internet facilities using a Graphical User Interface (Ash and Lambert, 2001:233).

**Contact efficiency.** The ability of a Web site to convert “hits” into “visits” (Berthon *et al.*, 1996a:50).

**High involvement products.** Products that usually constrain the consumer to search for information regarding the product, because of the economic and psychosocial risk associated with the purchase of the product (Lamb *et al.*, 1996:78).

**Hit.** Measurement recorded in the server log files that represents each file downloaded to a browser (Mohammed *et al.*, 2002,385).

**Hypermedia Computer Mediated Environment.** Defined as a dynamic distributed network, potentially global in scope, together with associated hardware and software for accessing the network, which allows consumers and forms to: 1) provide and interactively access hypermedia content (i.e. “machine interaction”), and 2) communicate through the medium (i.e. “person interaction”) (Hoffman and Novak, 1996:08).

**Individualisation.** Individualization enables the user to redevelop product characteristics to meet individual needs and preferences (Mohammed *et al.*, 2002:275).

**Interactivity.** Interactivity can be defined as the extent to which a two-way communication flow occurs between the firm and customers (Mohammed *et al.*, 2002:14).

**Interpersonal communication.** Communication expressed as the original form of human communication, where two persons communicate face-to-face (Hoffman and Novak 1996:20).

**Low involvement products.** Purchasing of products where the actions of consumers are guided by habit, intuition and convenience rather by rational and thorough consideration (Lamb et al., 1996:78).

**Mass communication.** Mass communication refers to communicating to large audiences. In other words, communication from one sender to many receivers (Hoffman and Novak, 1995:22).

**Navigation.** The method of finding and moving between different information sections/pages on a Web site. It is governed by menu arrangements, site structure and the layout of individual pages (Chaffey et al., 2000:227).

**Pull communications.** The communications are initiated by the receiver, and hence require higher levels of activity (Coupey, 2001:276).

**Push communications.** Broadcast communications are typically push communication. Push communications originate with the marketing organisation, and are delivered to a relatively passive audience (Coupey, 2001:276).

**Surfer.** Metaphor used for a person surfing on the Web. Surfing is a popular metaphor used for describing someone exploring the Web (Ash and Lambert, 2001:246).

**Visit.** A series of requests made by an individual at one site (Mohammed et al., 2002,385).

**World Wide Web.** Usually abbreviated as WWW or “the Web”. Specialized Internet service allowing users to connect to remote sites, with information presented as text with hypertext links. These links can be used to refer to almost all other resources on the Internet. Graphics can be embedded in Web pages, but can only be viewed using a graphical Web browser (Ash and Lambert, 2001:248).

In section 1.2 it was cited that the growth of consumers and businesses connecting to the Internet indicates a viable audience for advertising and promotional messages for many companies (Leong et al., 1998:44). Hence,

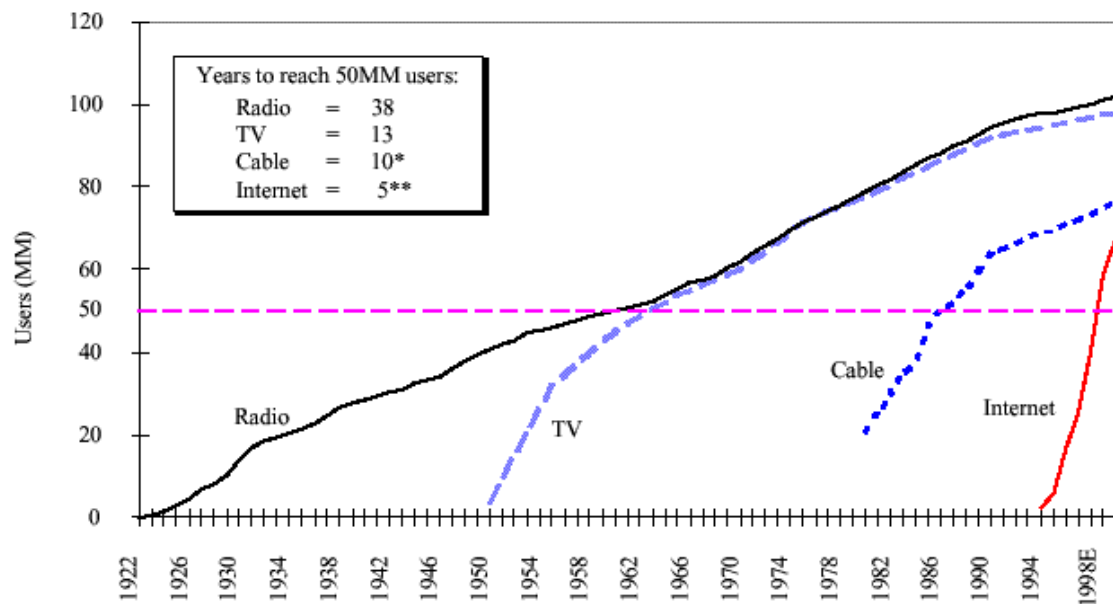
before the research problem is formulated, the importance of the Internet for contemporary business will be confirmed.

#### **1.4 THE GROWTH OF THE INTERNET**

Consumer demand for the Internet is a key factor that may ultimately lead to widespread adoption of the Internet by businesses (Hart *et al.*, 2000:974). While few dispute the increase in the number of computers connected to the Internet, its actual size is somewhat uncertain, it having only been measured in terms of registered domains since 1986 (Hart *et al.*, 2000:957). Recently, a top-level domain survey (a top-level domain name is either an ISO country code or one of the generic domains such as com, org, or net) published on the [www.isc.org](http://www.isc.org) Web site reported that the number of top-level hosts on the Internet amounted to 147 344 723 by January 2002. At the beginning of 2001 there were 109 574 429 hosts, according to Internet Software Consortium (further referred to as ISC). This indicates an increase of 34,5 percent in the number of hosts. Furthermore, according to January 2002 estimates, the commercial domain is the largest domain on the Internet, with 30,2 percent of all Internet hosts. ISC (January 2002) estimated that the commercial domain consisted of 44 520 209 hosts. Therefore, it appears that many businesses are taking part in the new marketing forum available in cyberspace.

The number of end-users or potential on-line customers is even less defined, as the techniques for measuring the on-line market are considered to be “an inexact” art form and can only be indicative of a growing market of end-users (Hart *et al.*, 2000:957). According to the Internet Advertising Report published by Morgan Stanley in 1996 (available on-line at [www.ms.com](http://www.ms.com)), the adoption rate of the Internet surpasses the adoption rates of previous technology such as television and radio. Figure 1-2 illustrates that the Internet only took 5 years to reach the 50 million user point. Cable television took 10 years, television 13 years and radio 38 years.

Figure 1-2 Adoption rate of the Internet



Source: Adapted from the Internet Advertising Report (1996:1-5)

According to the May 2002 statistic of NUA ([http://www.nua.com/surveys/how\\_many\\_online/world.html](http://www.nua.com/surveys/how_many_online/world.html)), the number of people on-line was 580,78 million. As of September 2002 the number of people on-line was 605,6 million. This is an increase of 4,3 percent in the number of people on-line. Although, these statistics may not be accurate (NUA acknowledges the problems of measuring the exact number of people on-line and refers to their estimate as an “educated guess”) it clearly demonstrates the immense importance of the Internet. Clearly, contemporary management must take cognisance of it if they are to survive in an increasingly competitive environment.

## 1.5 MOTIVATION FOR THE STUDY

Berthon *et al.* (1996a:53) predicted that many advertisers will either use the WWW to achieve hitherto undreamed success or it will be an opportunity lost. It appears that the last condition is the prevailing one. Bayers (as quoted by Schlosser and Kanfer, 1997:1) reported that many companies are growing disillusioned with the commercial possibilities of on-line advertising, and some have suggested that the Internet is better suited to interpersonal



communication and personal sites rather than commercial sites. Furthermore, Spar and Bussgang (1996:125) reported that companies may even experience doing business on the Internet as frustrating, confusing and unprofitable. The problems that companies experience may have little to do with a lack of technology or imagination, but instead emanate from a lack of understanding (Spar and Bussgang, 1996:125). Berthon, Pitt and Watson (1996b:34) are of opinion that marketers and managers recognize by now that a greater understanding is required of the true nature of commerce on the Web, particularly from the perspective of a marketing communication medium. Thus, it appears that some uncertainty exists regarding the commercial use of the Internet.

To assist marketers and advertisers in gaining a better understanding of marketing on the WWW and developing more effective advertising Web sites, Berthon et al. (1996a:43) introduced a conceptual framework for measuring the efficiency of a Web site in their article "The World Wide Web As An Advertising Medium; Towards An Understanding Of Conversion Efficiency".

According to the model (to be discussed in Chapter 4) the flow of surfer activity on a Web site is a six-stage process. The first stage, **awareness efficiency**, indicates how effectively an organisation is able to make surfers aware of its Web site. The second stage of the model concerns attempts to get aware surfers to find the Web site. This represents the **localability/attractability efficiency**. The next phase of the model concerns the efficiency and the ability of the Web site in converting the "hit" to a "visit". This stage represents *the contact efficiency* of the Web site. The next stage in the model focuses on turning visitors into purchasers. The ability of a Web site to turn a visitor into a purchaser is called **conversion efficiency**. The final stage in the process focuses on converting purchases into repurchases. This stage reflects the **retention efficiency** of a Web site.

The contact efficiency stage is an important stage for the marketer to consider. This stage represents the first interaction between the Web site of the business and the Internet user. Therefore, it is important that the

advertising Web site employ the most useful strategies to convert “hits” into “visits”. An increase in the conversion rate of this stage is one of the factors that could lead to more purchases.

## **1.6 THE RESEARCH PROBLEM DEFINED**

The problem to be investigated in this study can be formulated as follows: What are the factors that can influence the contact efficiency in an advertising Web site?

A better understanding of the factors that influence contact efficiency can assist advertisers in the process of converting surfers into customers. It is therefore imperative that advertisers consider these factors when crafting their WWW strategy.

## **1.7 THE OBJECTIVES OF THE STUDY**

### **1.7.1 Primary objective**

The primary objective of this study is to identify factors that influence contact efficiency in an advertising Web site.

### **1.7.2 Secondary objectives**

The secondary objectives of the study are the following:

- To identify the characteristics of the WWW as an advertising medium.
- To consider the advantages and the disadvantages of advertising on the WWW.
- To isolate factors that influence contact efficiency (empirically) in advertising Web sites.
- To make recommendations towards the crafting of proficient advertising Web sites.

## **1.8 THE RESEARCH METHODOLOGY**

### **1.8.1 Literature study**

Secondary sources of information will be used to achieve the secondary objectives of identifying the characteristics of the WWW as an advertising medium, and of considering the advantages and the disadvantages of advertising on the WWW. These sources of information will consist of research articles, articles and books written on the subject of the role of the Internet in business. These secondary sources will also assist in identifying and gaining a better understanding of possible factors that could influence the contact efficiency stage.

### **1.8.2 Empirical study**

The empirical section of this study will consist of administering a survey via a structured questionnaire. The questionnaire will be mailed to marketing directors of companies included in the Financial Mail Top Company Survey (2000). The questionnaire comprises of the following sections to gain a better understanding of the factors that could influence the contact efficiency of an advertising Web site:

- Statements on Web site design and contact efficiency.
- Statements and questions on factors determining value.
- Information concerning possible interactive functions.
- Statements on navigation.
- Statements on factors regarding Web site design.
- Respondent information. This information includes demographic information and firmo-graphic information.

### **1.8.3 The survey population**

The sample consists of the marketing directors of the 299 companies included in the Financial Mail Top Company Survey (2000). This is a widely used and recognised source in South Africa. Since the study population included only 299 companies, the total population was selected as the sample.

Marketing directors were selected for the following reasons:

- The study aims to understand the conversion of “hits” into “visits” from a marketing strategy-design perspective. Thus, the objective was to specifically obtain managerial views from an Internet-marketing strategist’s perspective. This should significantly enhance the value of the study in terms of making managerial recommendations.
- Within this context it is specifically argued that:
  - Marketing directors may be knowledgeable on Internet user behaviour/preferences, giving credibility to their responses. They could have access to unpublished research that aids them in designing the Internet marketing strategy. Furthermore, they could also have captured information on Internet user preferences through their Web site. Access to this kind of data could provide them with insight and first hand knowledge on customer behaviour/preferences on the Internet.
  - Marketing directors could also have experience in developing Internet marketing strategies. Through this experience they could have gained insight into which Web site strategies are successful on the Internet. This would also add relevance to their responses.
- According to industry standards (Dillon, Madden and Firtle, 1994:235) the sample size for strategic studies is between 400-500 respondents. NUA estimated that the number of people on-line (December 2001) in South Africa is 3 068 000. If only 500 Internet users are interviewed, the sample will account for 0,0163 percent of the target population. Such a low percentage could be argued as not representative of the target population.

## **1.9 PROBLEMS EXPERIENCED WITH THE STUDY**

During the study the following problems were experienced:

- Scarcity of research on the topic: Literature and research on this specific topic are limited. The relative scarcity of the research necessitated a wider search for relevant information.

- The response rate was initially low: The first mailing of questionnaires yielded a low response rate. To improve the response rate, a second mailing was done. To prevent respondents completing the questionnaire twice, the cover page of the second mailing clearly requested the respondent not to complete the questionnaire again if he/she had already done so. The second mailing increased the response to 18,4 percent.

## 1.10 FRAMEWORK OF THE STUDY

The thesis will comprise of six chapters. These six chapters are the following:

Chapter	Title	Main aim of the chapter
Chapter 1:	General orientation	
Chapter 2:	World Wide Web advertising and its role in the promotion mix	To consider the role of a company's Web site as part of the advertising strategy
Chapter 3:	Characteristics of the World Wide Web as an advertising medium	Explore characteristics of the World Wide Web as an advertising medium
Chapter 4:	Factors influencing contact efficiency	To identify possible factors that could influence the contact efficiency stage of an advertising Web site
Chapter 5:	Empirical research and findings	To isolate factors that could influence the contact efficiency stage of a Web site
Chapter 6:	Conclusions and recommendations	To present final conclusions and recommendations regarding the study

## 1.11 CONCLUSION

The contact efficiency stage is one of the stages that contribute to the overall efficiency of an advertising Web site. An understanding of the factors that could influence this stage can enable marketing managers and practitioners to develop Web sites with better conversion of "hits" into "visits". This study will aim to gain understanding of these factors through a literature study, followed by an empirical research among marketing directors of the companies included in the Financial Mail Top Company Survey (2000). The study will not

only make an academic contribution to the field of Internet marketing, but will also provide marketing managers and practitioners with possible strategies to improve the contact efficiency of an advertising Web site.

In the following chapter the role of the Web site as a component of the advertising strategy will be considered. This will include exploring the nature of communication on the Internet and media-product characteristics that determine the viability of using the WWW as an advertising medium.

## **CHAPTER 2: WORLD WIDE WEB ADVERTISING AND ITS ROLE IN THE PROMOTION MIX**

### **2.1 INTRODUCTION**

The marketing mix is experiencing a fundamental transformation, and the catalyst is Internet commerce (Gordon and De Lima-Turner, 1997:362). Gordon and De Lima-Turner (1997:362) are also of the opinion that the component of the marketing mix being most quickly transformed as a result of Internet usage, is promotion. In Chapter 1 section 1.5 it was reasoned that companies are experiencing problems with the use of the Internet for advertising purposes. It was also cited in this section that marketers and managers recognize that a greater understanding is required regarding the use of the Internet as a marketing communication medium. Given these and other arguments presented in Chapter 1 section 1.5, the primary objective of this study is to gain a better understanding of the factors that influence the contact efficiency of an advertising Web site. Advertising can be defined as nonpersonal communication through various media by business forms, non-profit organisations, and individuals who are in some way identified in the advertising message and who hope to inform or persuade members of a particular audience (Schlosser and Kanfer, 1996:1). Therefore, the primary objective of this chapter is to consider the role of a company's Web site as a component of the advertising strategy. This chapter will consider the definition of advertising and how it relates to the Internet, and more specifically to Web sites. To begin with, the traditional model of communication and the communication process on the Web will be discussed. Thereafter, the notion whether advertising through Web sites is nonpersonal communication will be explored, followed by identification of possible criteria that are relevant when selecting the World Wide Web as an advertising medium. Finally, the last part of the definition of advertising "*...to inform or persuade members of a particular audience*" as it applies to the Internet will be considered.

Another secondary objective of the chapter is to explore the role of Web sites in the promotion strategy of a company. According to Belch and Belch (1990:137), perhaps the most important aspect of developing communication programs is to understand the response processes the receiver may go through towards a specific behaviour (like purchasing a product) and how the promotional efforts of the marketer might influence these responses. For that reason, response models will be used to gain understanding of the role of Web sites in the promotion strategy of a business.

## **2.2 THE MARKETING COMMUNICATION PROCESS ON THE INTERNET**

Communication has been variously defined as “the passing of information”, “the exchange of ideas”, or the process of establishing a commonness or oneness of thought between a sender and a receiver (Belch and Belch, 1990:127). These definitions suggest that for communication to occur there must be some common thinking between two parties and that this information must be passed from one person (the sender) to another (the receiver).

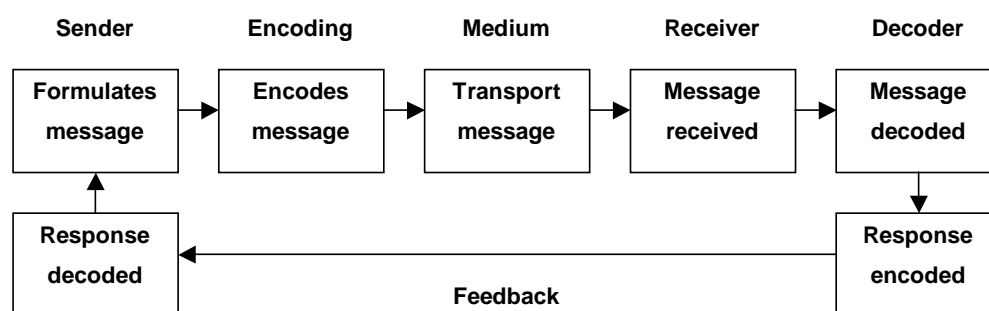
Marketers are both senders and receivers of information (Lamb et al., 1996:501). As senders, marketers attempt to inform, persuade, and remind the target market to adopt courses of action with the aim of promoting the purchase of goods and services. As receivers, marketers attune themselves to the target market in order to develop the appropriate messages, adapt existing messages and identify new communication opportunities. In this way, marketing communication is a two-way, rather than a one-way process. The two-way nature of the communications process is shown in Figure 2-1 (page 16).

Marketing communication can be divided into two major categories: interpersonal communication and mass communication (nonpersonal communication) (Lamb et al., 1996:501). Some researchers claim that communication in a hypermedia computer-mediated environment, such as the



Web, is not only nonpersonal communication. According to them, it is a combination of interpersonal and mass communication. This observation is important to explore, since it could have an impact on the design of effective advertising Web sites. This will be done by first revisiting the traditional interpersonal and mass communication processes.

Figure 2-1 The communication process



Source: Adapted from Boveè and Arens (1992:129)

### 2.2.1 Interpersonal communication

Interpersonal communication is the original form of human communication, where two persons communicate face-to-face (Hoffman and Novak 1996:20). The communication flow is two-way and takes place in real time, so both persons are able to adjust the signals they transmit to the signals they receive on a continuous basis. The major concepts distinguishing interpersonal communication from mass communication are feedback and interaction (Hoffman and Novak 1996:21). Feedback exists when person A, after receiving a message (X1) from person B, returns a message (X2) to B. If the exchange continues (B sends another message to A which is influenced by message X2), it can be said that A and B interact.

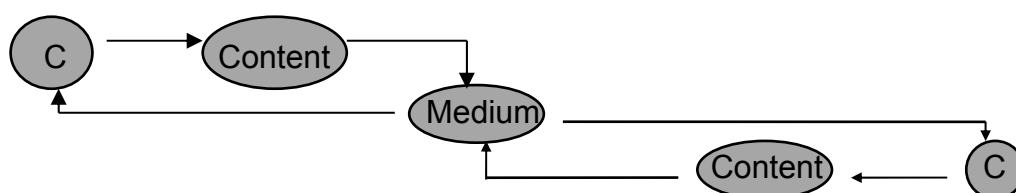
The above explanation of interaction is consistent with Rafaeli's definition of interactivity (Groenne and Barker, 1996:21) as "...an expression of the extent that in a given series of communication exchanges, any third (or later) transmission (or message) is related to the degree to which previous

exchanges referred to even earlier transmissions.” The interactivity outlined here is person interactivity - meaning two persons interact with each other, in some cases through a medium which functions as a channel for the message (Hoffman and Novak 1996:21). In contrast with this, the Internet provides a different type of interaction. This interaction is characterised by one or more users interacting with the medium rather than through the medium. This form of interactivity can be described as machine interactivity (Hoffman and Novak 1996:7).

Interpersonal communication between two persons who are not located very close to each other has to take place through a medium such as the telephone or mail. Therefore, a distinction can be made between two basic kinds of interpersonal communication: mediated and unmediated communication (Hoffman and Novak 1996:21).

The bandwidth of communication is the capacity to move information down a channel. In the case of unmediated interpersonal communication, the bandwidth is unlimited since all kinds of sensory impressions (sound, smell, touch, visual impressions) can be involved in the communication process. In the case of mediated interpersonal communication, the medium limits the bandwidth so that some information (in the form of sensory impressions) is lost in the communication process. In addition to limiting the bandwidth, some media also introduce a time lag between the transmission and reception of the signal. Figure 2-2 illustrates the communication process in mediated face-to-face communication.

Figure 2-2 Model of marketing communications for interpersonal and computer-mediated communication



Source: Adapted from Hoffman and Novak (1995:8)

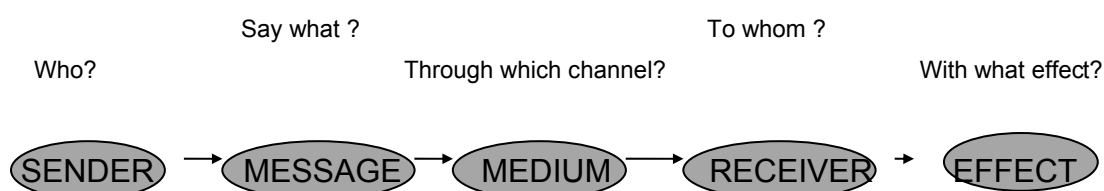
Figure 2-2, based upon traditional models of communication from sender to receiver, presents a simplified model of interpersonal communication (Hoffman and Novak, 1995:7). The solid lines indicate communication flows through a medium for two distinct individuals, in this case two consumers. The model in Figure 2-2 incorporates a feedback view of interactivity, consistent with Rafaeli's definition of interaction. The person interactivity is through a medium, which limits the bandwidth. Depending on the nature of the medium, certain sensory information will be lost.

According to Groenne and Barker (1996:22), interpersonal communication is the ideal form of communication, because it is interactive and has unlimited bandwidth, if not through a medium. However, interpersonal communication is unsuitable for reaching a larger audience in an economically efficient way. For this purpose, mass media are more efficient.

### 2.2.2 Mass communication

Mass communication refers to communication with large audiences. In other words, communication from one sender to many receivers (Hoffman and Novak, 1995:22). One of the common models of mass communication is illustrated in Figure 2-3.

Figure 2-3 Laswell's model of mass communication



Source: Adapted from Groenne and Barker (1996:23))

In Figure 2-3 a sender transmits a message through a mass medium to a large number of receivers. All receivers receive the same message in the

same form. The effect may differ, as different receivers interpret the message in different ways depending on personal and situational factors. Personal factors refer to the culture and background of the receiver. Situational factors refer to the specific situation the communication process takes place in, e.g. whether the receiver is exposed to the message on the street, in a train, from a radio playing in the background, etc.

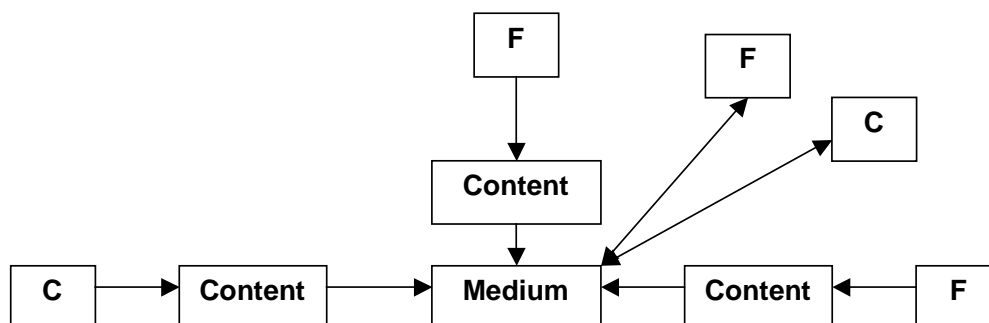
As depicted in Laswell's model, there is no interaction between the sender and the receiver. The communication flow is one-way, and it is not possible for receivers to give direct feedback to the sender or influence the form and content of communication in other ways (Groenne and Barker, 1996:23). Depending on the bandwidth of the particular medium in question, the content transmitted can be either static (text, pictures and graphics, as in print media) or dynamic (video, audio and animation, as in broadcast media).

The model does not include feedback, as Laswell did not consider this concept (Fiske, as quoted by Groenne and Barker (1996:24)). The principal reason for this is that it is impossible for the receiver to give feedback through the same medium in traditional mass media. If there is feedback, it has to be channelled through other media, which delays and limits the process. The absence of feedback symmetry in the traditional mass media makes it impossible to process transactions directly through mass media.

### **2.2.3 A model of marketing communication on the Web**

Figure 2-4 (page 20) presents a many-to-many communication process model for hypermedia CME's. Hypermedia CME's can be defined as: *"a dynamic distributed network, potentially global in scope, together with associated hardware and software for accessing the network, which allows consumers and forms to, 1) provide and interactively access hypermedia content (i.e. "machine interaction"), and 2) communicate through the medium (i.e. "person interaction")"* (Hoffman and Novak, 1996:08). Figure 2-4 differs from Figure 2-2 in that interactivity can also be with the medium (i.e., "machine interactivity"), in addition to through the medium (i.e., "person interactivity").

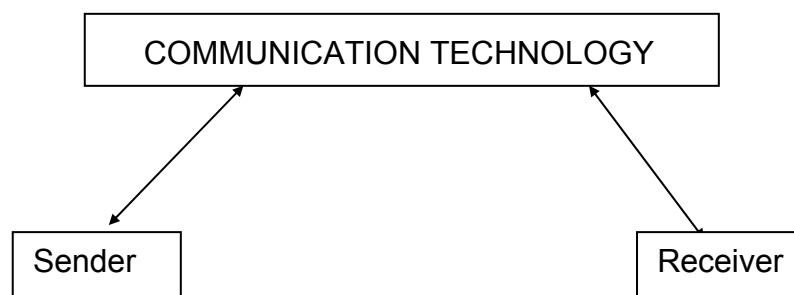
Figure 2-4 Many-to-many communications in the computer-mediated environment



Source: Adapted from Hoffman and Novak (1996:9)

As illustrated in Figure 2-4, the Web is a many-to-many communications medium, because there are many senders and many receivers interacting with one another and the medium: 1) consumers (C) can interact with the medium and with one another, 2) firms (F) can provide content to the medium and interact with one another, 3) firms and consumers can interact, and in the most radical departure from traditional marketing environments, 4) consumers can provide commercially-orientated content to the medium. Figure 2-4 is based on the communication model outlined by Steuer (according to Hoffman and Novak, 1996:10), and is shown in Figure 2-5.

Figure 2-5 Mediated communication



Source: Adapted from Hoffmann and Novak (1996:10)

The mediated model represented in Figure 2-5 suggests that the primary relationship is not between the sender and the receiver, but rather with the “mediated environment” with which they interact. Additionally, because of the interaction, the sender is also the receiver.

To provide further understanding of the communication process on the WWW, Table 2-1 compares communication on the World Wide Web with “classical” interpersonal communication and mass communication.

Table 2-1 Main differences between interpersonal communication, mass communication and the Web

	Communication model	Feedback symmetry	Interactivity	Number of linked sources/ sources competing for attention	Bandwidth
Interpersonal communication	One-to-one	Yes	High (person interactivity)	Few	Unlimited
Mass communication	One-to-many	No	No	Many	High
WWW	Many-to-many	Yes	High (machine interactivity)	Extremely many	Limited

Source: Adapted from Groenne and Barker (1996:27)

From Table 2-1, it appears that the World Wide Web is a hybrid medium, which shares some characteristics of mass communication as well as interpersonal communication. The medium combines the ability of mass communication to disperse a message to a wider audience with some of interpersonal communication’s possibilities of feedback and interaction. From a marketing perspective, one of the implications of this is that exposure and action - advertising and transactions - can be integrated.

### **2.3 ADVERTISING WEB SITES COULD INCLUDE NON-PERSONAL AND INTERPERSONAL COMMUNICATION**

Bovee and Arens (1992:7) explain that advertising is directed at groups of people, and not at individuals, and is therefore non-personal. Furthermore, Belch and Belch (1990:7) add that the non-personal component indicates that advertising involves mass media (e.g. television, radio, magazines and newspapers) whereby a message can be transmitted to a large group of individuals, often at the same time. The non-personal nature of advertising means that there is generally no opportunity for immediate feedback from the message recipient (except in direct-response advertising). The communication process on the Web, as described in section 2.2, illustrates that the Web is a hybrid medium, including the characteristics of mass communication and interpersonal communication. As an advertiser, the Web directs the advertising towards a group of people. The interactive nature of the Web enables the group of people reached by the advertising to give immediate feedback to the sender. This interaction is also through the medium, which was used to send the information. This feedback can include placing an order or requesting more information.

Given the research and arguments presented in these two sections, it can be concluded that communication in advertising Web sites is a combination of non-personal communication and interpersonal communication.

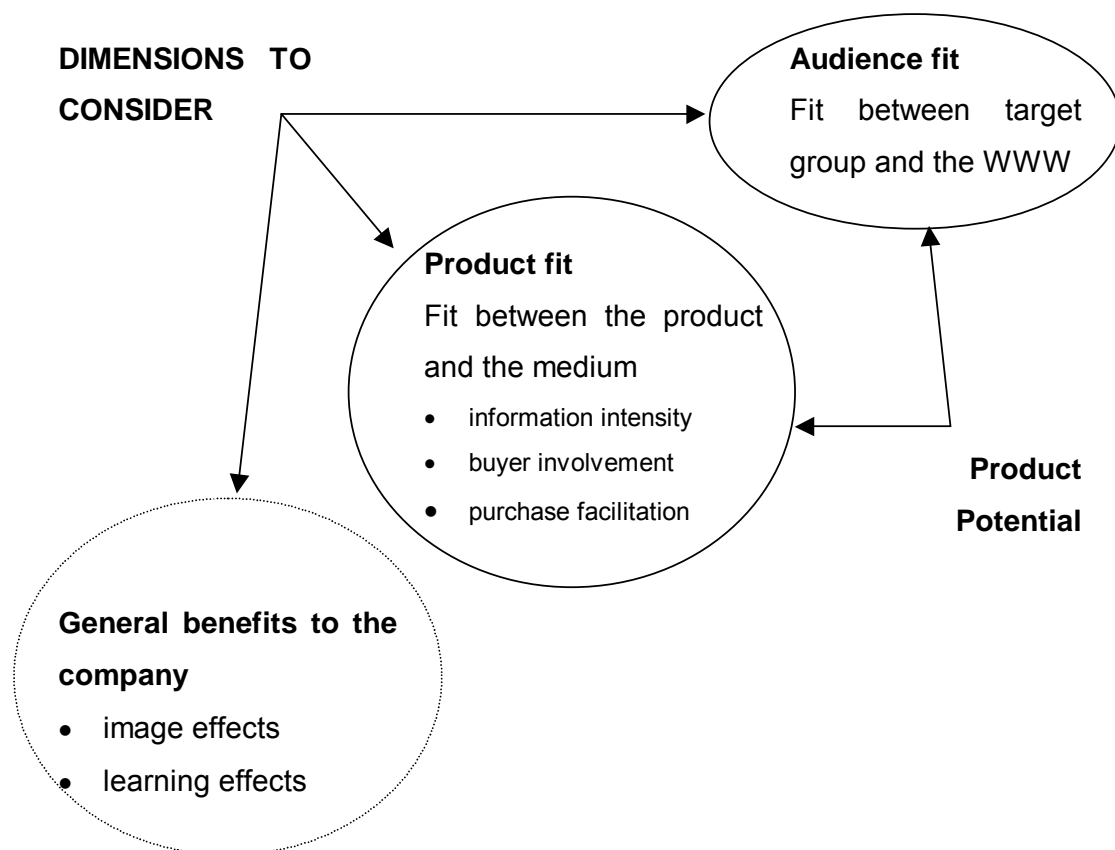
### **2.4 MEDIA SELECTION CONSIDERATIONS FOR THE WWW**

Groenne and Barker (1996:75) report that for a business contemplating using the Web as an advertising medium, three important dimensions should be considered. These dimensions are audience fit, product fit and general benefits to the company, and are they depicted in Figure 2-6. The relevance of each of these dimensions will be considered in section 2.4.1 to section 2.4.3.

### 2.4.1 Audience fit

Groenne and Barker (1996:77) maintain that there must be a reasonable audience fit between the Web and the target market for the business to consider the Web as an advertising medium. The importance of congruence between the target market and the Web is also stressed by Vassos (1996:22). Internet advertising can only reach and influence those individuals who have access to the Internet. Therefore, businesses considering the use of Web sites, as part of the advertising strategy, should determine how many members of the target market have access to the Internet.

Figure 2-6 Dimensions influencing the selection of the World Wide Web as an advertising medium



Source: Adapted from Groenne and Barker (1996:76)



## **2.4.2 Product fit**

According to Groenne and Barker (1996:77), and Mohammed et al. (2002:53), the WWW gives increased control to the consumer and makes it possible to provide large amounts of product-related information in the advertisements, shifting the power to the customer to seek out the information needed.

These properties of the medium make it ideal for advertising certain kinds of products and services, for which Web advertisements can offer benefits to the advertiser and the consumer that are unparalleled in the traditional media (Groenne and Barker, 1996:77). The product fit is a multidimensional construct that is based on the following dimensions:

- Degree of buyer involvement.
- Information intensity.
- Possibilities of providing purchase facilitation.

According to Groenne and Barker (1996:78) the higher a product scores on these dimensions, the greater the product fit. They reported that it should be noted that a product need not have a high buyer involvement, be information intensive and have characteristics that make purchase facilitation possible in order to have a high product fit. The three dimensions can be explained as follows.

### **2.4.2.1 Degree of buyer involvement**

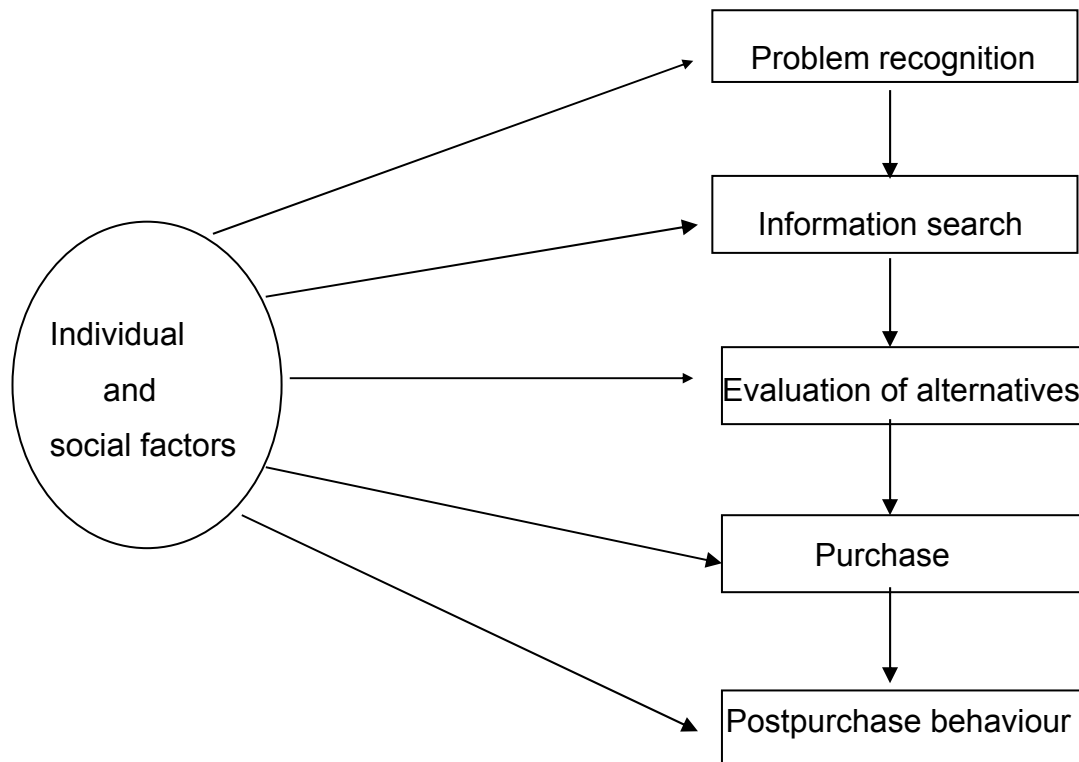
Groenne and Barker (1996:78) firstly argued that the degree of buyer-involvement influences the potential of using the Internet as a medium to advertise a specific product. The Web's extended receiver control of the communication process means that the consumer's judgement of what is relevant and what is not becomes more decisive. Furthermore, seeing that customers, by definition, are more interested in high involvement products than in low involvement products, high involvement products are more likely to gain significant exposure on the Web. What is more, is that the decision-making process when purchasing high involvement products is supported

more by the Internet, than that of low involvement products. This notion is explored in the rest of this section.

One of the reasons for distinguishing between high and low buyer involvement is that the actions of consumers are sometimes guided by habit, intuition and convenience rather than by rational and thorough consideration (Lamb et al., 1996:78). High involvement products usually oblige the consumer to search for information regarding the product, because of the economic and psychosocial risk associated with the purchase of the product (Lamb et al., 1996:78). Consumers purchasing high-involvement products do an extensive information search, because of the risk associated with the purchase (Lamb et al., 1996:122). With low-involvement products, the consumer experiences little perceived risk, little identification with the product, and little personal relevance (Lamb et al., 1996:122). Problem recognition is not normally experienced until the consumer is exposed to advertising or sees an item displayed on the shelf. Furthermore, low involvement decision-making is typical in habitual consumer behaviour, characterised by brand loyalty. From this it appears that the search for product-related information is one of the characteristics that differentiates the purchase process of high involvement products from low involvement products. As depicted in Figure 2-7 (page 26), the consumer decision-making process, information search takes place after the consumer has identified a problem.

Problem recognition is the first step in the process. Problem recognition can be defined as the result of an imbalance between actual and desired states (Lamb et al., 1996:115). The desired state the individual would like to achieve is satisfaction of a need or a want. A need is anything an individual depends on to function efficiently. Needs are considered to be the roots of all human behaviour, for without needs there would be no behaviour. A want exists when someone has an unfulfilled need and has determined that a particular product will satisfy it.

Figure 2-7 Consumer decision-making process



Source: Adapted from Lamb et al. (1996:114)

After recognition of a want, a consumer may or may not search for more information, depending on the perceived benefits of the search versus its perceived costs. The perceived benefits include finding the best price, getting the most desired model, and achieving ultimate satisfaction with the purchase decision. The perceived costs include the time and expenses of making the search and the psychological costs of processing the information. Consumers will spend time searching as long as the benefits outweigh the costs; that is, the value of the information must be greater than the cost of obtaining the information (Lamb et al., 1996:116). After getting the information and constructing an evoked set of alternative products, the consumer is ready to make a decision.

As already discussed in this section, the buyer of a high-involvement product searches for product-related information to lower the risk. Because the Web is a pull medium (Groenne and Barker, 1996:33) – the users actively seek out

information - and can provide intensive product information, it is therefore more suited for high-involvement products than low-involvement products, where the purchase is guided more by habit.

#### **2.4.2.2 Information-intensive products**

According to Groenne and Barker (1996:79) the Web's ability to provide virtually unlimited amounts of information makes it ideal for information - intensive products, such as cars, houses and consumer electronics. This feature of the medium can also be exploited when dealing with buying situations that involve choice between many different products. The WWW not only offers the possibility of providing extensive information about the individual products, but also of using sophisticated database search techniques to search for and choose between different products and product variants.

The medium's capacity for providing updated information instantaneously and the ability to let the customer search for this information with great precision from anywhere in the world means that the Web offers possibilities unparalleled in other media regarding advertising information-intensive products, if there is a reasonable degree of buyer involvement associated with the product.

#### **2.4.2.3 Possibility of purchase facilitation**

Groenne and Barker (1996:79) report that Web advertising can offer more value added services, compared to advertising in the traditional media by integrating functions not traditionally associated with advertising, such as customer service, transaction processing and, in some cases, distribution. When incorporating these functions into advertising, Web advertisers can provide a purchase facilitation, which is unattainable in other media, thus reducing the decision-making chain after exposure.

Vassos (1996:286) predicts that a successful Internet sale will only occur if the business is somehow able to meet consumer's needs better than traditional retail approaches. From a consumer's perspective, on-line sales efforts must provide consumers with at least one of the following advantages (Vassos 1996:288):

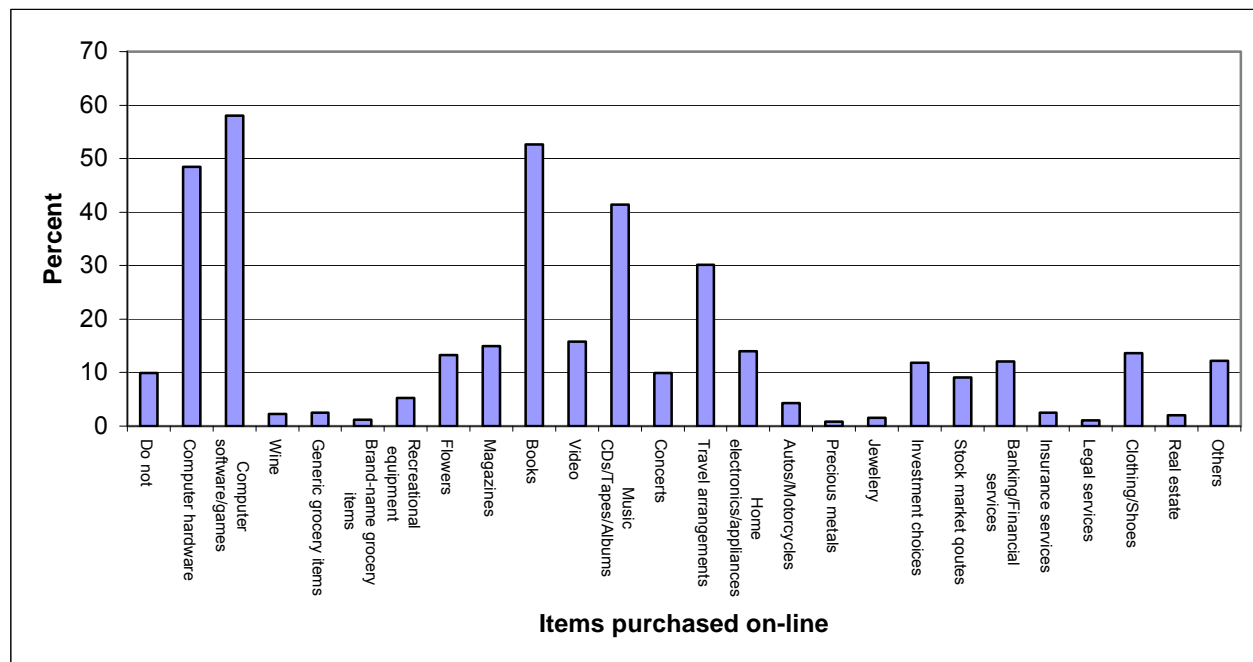
- Lower price: Without the "bricks and mortar" of traditional retailers, virtual companies can compete aggressively by lowering prices. Because price is one of the stronger motivators of consumer behaviour, companies can capitalise on the virtual value chain to drive costs from the business. This approach may work initially, but as more and more companies get on-line, a strategy totally focused on lower price might not be sustainable.
- Better selection: Another customer need that can be met is better selection, referring to more products and services to choose from. Providing more choices can create an advantage over competitors and traditional retailing approaches.
- Better service: Service can be improved by providing more information on the products or services and allowing the consumer to ask specific questions.
- Special services: Associated with the concept of providing better service, is the concept of providing special services. The use of computers for providing services to the consumer may open the possibility for special services that were not feasible in the past.
- More convenient: Another approach to on-line commerce can be to focus on making the shopping experience more convenient than previously. The greater the convenience, the more people are willing to pay for the service.

- Instant gratification: Another human need that should be considered is instant gratification. According to Vassos (1996:287), instant gratification may be an area in which it is difficult for an Internet approach to compete. This might be because of the delay between purchasing on-line and receiving the products.
- Entertainment: This is one area in which the Internet may have difficulty competing with traditional retailing. People enjoy going to the retail mall and shopping for products. Browsing catalogues on the Web are less entertaining.

Vassos (1996:21-49) also reported a number of product characteristics that predict the suitability of selling a product over the Internet. Some of the criteria identified by Vassos are the following:

- Is the product or service computer related? If yes, the possibility of selling the product over the Internet improves. One of the reasons for this is that through the Internet sufficient information can be provided to make the purchase decision. What is more, not only can software be sold over the Internet, but delivery can also take place through the Internet. In addition, Internet users can download demo versions of software for trial purposes. If they like it, then they can buy it through the Internet. This explains why 58 percent of the respondents to the 10<sup>th</sup> GVU WWW User Survey (see Graph 2-1, page 30) have purchased computer software over the Internet.
- Does the offering need to be physically seen, “tried on”, and/or touched before a purchase decision is made? If so, the possibility of successfully selling this product over the Internet is low. This criterion identified by Vassos is well illustrated by the 10<sup>th</sup> GVU WWW User Survey. The 10<sup>th</sup> GVU WWW User Survey indicates that very few respondents have bought apparel or jewellery on-line. These are items that typically need to be “tried on” and/or touched (see Graph 2-1).

Graph 2-1 Items purchased on-line



Source: Adapted from Gvu's 10<sup>th</sup> WWW User Survey ([http://www.gvu.gatech.edu/user\\_surveys](http://www.gvu.gatech.edu/user_surveys))

- Is the offering simple or complex to understand, configure, and order and can this process be automated? If the process of configuring and ordering the offer can be simplified and automated, then it may be possible to sell it on the Internet. Complex goods that need an expert to configure them have a lower sales probability on the Internet.
- What is the nature of the offering? Is it a physical product, physical service, virtual service, or intellectual property? The general guideline is that the more the product can be digitised, the better is the possibility that it can be sold over the Internet. This also explains why music, software and travel are some of the items that are regularly bought on-line.
- High-tech offerings are more like to sell on-line than low-tech offerings. The reason for this is that Internet users are technology innovators or

early adopters. In the future, when the late adopters also start using the Internet, the likelihood of selling low-tech offerings on-line will increase.

- Currently, commodity offerings (offerings that can be standardised) are more likely to achieve sales on the Internet because the purchaser knows exactly what to expect if he decides to make a purchase.
- Is it an offering with global reference or appeal? The Internet is a global medium. Products and services with a global relevance and appeal are more likely to succeed than offerings limited to specific countries or regions.
- Are competitive offerings readily available from traditional channel members (such as retailers) locally? Internet offerings competing in an environment with well-established retailers may have difficulty succeeding.
- Is the distribution channel of the company limited to a local or national market? The less the company is able to offer the product globally, the less it is able to capitalize on the advantages of the Internet.
- Very expensive and inexpensive items may have difficulty achieving Internet sales success. High priced items may have difficulty selling on the Internet because buyers are more likely to want to talk personally to the sales representatives, or to personally test drive the product. Inexpensive products may also be difficult to sell on the Internet. For example, selling a product for less than R 30,00 could be difficult because the delivery cost of such a product could be R 50,00 or more.

Therefore, advertisers that may consider integrating distribution activities with the advertisement need, firstly, to determine what advantages the Internet will provide for the customer. Secondly, the advertiser also needs to take product



characteristics into consideration to determine the viability of selling through the Internet.

#### 2.4.2.4 Combining product fit and audience fit

Figure 2-8 illustrates how the product and the audience fit influence the usefulness of the Web as an advertising medium (Groenne and Barker, 1996:80). Based on these two dimensions, products can be categorised as having either high, moderate, or low potential to be advertised over the Internet.

##### 2.4.2.4.1 High potential products

As mentioned above, the WWW is best suited for products with high audience fit and a high product fit, so companies whose products and audience configuration are positioned in this quadrant are likely to profit from using the Web as an advertising carrier. According to Groenne and Barker (1996:81), an obvious example of a high potential product is software, which has a very high product fit because of the high information content, high buyer involvement, and the possibility of distributing the latest updates on-line.

Figure 2-8 The WWW potential as an advertising medium

		Product fit	
		HIGH	LOW
Audience fit	HIGH	HIGH POTENTIAL	MODERATE POTENTIAL
	LOW	MODERATE POTENTIAL	LOW POTENTIAL

Source: Adapted from Groenne and Barker (1996:81)

#### **2.4.2.4.2 Moderate potential products**

For products in the moderate potential categories, the Web should be considered as an advertising medium. However, companies should be aware of the resources and innovation required to attract the audience to their advertisements to offset the disadvantages of the limited product fit or the limited audience fit (Groenne and Barker, 1996:82). Because either the product fit or the audience fit is limited to these products, it requires more investment and innovation to design successful advertisements in this category. Products with a relatively low audience fit may still be marketed profitably if the product fit is high enough to offset the disadvantages of the low audience fit.

#### **2.4.2.4.3 Low product fit, high audience fit**

In cases in which there is a low product fit and a high audience fit, it may still be profitable to use the Web as an advertising carrier if it is done innovatively (Groenne and Barker, 1996:83). For example, products such as soft drinks and chips have a low product fit because they are typically low-involvement products with a highly limited information content and insignificant possibilities of purchase facilitation. However, they have a fairly high audience fit, and the low product fit can be overcome by providing value for customers through competitions and games.

#### **2.4.2.4.4 Low potential products**

For companies with a low product fit and a low audience fit, it is difficult to use the Web as an advertising carrier in the short term (Groenne and Barker, 1996:83). These companies will have to identify different incentives for the customer to visit and stay at the Web site.

### **2.4.3 General benefits to the company**

According to Groenne and Barker (1996:83), the decision whether to use the Web as an advertising carrier should not be based exclusively on analysis of the audience fit and the product fit. Considerations about benefits to the

company, such as image effects and learning effects, should be included. The following section contains brief discussions of the general benefits of establishing an advertising presence on the Web.

#### **2.4.3.1 Image effects**

The public image of any company is greatly influenced by the messages conveyed by the company and the media used as vehicles for these messages. Because of the general public perception of the Web as a medium of the future, there are positive image spillovers for companies using the Web for communication purposes.

According to Groenne and Barker (1996:84) the positive image effects of using the Web depend on the quality and value created in the advertisement, and poorly designed advertisements can end up having a negative impact on the company's image. Lintas (as quoted by Groenne and Barker, 1996:84) reported that a survey established that companies using the Web in their communication mix are generally perceived as future orientated, progressive, innovative and service minded. The survey also indicated that the level of serious and relevant information influences the customer's perception of the company.

Positive image effects from using the Web are in themselves an argument for establishing a Web presence. Further, the Web can be an efficient tool for creating a new kind of dialogue with the company's surroundings. It offers to open up the company, not only to potential customers, but also to other public/stakeholders who can access updated information about the company and its products on the Web site.

If controlled in an appropriate manner, the dialogue that can be created through the Web presence can improve the company's image. This kind of image building is usually not associated with advertising, but it should be beneficial for some companies to integrate advertising, public relations, and

marketing by giving the company's stakeholders access to detailed information about the company and its products.

## **2.5 THE ROLE OF ADVERTISING IN THE PROMOTION MIX**

The promotional mix consists of four elements: advertising, public relations, personal selling and sales promotions. According to Lamb *et al.* (1996:506), the ultimate goal of any promotion is to persuade the target market to purchase a specific product or service.

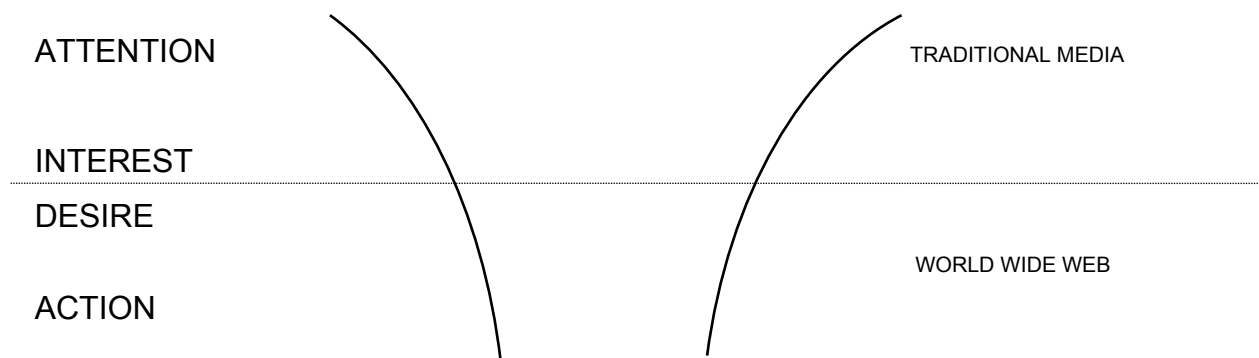
Possibly the most important aspect of developing effective communication programs involves having an understanding of the response process the receiver may go through in moving towards a specific behaviour (like purchasing a product), and how promotional efforts of the marketer might influence these responses (Belch and Belch, 1990:37). A classical response model hierarchy for reaching promotional goals is called the AIDA concept. The acronym stands for Attention, Interest, Desire, and Action - the stages of consumer involvement with a promotional message.

The AIDA model proposes that consumers respond to marketing messages in a cognitive (thinking), affective (feeling), and conative (doing) sequence (Lamb *et al.*, 1996:507 and Belch and Belch, 1990:138). Firstly, the promotional manager attracts a person's attention (in personal selling) by a greeting and approach or (in advertising and sales promotion) loud volume, unusual contrasts, bold headlines, movement, bright colours, and so on. Next, sales presentations, demonstration, or advertisement create interest in the product; and then, by illustrating how the product will satisfy the customer's needs or desires. Finally, a special offer or a strong closing sales pitch may be used to obtain purchase action.

The process of attracting consumers can be viewed as a funnel, as illustrated in Figure 2-9 (page 36), encompassing the process of attention, interest, desire, and action (usually referred to as the AIDA model). According to Groenne and Barker (1996:87), the Web is not (yet) as efficient as traditional

media for gaining large scale mass exposure and must therefore be used as a complementary medium in the media mix. Because of the low reach of the Web in terms of number of users, traditional media must be used to attract attention and develop interest among potential customers. The Web's ability to provide in-depth information makes it more suitable for creating desire and convincing the potential customer to take action.

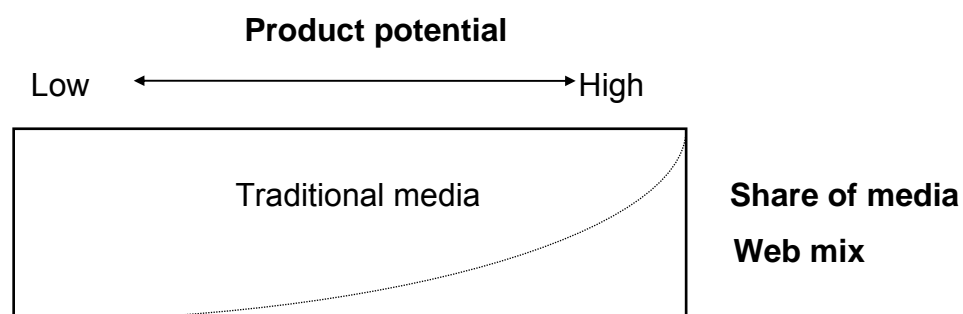
Figure 2-9 Role of the Web in the media mix



Source: Adapted from Groenne and Barker (1996:87)

Therefore Groenne and Barker (1996:88) argue that, for most companies, the WWW is best suited to be a secondary medium in the media mix. The share of the Web in the media mix is also influenced by the potential of the product to be advertised over the Internet. As illustrated in Figure 2-10, the greater the product potential, the greater the emphasis that should be put on the Web as part of the media mix.

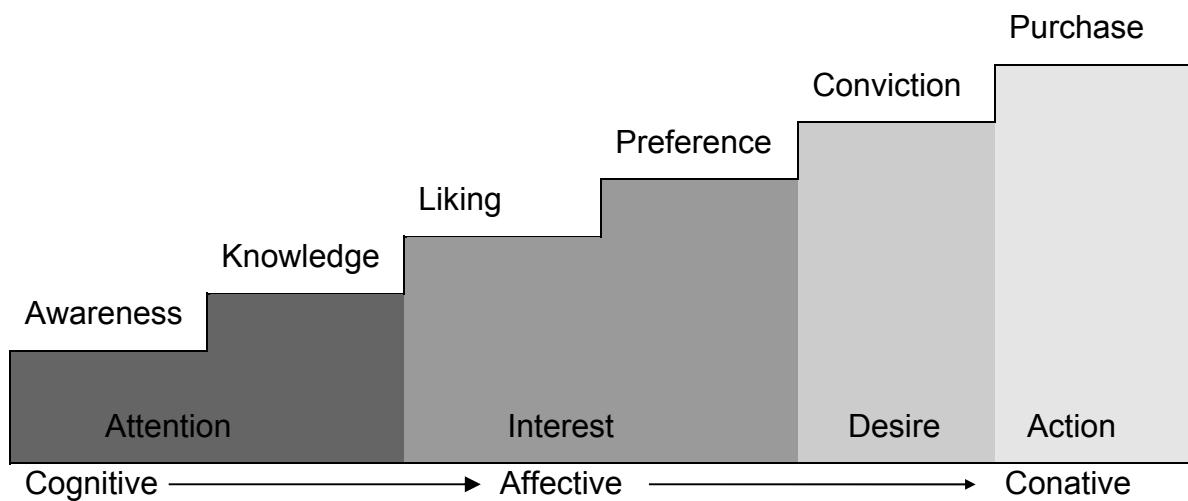
Figure 2-10 The WWW share of the media mix



Source: Adapted from Groenne and Barker (1996:88)

An expanded version of the AIDA concept is the hierarchy-of-effects model (see Figure 2-11). This hierarchy-of-effects model proposes that consumers follow a cognitive - affective - conative sequence in responding to promotional messages. It assumes that promotion propels consumers along the following six steps in the purchase - decision process.

Figure 2-11 AIDA and the hierarchy-of-effects



Source: Adapted from Lamb et al. (1996:507)

These six steps are:

- Awareness: The advertiser must first achieve the awareness of the target market. A firm cannot sell something if the market does not know that the goods or service exists.
- Knowledge: Simple awareness of a brand seldom leads to a sale. The next step is to inform the target market about the product's characteristics.
- Liking: After the target market learns about the product, the advertiser must generate a favourable attitude towards the product or brand.

- Preference: Even though customers may have developed a liking for a product, they may not see any of its advantages over competing brands, especially if the owners are brand loyal. Therefore, the seller must create brand preference by highlighting the product's differential advantage over competition.
- Conviction: Although customers may come to prefer the advertiser's brand to other brands, the customer may still not have developed the conviction (or an intention) to buy the new brand. Conviction occurs when the consumer becomes convinced that he or she should buy the brand and forms the purchase intention (Belch and Belch, 1990:138).
- Purchase: Some members of the target market may now be convinced to buy the product but have yet to make the purchase. Displays in grocery stores, coupons, premiums, and trial-size packages can often push the hesitant shopper into the purchase.

Table 2-2 depicts the relationship between the promotional mix and the hierarchy of effects model. It shows that although advertising is somewhat effective in the preference and conviction stages and not effective in the purchase stage, it is most useful in creating awareness and knowledge about goods or services.

Table 2-2 The relationship between the promotional mix and the hierarchy of effects model

	Awareness	Knowledge	Liking	Preference	Conviction	Purchase
Advertising	Very effective	Very effective	Very effective	Somewhat effective	Somewhat effective	Not effective
Public relations	Very effective	Very effective	Very effective	Very effective		
Personal selling	Very effective	Very effective	Very effective	Very effective	Somewhat effective	Somewhat effective
Sales promotions	Very effective	Very effective	Somewhat effective	Somewhat effective	Very effective	Very effective

Source: Adapted from Lamb et al. (1996:509)

Groenne and Barker (1996:88) documented that some researchers claim that advertising Web sites may take on a different role in advertising than that of traditional mass communication. Advertising Web sites may only be somewhat effective in creating awareness, because of the low reach, but can be very be very effective in the knowledge, liking, preference and conviction phases, because of the Web's ability to provide more product-related information than traditional advertising media (Groenne and Barker, 1996:88). Furthermore, the ability of an advertising Web site to provide interpersonal communication is a characteristic that can make advertising Web sites more effective in the purchase phase.

As depicted in Table 2-2, personal selling and sales promotions are effective in the purchase phase. Sales promotions are effective because they offer an incentive to buy. Personal selling, on the other hand, is effective, because it offers direct communication between the sales representative and the prospective buyer. Belch and Belch (1990:561) report that personal selling is different from other forms of marketing communication in that messages flow directly from a sender to a receiver. Because of the direct and inter-personal communication, the sender is able immediately to receive and evaluate feedback from the receiver. Traditional advertising, defined as non-personal communication (Chapter 2 section 2.1), does not include feedback. But, communication in a hyper media communication environment, such as the Web, could include interpersonal communication. The interpersonal communication characteristic of advertising Web sites, enables sales personnel to solicit feedback, such as orders or requests for additional information, directly and immediately from the customer. Not only can the customer place an order, he can also pay for it through the medium.

## **2.6 CONCLUSION**

The primary objective of this chapter was to consider the role of a company's Web site as a component of the advertising strategy. This chapter presented



findings that contributed to the understanding of the role of the Web site as a component of the advertising strategy. The major findings are the following:

- The World Wide Web can neither be classified as mass communication (nonpersonal) or interpersonal communication, but rather as a hybrid medium that shares the characteristics of mass communication and interpersonal communication. Therefore, communication when using a World Wide Web site as part of the advertising strategy, does not only have to be mass communication, but can also include interpersonal communication.
- The communication process on the Web is a many-to-many communication where the senders and the receivers can interact with the medium (*machine interactivity*) and through the medium (*person interactivity*). The significance of this finding is that, in addition to interacting with the advertising Web site, the Internet user can also interact with employees of the company or other customers.
- It appears that there are three main dimensions that must be considered by businesses contemplating the use the World Wide Web as an advertising medium. These factors are audience fit, product fit and image effects. The better the audience fit and product fit is with the Web, the more useful the World Wide Web will be as an advertising carrier. The ability of the World Wide Web to provide more product-related information than other mass media makes it more suitable for advertising high-involvement products.
- The role of traditional mass advertising media was to create awareness, knowledge, liking, conviction and preference. According to Lamb et al. (1996:509), traditional mass advertising media were not effective, in the purchase phase, in influencing the consumer to purchase the product or service. Personal selling is effective in the purchase phase, because the consumer and the sales person can

interact, and the sales person can tailor the message to fit the consumer. Sales promotions are effective because they provide incentives for the consumer to buy the product. Because of the person and machine interactivity of WWW, it appears that advertising Web sites could be somewhat effective in the purchase phase, extending their roles to influence the consumer in the response process.

These findings have value in terms of the primary objective of the study. Firstly, since the World Wide Web is not only mass communication, but also interpersonal communication, marketers should perhaps consider how to capitalize on the interpersonal communication characteristic of the Web to convert “hits” into “visits”. According to the theory presented in this chapter, products differ in terms of product fit with the medium. The outcome of this could be that, depending on the product fit, products require different strategies to convert “hits” into “visits”. At this stage, it also appears that to improve the conversion of “hits” into “visits”, the advertising Web site should focus on the knowledge, liking, preference and conviction stages of the hierarchy of effects model. According to the arguments presented in the chapter, the Internet is best suited to these stages of the hierarchy of effects. Alternative advertising strategies should be used to create awareness.

From this chapter it appears that it is important to consider the characteristics of the WWW, and the advantages they have for advertising. So far, only a few characteristics have been briefly discussed. It seems that a deeper understanding of these characteristics is necessary to appreciate their advantages for advertising and to develop effective strategies to improve the contact efficiency of Web sites.

## **CHAPTER 3: THE CHARACTERISTICS OF THE WORLD WIDE WEB AS AN ADVERTISING MEDIUM**

### **3.1 INTRODUCTION**

According to Hoffmann and Novak (1996:2), an important consideration in the business analysis of the Web as a media environment, is to recognise that it possesses unique characteristics that distinguishes it in important ways from traditional commercial environments.

In chapter 2, the characteristics of the Web as a many-to-many hypermedia environment incorporating interactivity with both people and computers have been discussed. This appears to be only one of the characteristics that distinguish the Web from traditional media. Therefore, the objective of this chapter is to explore other characteristics of the Web and to discuss the advantages and the disadvantages they present to the advertiser.

Sepstrup, as quoted by Groenne and Barker (1996:64), pointed out that there are five dimensions that should be included when evaluating the advertising characteristics of different media. These dimensions are, reach, selectivity, feedback, cost and information capacity. In this chapter, these five dimensions will be used as a guideline to identify some of the characteristics of the Web. Additional to these five dimensions, other characteristics identified from literature by the researcher that also appear to be of importance will be discussed. These characteristics are, interactivity, security, multimedia, advertising value, limitations of geographical barriers and exposure on demand.

### **3.2 SELECTIVITY AND EXPOSURE ON DEMAND**

The possibility for customers to expose themselves to an advertisement on demand is a highly relevant dimension to include when discussing the media characteristics (Groenne and Barker, 1995:63). As already noted in the previous chapter, the Internet user has more control over the information he/she is exposed to. The user controls the type of information and the amount of information. Furthermore, exposure on demand usually means that an activated and interested customer voluntarily seeks out an advertisement in order to find information that interests him. With customers showing this behaviour, there is a high probability that they can actually be convinced to make a buying decision.

In traditional mass media, exposure on demand through active search for specific advertisements has always been very limited, due to the information push of these media. The low information capacity and selectivity of most traditional mass media further exaggerate this usage. Thus, mass media advertising is generally based on a high degree of intrusiveness of the exposures, which means that many media users receive a great deal of information that has little or no value to them.

Groenne and Barker (1996:68) argue that the selectivity of the Web is much higher than in any traditional mass media, with the exception of direct mail. The argument for this is that the Web is not only known as a push media, but also as a pull media (Coupey, 2001:276). Therefore, Web users actively expose themselves to the advertisements in addition to being passively exposed to advertisements.

The exposure on demand characteristic of the Web could improve the selectivity of the Web. Selectivity can be defined as the ability of a medium to reach a specific audience (Belch and Belch, 1992:383).

Selectivity is further increased as the individual user discretion decides how much time to spend on the advertisement, which part to focus on, and how to

structure his navigation in the advertising Web site through machine interactivity.

### **3.3 REACH**

Groenne and Barker (1996:68) argue that the limited reach of the Web, referring to the number of people using the Internet, constitutes a major weakness of the medium. However, with the explosive growth of the Web, the number of Web users will dramatically change in favour of the Web within the coming years, and the reach is likely to become comparable with other media in certain geographical areas. More recently, Drezè and Zufryden (1998:7) argued that Internet advertising has now reached the point at which companies are considering it as being a viable alternative to traditional media. NUA Internet surveys estimated that the on-line population in the world is 580,78 million (May 2002). It could be argued that the problem of limited reach has been overcome by the explosive growth of the Internet, but the problem of measuring reach on the Internet has not been solved.

According to Drezè and Zufryden (1998:7), to render the Internet fully viable as an advertising medium, companies need standardised measures (such as Reach and Frequency) that will allow them to compare the advertising effectiveness on the Internet with that of other media. Unfortunately, it appears that the Web has a number of major measurement shortcomings.

This is because Web servers typically provides statistics that can tell advertisers how many pages were requested, how much time was spent on each Web page, and what type of computers made the page requests. However, it is generally very difficult to translate the page requests into specific audience-viewing-behaviour estimates. In particular, due to the present problems associated with identifying unique visitors to a site, it is difficult to measure accurately the impressions, reach, and the frequency of banner advertising exposure for a target market. Thus, the fundamental question as to “How many people “visit” a Web site?” and “What kinds of people “visit” a Web site?” are generally unanswered by current Web-based

measures. Hence, it is difficult to compare advertising effectiveness on the Internet relative to that of media such as broadcast and printed.

Until standardised measurements are created, marketers will not be able to compare advertising effectiveness on the Web with other traditional media. Consequently, advertisers will not be able to justify shifting significant advertising budgets away from traditional media and allocating them to on-line advertising.

### **3.4 FEEDBACK**

According to Belch and Belch (1992:132) the feedback from advertising is usually delayed. Lamb et al. (1997:504) agreed with this statement, explaining that the feedback from advertising is usually delayed, because it is most often channelled through other media. One of the unique characteristics of the Web is that it is a mass medium with feedback symmetry. This means that the potential customer can respond immediately after being exposed to the advertising message. (The feedback symmetry of the Web has already been explained in Chapter 2 section 2.2.3.)

Feedback, which may take a variety of forms, closes the loop in the communications flow and provides the sender with a way of monitoring how the intended message is being decoded and received (Belch and Belch, 1992:132). Feedback in advertising can come in a variety of forms: redeemed coupons, telephone inquiries, visits to a store, requests for more information, sales and responses to surveys (Boveè and Arens, 1992:131).

IBM, for example, uses the feedback symmetry of the Web to solicit comments from visitors to the Web site. The IBM comments page is presented in Figure 3-1. IBM provides the opportunity for visitors to the IBM Web site (see 1 in Figure 3-1) to provide comments, suggestions and to ask questions about the Web site, products and services of IBM and other issues related to the business of IBM. Furthermore, the user can also enter his/her e-

mail address and IBM can then send an e-mail to the visitor who has created the comment (see 2 in Figure 3-1).

Figure 3-1 The IBM comments page

Source: <http://www.ibm.com>

The feedback from the visitors can assist IBM in developing a Web site that will better fulfil the needs and serve the values of their customers. Not only can feedback be used to improve the efficiency of the Web site, customers can also provide comments and suggestions on products and services developed by IBM. This allows IBM to get first-rate feedback from customers in a very cost efficient way.

### 3.5 INFORMATION CAPACITY

The Web has an extremely high information capacity, as far as textual information is concerned (Groenne and Barker, 1996:70). The information

capacity of TV advertisements is severely limited by the short duration of the advertising spots. Much more textual information can be conveyed in the printed media, but there is still a limit to how much information can be conveyed in a magazine advertisement.

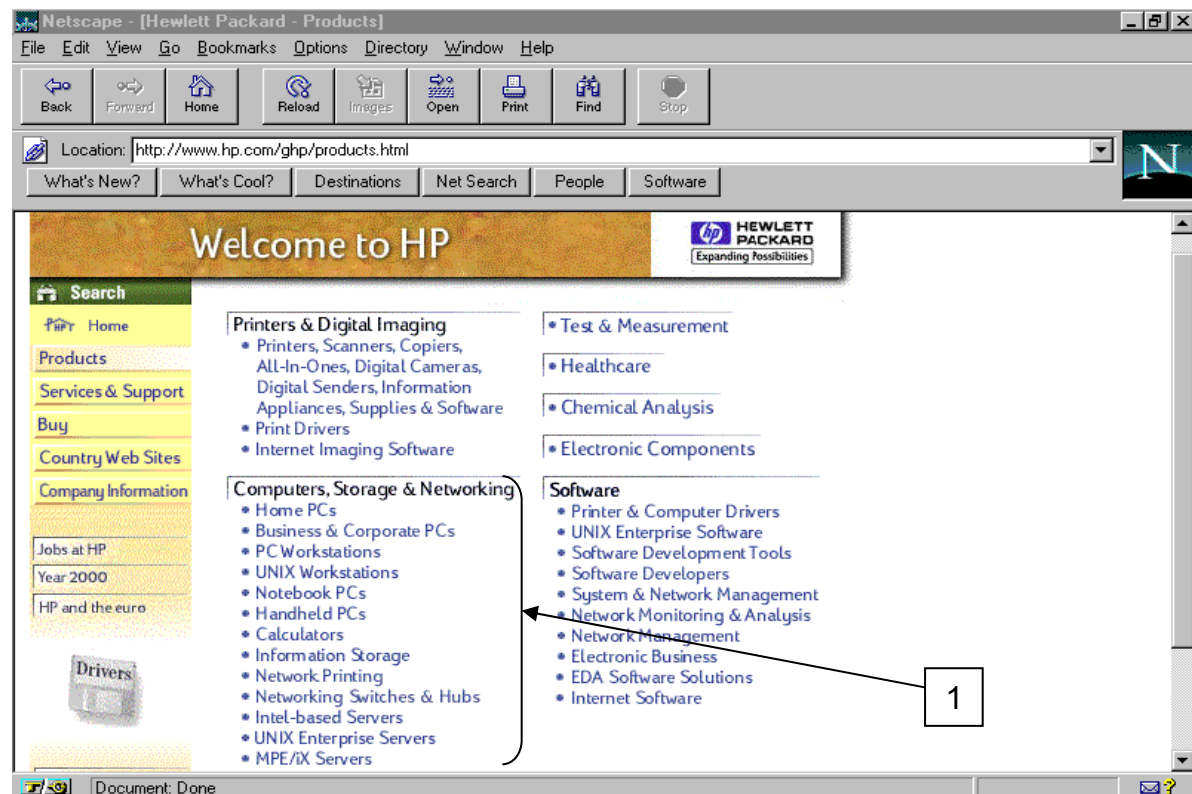
The abundant information capacity of Web advertisements also means that the classical depth/breath trade-off becomes irrelevant (Groenne and Barker, 1996:70). It is possible to design Web advertisements that are broad in nature, yet allow the individual user to retrieve in-depth information about the particular aspects he finds interesting. In the traditional media, for example television, advertisers have to decide in advance if the objective of the commercial is to inform the target market about the range of products that are available or to inform them of the characteristics of a specific product. Due to the limited duration of the television spot, it is not possible to pursue both objectives at the same time. With the Web it is possible to design advertisements that are broad in nature, yet allow the individual user to retrieve in-depth information about the particular aspects he/she finds interesting.

Marketers can use the information capacity of the Web to provide additional information that will assist in moving potential customers more effectively through the stages of interest and desire and to assist them in making better product purchase decisions. That is especially so in the case of high involvement products where a large amount of information must be communicated to assist the potential customer in making the buying decision. It also allows the marketer to advertise a wider range of products.

The product page of the Hewlett Packard Web site (further abbreviated in this chapter as HP) is an example of how the information capacity of the Web can be used to advertise products. The Web page is presented in Figure 3-2. With the advantage of the information capacity of the Web, HP can advertise a wide range of products (see 1 in Figure 3-2) and present detailed information on each product. HP can supply both breath of information and depth of information.



Figure 3-2 Hewlett Packard product range



Source: <http://www.hp.com>

### 3.6 COSTS

Currently, little research has been done that indicates that advertising on the Web is more cost effective than other traditional media. Regarding the cost of an advertising Web site the following can be mentioned:

- The costs associated with hosting a Web site vary greatly depending on the scope of the project. According to Drezè and Zufryden (1997:77) the operating costs of internally managed Web sites range between \$200 000 and \$3 million. In addition to the running costs of Web sites, the cost of designing Web site content can be steep. Drezè and Zufryden (1997:77) reported that Forrester Research showed that the estimated expenditure on third-party Web site designers was expected to reach \$10 billion in 2000.

- Furthermore, Groenne and Barker (1996:70) argue that another benefit of the Web is that it is inexpensive to make information available on it, and that the marginal cost of making more information available to consumers is very low.
- Web managers perceive the Web site to be the best in terms of cost to reach the target market, surpassing even direct mail (Leong et al., 1998:48). Unlike direct mail, the cost of the Web site to reach its target market does not increase proportionately with additional potential clients.

### **3.7 MULTIMEDIA**

According to Gallagher, Foster and Parsons (2001:2) the hypertext characteristic of the Internet allows communication to be delivered in an interactive multimedia format. The multimedia capacity of hypertext permits the use of text, graphics, animation, video and sound, separately or in any combination.

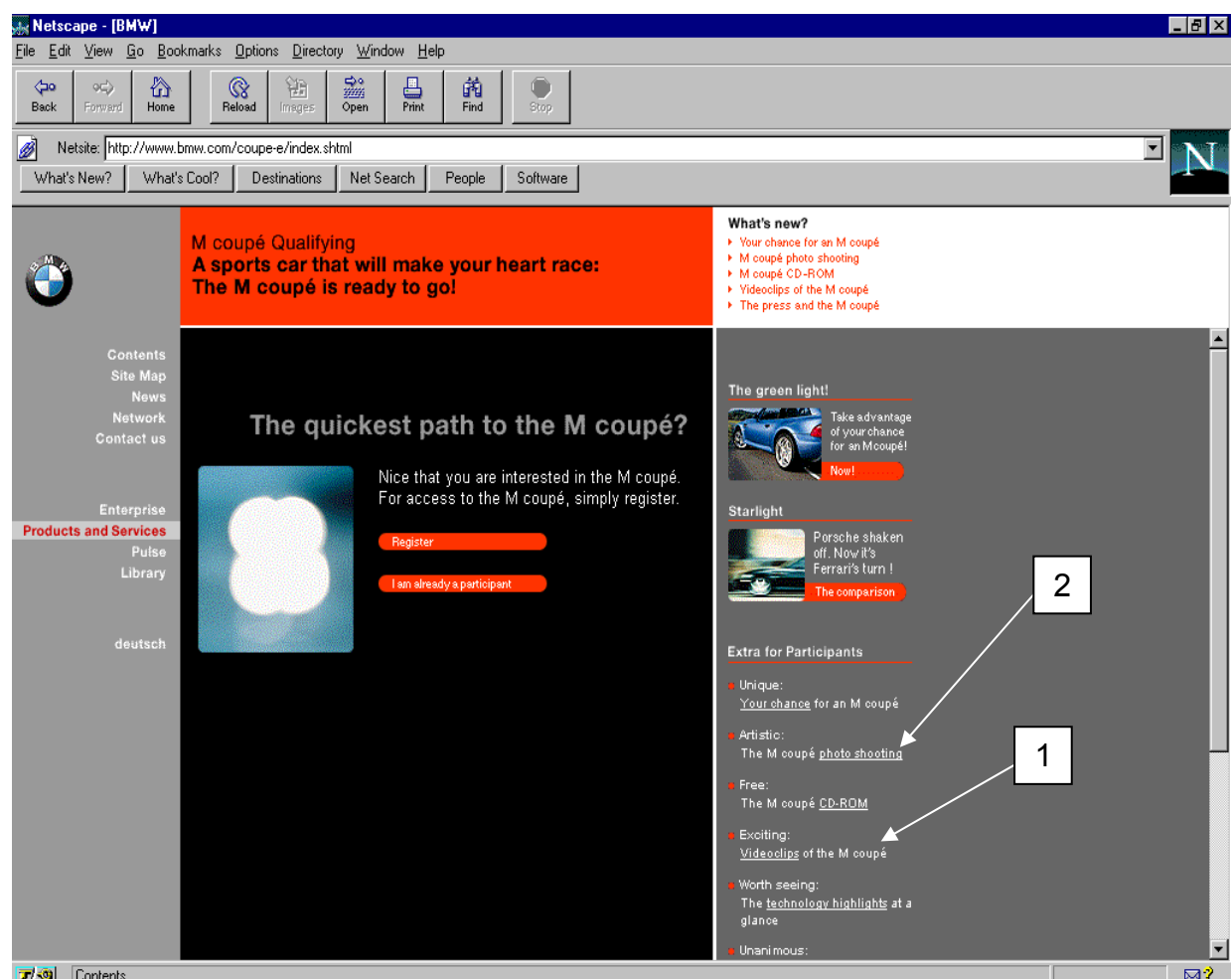
According to Sterne (1995:79), there are three main reasons for using multi-media: decoration, navigation and information. Decorative pictures and interesting videos can improve the look of the site. Navigational elements keep the user from getting lost and informative components communicate information that the user otherwise could not glean, or glean as fast from texts.

One of the identified advantages of multimedia is the more effective presentation of certain products (Sterne, 1995:79). With a WWW server, companies can offer live on-line demonstrations of products and services. It can be assumed that the use of multimedia to enhance the appeal of the product will depend on the innovation and imagination of the marketer and the characteristics of the product.

An important consideration when designing advertising Web sites with multi-media, is that the multimedia must be balanced by the ability of the Web browser. Although large graphics are attractive, they could lead to long download times and irritation to the user. This might decrease the value of the advertisement for the user.

An example where multimedia is used in an advertising Web site, is the new BMW M coupe section of the BMW Web site. The Web page is demonstrated in Figure 3-3. To enhance the value of the advertisement, the multimedia included in the Web page must either communicate information or provide entertainment.

Figure 3-3 The BMW M Coupe section



Source: <http://www.bmw.com>

In Figure 3-3, BMW uses text, photos (see 2 in Figure 3-3) and video clips (see 1 in Figure 3-3) to communicate information on the new model, thus increasing the value of the advertisement. Additional to the role of communicating information, the video clip can also be seen as a method to provide entertainment which further increases the value of the advertisement.

It appears that the advantage of the use of multimedia to the Web marketer is that it could increase the value of the Web advertisement by providing information and entertainment. As already noted, it is important to balance the multimedia with the Web browser to prevent irritation, which might diminish the value of the advertisement.

### **3.8 INTERACTIVITY**

Ghose and Dou (1998:30) maintain that interactivity in the context of the Web, is a multi-dimensional concept. Some of the definitions and explanations of interactivity are the following:

- Blattberg and Deighton, according to Ghose and Dou (1998:30), defined interactivity as the facility for individuals and organisations to communicate directly with one another regardless of distance or time.
- In Steuer's model of computer mediated communication, interactivity is defined as "... the extent to which users can participate in modifying the form and content of a mediated environment in real time" (Ghose and Dou, 1998:30).
- Deighton (1996:151) interpreted interactivity as two features of communication: the ability to address an individual and the ability to gather and remember the response of that individual. These two features also make a third possible: the ability to address the individual once more in a way that takes into account his or her unique response.

- Interactive marketing systems allow the consumer to control the content of the interaction, requesting or giving information (Bezjian – Avery and Calder, 1998:23). A customer can control the presentation order of the information, and unwanted options may be deleted. The consumer may request that the information sought be presented in comparative table or pictorial formats, in video, audio or in standard text.

From the definitions and explanations of interactivity presented above, the following conclusions regarding interactivity can be derived:

1. Interactivity allows an individual to communicate directly with the organisation. The different forms of interaction, namely machine and person interaction, have already been discussed in Chapter 2.
2. Interactivity allows consumers to modify the content of a Web site to fulfil their needs. Consumers modify the content of Web sites by clicking on hyperlinks, and selecting the information that is important to them.

Hyperlinks, search engines, downloading, databases, calculations, animation and sound and video can facilitate interactivity in the form of information retrieval (Wilson, 1996:1). Not only can the customer facilitate information retrieval, but the business can also retrieve information from the consumer that involves interactivity. Information retrieval by the business can be facilitated by using the e-mail “mail to” hyperlink (the hyperlink enables the user to send an e-mail message to the Web site owner), form to e-mail (a form enables the user to enter information in various fields to make a comment, ask a question, or place an order) and a shopping cart.

Interactivity on the Web does not only satisfy the customer’s need for information, but also the need for social interaction (Wilson, 1996:1). Social interaction on the Web can be facilitated by Internet relay chat (IRC), which allows for real-time communication, news groups and bulletin boards. Member-generated content through accumulated postings to bulletin boards

and the transcripts of IRC, is a unique asset to each community (Hagel and Armstrong, 1997:147). According to Hagel and Armstrong (1997:5) companies must meet social and commercial needs of on-line customers for commercial success in the on-line arena.

It appears that interactivity has the following advantages for advertising Web sites:

- It increases the perception of value (Sterne, 1995:114). As already discussed, advertising that the consumer finds valuable is more likely to yield the response wanted by the advertiser. Interactivity increases the value of information by convincing customers that they are getting information instead of it being given to them. Sterne (1995:112) argues that delivering information to customers when they want it diminishes its value. By maintaining a fine balance between reward and effort, the perceived value of the Web site can be improved. Not only does interactivity influence the perception of value, it also influences the perception of quality. Research by Ghose and Dou (1998:29) proved that there is a positive relationship between the number of interactive functions of a Web site and the perceived quality of the site.
- The interactive nature of the WWW allows marketers to present detailed information about a product or service without the customer experiencing an information overload. Hyperlinks make the information more manageable, and customers are directed to the information they need, without being exposed to the information that is not relevant to them. Products that require consumers to review detailed information before making a product decision can therefore benefit from the interactive nature of the medium. Making the information more manageable with hyperlinks can lower the irritation of an information overload, thus also contributing to the improvement of the value of the advertisement.

- The interactive nature of the Internet allows for greater flexibility than traditional media offer regarding the type of information transmitted and the method of transmission. For instance, decisions as to whether the information should be technically advanced or simple, whether the information should be textual, graphical, video or auditory, and whether a product demonstration or detailed product description is used, can be made by the consumer rather than the advertiser. It provides the option for the consumer to customise the information (Schlosser and Kanfer, 1996:5).
- The Internet can create more persuasive and engaging advertisements (Schlosser and Kanfer, 1996:5). The interactive nature of the Web encourages role-playing by the customer. Through role-playing the consumer generates arguments in favour of the product which are often more persuasive to the individual than other generated arguments.
- Interactivity allows customers to customise information to pertinent interests and bars irrelevant communication, thereby enhancing both the consumer experience and the efficiency of the firm's advertising and marketing dollar (Bezjian-Avery and Calder, 1998:23).

### **3.9 LIMITATIONS OF GEOGRAPHICAL BARRIERS**

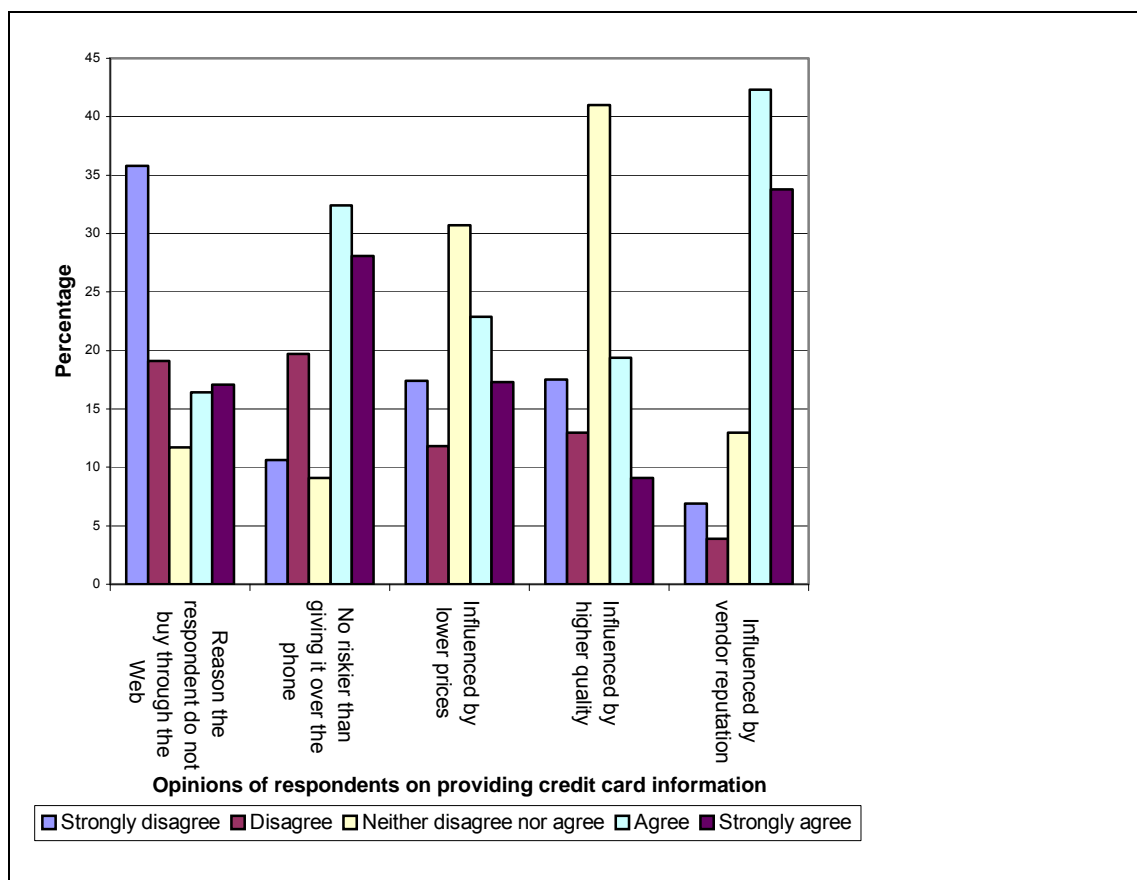
The WWW offers a company the opportunity to market its products beyond traditional geographic boundaries. Research by Feher and Towell (1997:195) concluded that the ability of the Internet to overcome geographical restrictions was the second most important business value expected by companies from the Web. Feher and Towell (1997:195) further noted that the Web is a value-adding medium if the product has appeal to a target market that is widely dispersed.

### 3.10 SECURITY

Urbaczewski and Jessup (1998:9) reasoned that the development of security features is an important success issue in electronic commerce. They indicated that a stumbling block to the acceptance of electronic commerce is the perceived lack of security on public networks. Stroud (1998:167) agrees that the security perception of the Internet is an important issue to overcome, especially where credit card transactions are applicable.

As expected, the GVU's 9<sup>th</sup> WWW User Survey (available on-line at [http://www.gvu.gatech.edu/user\\_surveys](http://www.gvu.gatech.edu/user_surveys)) also indicated that security, especially regarding credit card payments via the Web, is an important issue for WWW users. The responses to this question in the survey are graphically illustrated in Graph 3-1.

Graph 3-1 Opinions on providing credit card information



Source: Adapted from GVU's 9<sup>th</sup> WWW User Survey ([http://www.gvu.gatech.edu/user\\_surveys](http://www.gvu.gatech.edu/user_surveys))



According to the survey, 17,1 percent of the respondents indicated that providing credit card information through the Web is the single most important reason that they do not buy from the Web more often, while 16,4 percent of the respondents agreed to some extent. On the other hand, 35,8 percent of the respondents strongly disagreed with the statement that providing credit card information through the Web is the single most important reason they do not buy through the Web more often.

In the GVU's 8<sup>th</sup> WWW User Survey (available on-line at [http://www.gvu.gatech.edu/user\\_surveys](http://www.gvu.gatech.edu/user_surveys)), 42,59 percent of the respondents indicated that providing credit card information through the Web is the single most important reason that they do not buy from the Web more often, which is 9,09 percent higher than in the 9<sup>th</sup> User Survey. It appears that the new developments in secure commerce have changed consumers' perceptions regarding the safety of credit card purchases via the Web.

The 9<sup>th</sup> GVU User Survey (available on-line at [http://www.gvu.gatech.edu/user\\_surveys](http://www.gvu.gatech.edu/user_surveys)) further concluded that Web users are more reluctant to purchase low priced products through the Web and that quality of Web products does not appear to be a factor that influences the Web user's decision to provide credit card information through the Web. A factor that does appear to have a strong influence on the decision to provide credit card information is the reputation of the vendor. Respondents to the survey (33,8 percent) strongly agreed and 42,8 percent agreed to some extent, that they would be more willing to provide credit card information through the Web if the vendor was well known.

### **3.11 ADVERTISING VALUE AND THE WORLD WIDE WEB**

Ducoffe (1995:1) defines advertising value as a subjective evaluation of the relative worth or utility of advertising to consumers. This definition is related to the view of economists insofar as advertising value is understood to be a subjective measure of the usefulness or want satisfaction resulting from a

commodity. Ducoffe (1996:21) reported that advertising which consumers find valuable, is more likely to yield the response that advertisers desire.

Hawkins, as quoted by Ducoffe (1996:25), identified a number of the Web's early-forecasted benefits and disadvantages that have the potential to influence advertising value. They are the following:

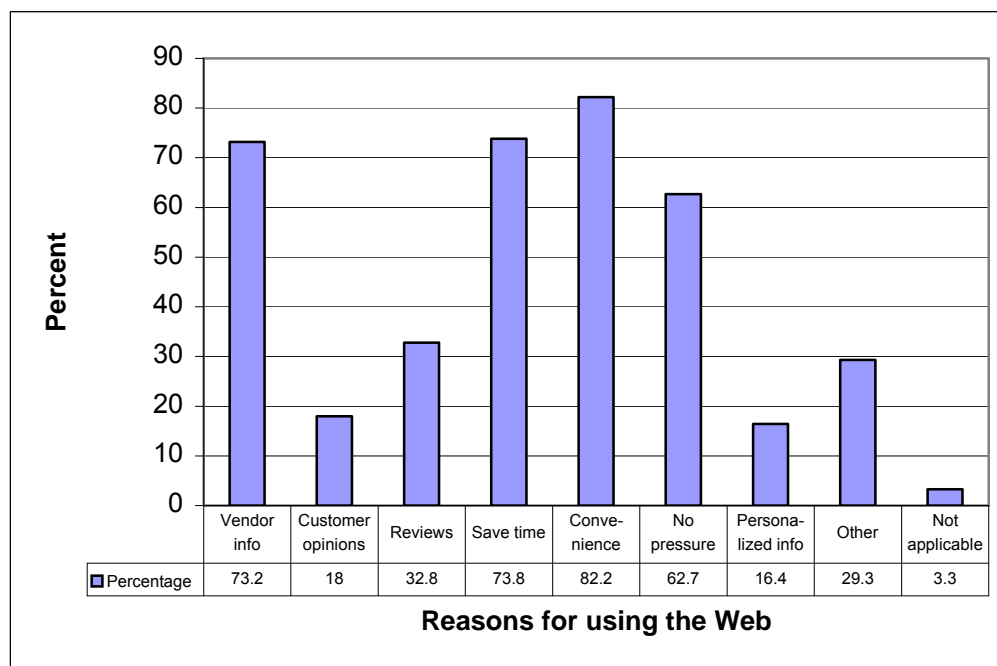
- **The Web gives users access to information that is not immediately accessible to them.** As companies increasingly turn to the Web as a marketing channel, customers will have quick and convenient access to all kinds of information on products and services. Since information value is a function of timing - on its accessibility to consumers at or around the time they are considering the purchase - Web advertisers can potentially offer consumers an advantage over traditional media because the Web makes this information immediately accessible.
- **Advertising information will be more relevant to consumers.** Advertising via a switched, interactive network like the Web, is a form of direct interactive communication taking advantage of addressable media technology to communicate with less waste and greater efficiency than is possible through traditional media. Addressability permits exposure to be self-selected, which should result in consumers receiving advertising they consider more relevant, which is a significant predictor of informativeness in Ducoffe's preliminary studies.
- **Advertising on the Web is flexible and can be altered quickly and easily in response to consumers' needs and changing market conditions.** Print and television advertising is often subject to deadlines well in advance of the appearance of the advertisements, making it difficult to revise advertisements quickly in response to changing conditions in the market. Web advertising can be changed

more easily, frequently and quickly offering advertisers a substantial increase in flexibility (Schlosser and Kanfer, 1997:2).

- **Transactions can be executed directly by consumers in response to ads, increasing both speed and convenience of purchases or inquiries.** The ability to link Web ads directly to transactions is a significant value-enhancing advantage. The electronic mail capability of Web advertising permits users deciding to purchase to transmit orders directly. This offers users enhanced convenience and will likely also reduce the time required to receive the product or service ordered, since the fulfilment process is accelerated electronically. Gascoyne (1997:23) supports the notion that addressing customer values, such as convenience and fulfilment, by using Internet enabled capabilities is an important consideration in designing the value proposition. A more elaborate discussion of Gascoyne's model of developing a value proposition will be presented in Chapter 4.

The results from the 10<sup>th</sup> GVU User Survey (available on-line at [http://www.gvu.gatech.edu/user\\_surveys](http://www.gvu.gatech.edu/user_surveys)) also confirmed the view that processing transactions via the Web will be more convenient for the customer and also save time. Graph 3-2 (page 59) illustrates that the main reasons consumers use the Web when purchasing a product or service are convenience and time-saving.

Graph 3-2 Reasons for using the Web when purchasing products or services



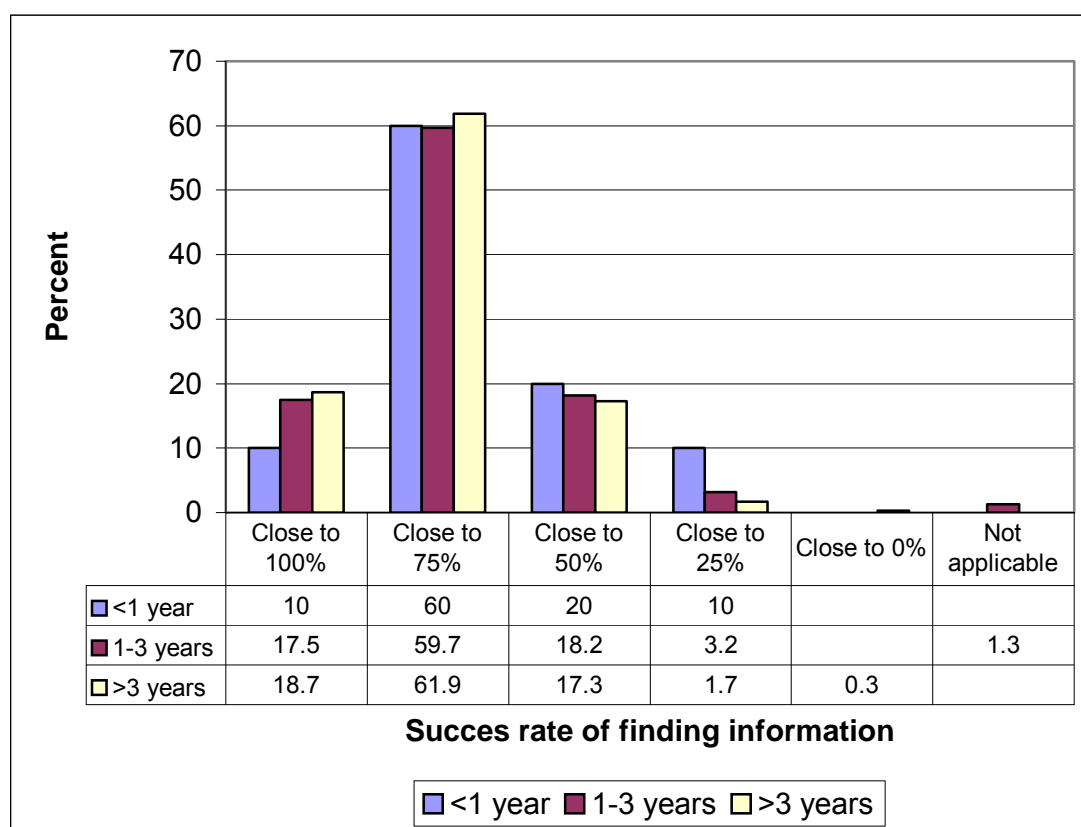
Source: Adapted from GUV's 10<sup>th</sup> WWW User Survey ([http://www.gvu.gatech.edu/user\\_surveys](http://www.gvu.gatech.edu/user_surveys))

- **Limited production quality.** Technology has still not advanced to the point where Web advertising can compete with television and print. Screen images carrying Web graphics, though much improved, are still no match for high quality printed and television graphics. Until data-compression challenges are surmounted, the length of time it takes for graphic images to build on screens is likely to try the patience of many consumers. In the short term at least, these factors should detract from the value of Web advertising. The effect of image size, as determined by Drezè and Zufryden (1997:85), on number of pages accessed and time spent on the site will be discussed in Chapter 4.
- **Lack of familiarity.** The Web is a new medium for both advertisers and consumers. Advertisers' experiences in other media may not be directly transferable, and consumers will need to become more knowledgeable before they grow accustomed to using Web advertising to its full potential. This may cause sceptical or even negative attitudes

towards Web advertising that may, at least in the short term, tend to lessen its perceived value.

From the 10<sup>th</sup> GVU WWW User Survey (available on-line at [http://www.gvu.gatech.edu/user\\_surveys](http://www.gvu.gatech.edu/user_surveys)) it appears that there is a relationship between the experience of the Internet user and the ability to find specific information and frequency of purchasing on-line. Graph 3-3 indicates that the more experienced the Internet user is the more capable he is of finding specific information.

Graph 3-3 The success rate of finding information



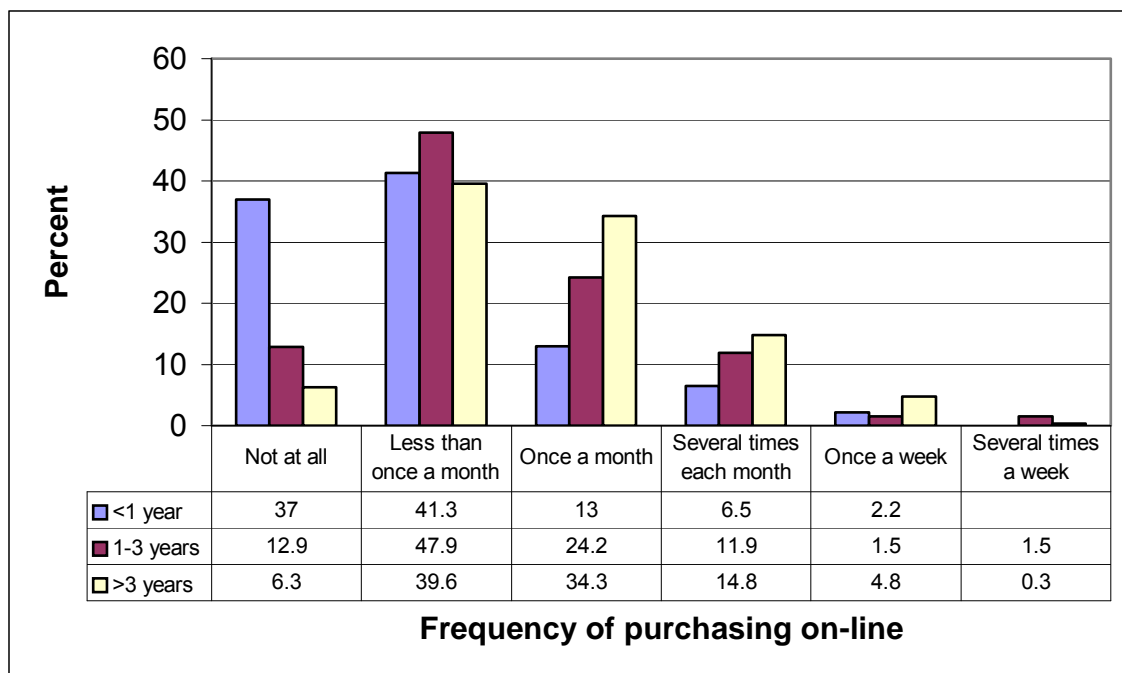
Source: Adapted from GVU's 10<sup>th</sup> WWW User Survey ([http://www.gvu.gatech.edu/user\\_surveys](http://www.gvu.gatech.edu/user_surveys))

As illustrated in Graph 3-3, Internet users that have more than three years of experience are more successful in finding specific information than Internet users with less experience. Since the Web is also a "pull"

medium, the inability of consumers to find specific information can have a negative impact on the advertising efficiency of a Web site.

Graph 3-4 also indicates that Internet users with more than three years' experience tend to purchase more on-line than users with less experience.

Graph 3-4 Frequency of purchasing on-line



Source: Adapted from Gvu's 10<sup>th</sup> WWW User Survey ([http://www.gvu.gatech.edu/user\\_surveys](http://www.gvu.gatech.edu/user_surveys))

Earlier research of Ducoffe's on advertising value concluded that there are three significant and directly consistent factors for advertising value. These factors are informativeness, entertainment and irritation and they will be discussed in the following sections. Ducoffe (1995:24) reported that in any given case, optimising the value of an advertisement for consumers would require creating a message that communicates the most informative claim the advertiser is capable of delivering in a form that is as entertaining to the intended target audience as possible.

### **3.11.1 Informativeness**

From a consumer's point of view, there is consensus regarding the ability of advertising to inform consumers of product alternatives so that purchases yielding the greatest possible satisfaction can be made. Rotzoll, Haefner, and Sandage, quoted by Ducoffe (1996:22), argue that advertising's informational role is its chief legitimising function. Consumers themselves report that advertising's ability to supply information is the primary reason for approving of it; while other research shows that advertising's ability to present a true picture of products is a core consumer belief underlying its inherent economic benefits (Ducoffe, 1996:22). The results of Ducoffe's research concluded that there is a substantial, significant, and positive correlation between multiple-item measures developed for informativeness and advertising value. Therefore, by increasing the informativeness of advertising, advertisers can increase the value of the advertisement.

### **3.11.2 Irritation**

Research by Bauer and Greyser, as quoted by Ducoffe (1996:23), concluded that the main reason why people criticise advertising relates to the annoyance or irritation it causes, an outcome thought to lead to a general reduction in effectiveness of advertising. When advertising employs techniques that annoy, offend, insult, or are overly manipulative, consumers are likely to perceive it as an unwanted and irritating influence. Data from Ducoffe's mall-intercept study yielded a sizeable, significant, and negative correlation between irritation and advertising value. Therefore it can be concluded that advertisers must minimise irritation to increase the value of the advertisement.

### **3.11.3 Entertainment**

The now considerable body of research on attitudes towards advertising originated in the notion that *pleasant* or *likeable advertising* is thought to have a positive impact on brand attitudes (Mitchell and Olson, 1981:328). In a related vein, research into uses and gratification has demonstrated that the

value of entertainment lies in its ability to fulfil audience needs for escapism, diversion, aesthetic enjoyment or emotional release (McQuail, 1987:73).

As the value of media entertainment is regularly acknowledged, and as advertising is a significant portion of media content, the ability of advertising to entertain can enhance the experience of advertising exchanges for consumers. This was confirmed in Ducoffe's mall-intercept study, which reported a substantial, significant, and positive correlation between entertainment and advertising value. Therefore by increasing the entertainment of advertisements, advertisers can increase the value of the advertisement.

Further research by Ducoffe (1996:29) confirmed the respective roles of informativeness, entertainment and irritation as important predictors of the value of Web advertising and represents evidence that the model originally developed to assess advertising value in the traditional media is also applicable to advertising in the new medium. It can therefore also be reasoned that Internet users will perceive advertisements on the Web, which are very informative and/or entertaining and not irritating, as high in value.

Considering the characteristics of the WWW as an advertising medium that were discussed in this chapter, it appears that the Internet has the potential to be a medium that can deliver enhanced value to the customer. For example, the high information capacity of an advertising Web site enables the Web site to be highly informative. Multimedia in a Web site can be used to provide entertainment for the customer. On the other hand, it must be noted that many of these characteristics, if applied incorrectly, can increase irritation, for example, large images that take a long time to download. In conclusion, it can be said that the Web has the ability to deliver advertisements that have high value for the customer, if the advertiser develops Web sites which have a balance between the characteristics of the Web and the three factors determining advertising value.



### **3.12 CONCLUSION**

This chapter has explored various characteristics of the WWW as an advertising medium. From the documented research and opinions presented in this chapter, it appears that the Internet as an advertising medium provides benefits that are unmatched by other traditional media. Furthermore, characteristics of the WWW, such as the information capacity of the Web, multimedia, interactivity and exposure on demand, enhance the advertising value that can be delivered through the WWW.

According to Groenne and Barker (1996:115), the characteristics of the medium have important consequences regarding the design of Web advertisements. Therefore, the characteristics of the WWW as an advertising medium, as discussed in this chapter, could influence the contact efficiency of a Web site. It seems that the impact of these characteristics on contact efficiency will depend on how they are used in the advertising Web site. In the next chapter possible factors that could influence the contact efficiency of an advertising Web site will be identified from literature.

## **CHAPTER 4: FACTORS INFLUENCING CONTACT EFFICIENCY**

### **4.1 INTRODUCTION**

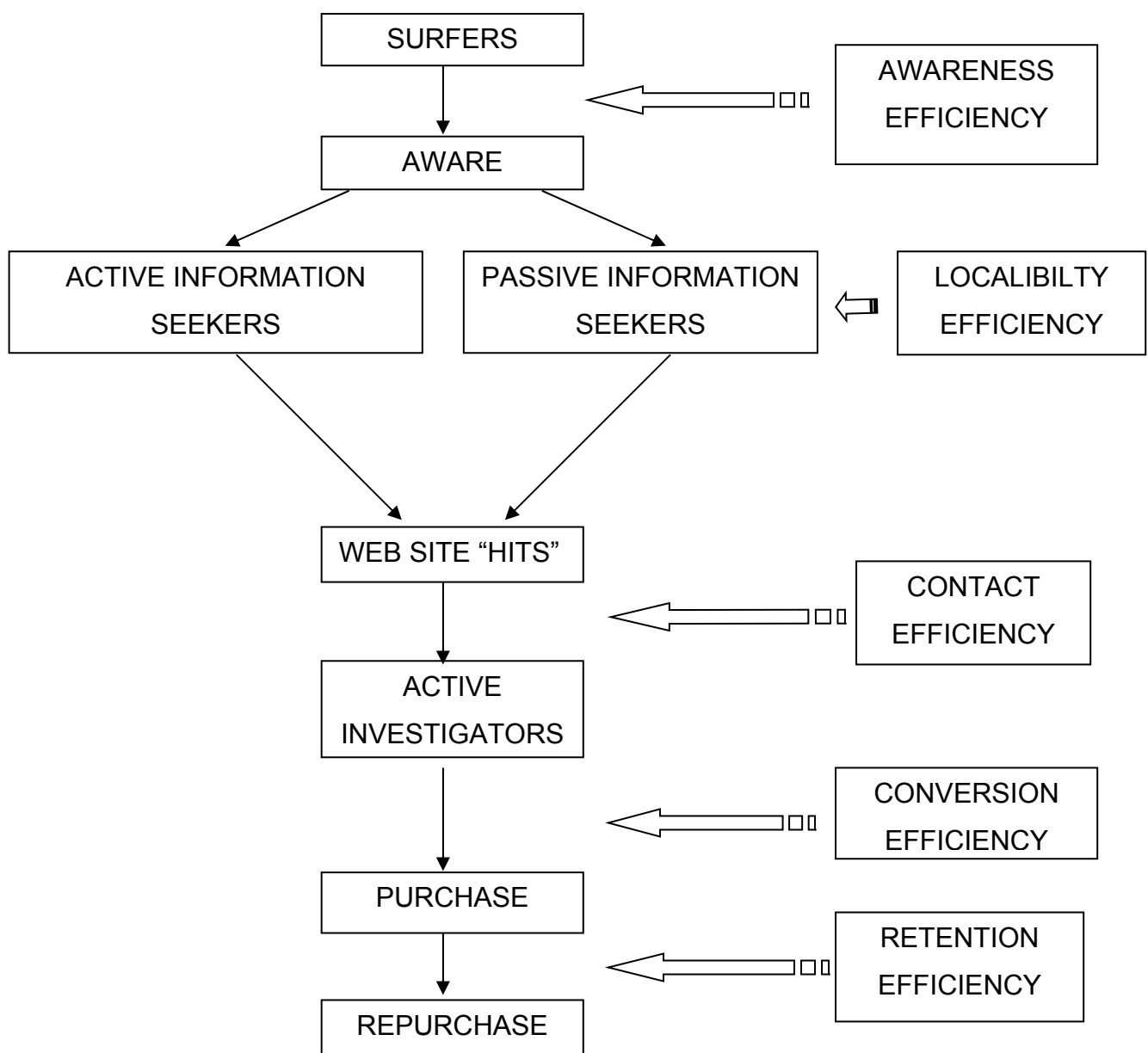
In Chapter 1 section 1.5 it was reported that the expectations of some companies regarding the commercial capabilities of the Internet have not been met. Bayers (as quoted by Schlosser and Kanfer, 1997:1) is of the opinion that many companies are growing disillusioned with the commercial possibilities of on-line advertising, and some have suggested that the Internet is better suited to interpersonal communication and personal sites rather than commercial sites. Berthon *et al.* (1996b:24) are of opinion that marketers and managers recognize by now that a greater understanding is required of the true nature of commerce on the Web, particularly from the perspective of a marketing communication medium. The conclusion is that it appears that some uncertainty exists regarding the commercial use of the Internet.

To assist marketers and advertisers in gaining a better understanding of marketing on the WWW and developing more effective advertising Web sites, Berthon *et al.* (1996a:49) suggested the model of the conversion process on the Web. This model depicts the flow of surfer activity on a Web site. Given the research problem defined in Chapter 1 section 1.6, the primary objective of this chapter is to gain a better understanding of the factors that can contribute to better contact efficiency of an advertising Web site. This stage is one of the stages in the conversion process of an advertising Web site. To explain the importance of the contact efficiency stage, the conversion process on the Web as suggested by Berthon, Pitt and Watson will be discussed next. After this, each of the factors, as identified by Berthon *et al.* (1996a:43), that should be considered in the contact efficiency stage, will be explored. This will assist, firstly, to gain a better understanding of each factor, and secondly, determine how each factor may be used to improve the contact efficiency of an advertising Web site.

## 4.2 THE CONVERSION PROCESS ON THE WEB: A CONCEPTUAL MODEL

Berthon et al. (1996a:48-51) introduced a conceptual framework for measuring the efficiency of a Web site in their article “The World Wide Web As An Advertising Medium; Towards An Understanding Of Conversion Efficiency”. This conceptual framework is shown in Figure 4-1.

Figure 4-1 Model of the Conversion Process on the Web



Source: Adapted from Berthon et al. (1996a:49)

The model in Figure 4-1 suggests that the flow of surfer (referring to a person browsing on the WWW) activity on a Web site is a six-stage process. The first stage, **awareness efficiency**, indicates how effectively an organisation is able to make surfers aware of its Web site. Advertisers can employ reasonable common and well-known awareness generating techniques to affect this, such as including the Web site address in all advertising and publicity, on product packaging and on other corporate material.

The second stage of the model concerns attempts to get aware surfers to find the Web site. This represents the **localability/attractability efficiency**. It demonstrates how effectively the organisation is able to convert aware surfers into Web site “hits”, either by facilitating active seeking behaviour, or by attracting passive seekers.

By this time, it should be apparent that there is a difference between a “hit” and a “visit”. Merely hitting or landing on a site does not mean that the surfers did anything with the information to be found there - the surfer might simply “hit” and move on. A “visit” compared to a “hit”, implies greater interaction between the surfer and the Web page.

The next phase of the model concerns the efficiency and the ability of the Web site in converting the “hit” to a “visit”. This stage represents the **contact efficiency** of the Web site. It indicates how effectively the organisation transforms Web site “hits” into “visits”. The efforts of the advertiser at this stage should be focused on turning a “hit” into a worthwhile “visit”, and to persuade visitors to stay awhile and browse.

Once the visitor is engaged in a “visit” at the Web site, he or she should be able to establish a dialogue and/or place an order. The ability of a Web site to turn a visitor into a purchaser is called **conversion efficiency**.

The final stage in the process focuses on converting purchases into repurchases. The advertiser should consider the proficiency of the Web site not only to create purchases, but to turn these buyers into loyal customers

who revisit the site and purchase on an ongoing basis. This ability is called the **retention efficiency** of a Web site. Groenne and Barker (1996:92) noted that the main challenge in designing advertisements for the Web is not only to determine how to capture users, but also how to retain the attention of users. This further contributes to establishing the relevance and importance of the final stage.

#### **4.3 FACTORS INFLUENCING CONTACT EFFICIENCY IN ADVERTISING WEB SITES**

Before the issues that Berthon et al. (1996a:49) identified as factors that can influence contact efficiency are explored, it is important to re-visit the difference between a “hit” and a “visit”. Berthon et al. (1996a:50) report that a “visit”, compared to a “hit”, implies greater interaction between the surfer and the Web page. It may mean spending appreciable time reading the page. Nadler et al. (1997:18) define a “visit” as a “sequence of requests made by a single user at one site”. Mohammed et al. (2002:385) supports this view by defining a “visit” as a series of requests made by an individual at one site. From these definitions it appears that the criteria for a “hit” to become a “visit” is that there must be interaction between the surfer and the Web page, which will result in time been spent at the site.

To improve contact efficiency Berthon et al. (1996a:50) argue that the following must be accomplished:

- The “hit” should be worthwhile for the surfer. The term “worth” refers to value. Therefore, for a “visit” to be worthwhile it must deliver value to the surfer. Sterne (1995:192) also reported that to get surfers to spend time at your site, they must get value in return for their time. Value can be created by supplying information or entertainment. A third kind of value that is an extension of the supplying of information is the conducting of business transactions (Sterne, 1995:192). Groenne and Barker (1996:92) are also of opinion that value is an important factor for

retaining surfers at an advertising site. The three approaches identified for supplying value are therefore advertainments, infomercials and purchase facilitation.

- The main effort by the advertiser to improve contact efficiency must be directed at gaining the interest and attention of the surfer. Interest and attention are the first two copywriter's objectives that are identified by Boveè and Arens (1992:287). *"An advertisement or a commercial is a stimulus, and breaking through the physiological screens is the first task of the stimulus in creating perception. Attention, therefore, is the first objective of any ad and the fundamental building block in the copywriter's pyramid"* (Boveè and Arens, 1992:288). Devices to attract attention can be headlines, visuals, layout, colour, ad size, sound effects, music or visual techniques. The second important factor in writing an advertisement is creating interest. Boveè and Arens (1992:290) suggest that effective ways of creating interest are visual effects, storyline copy, or charts and tables. Headlines, visuals, layout, colour and ad size can be construed to be part of the graphic design of the Web site. Nadler et al. (1997:166) identified graphic design as one of three important Web site design elements.
- Interface should be easy and intuitive (Berthon et al., 1996a:50). Interface is a term for how visitors find their way around a site. This includes the tools they use to navigate between pages and links, either to arrive at a destination page with specific information that they are looking for, or simply to surf a site (Nadler et al., 1997:166). Both Nadler et al. (1997:178) and Sterne (1995:67) identified interface as an important Web site design element.
- A third Web site design element is interactivity (Nadler et al., 1997:166). As argued before, interactivity is important to convert "hits" into "visits". Nadler et al. (1997:191) define interactivity as the degree to which the site owner seeks out, fosters, and responds to the opinions,

views and desires of individual users. At the bottom end of the interactivity scale, a site offers the user little more than a suggestion box in the form of an e-mail address. At the other end of the spectrum, a site might host chat rooms or bulletin boards. Sterne (1995:114) defines interactivity as *“convincing users they are getting information instead of it being given to them. It means users feel they are actively pulling of instead being passively pushed at. To do this, you need to make them work for it. Delivering all the information they want just when they want it diminishes its value. There is a fine balance between effort and reward that will make a major difference in the perceived value of your Web site.”*

From the above discussion it appears that the major factors that can influence contact efficiency in an advertising Web site relate to Web site design and the value of the advertisement. Web site design is determined by graphic design and the user interface that includes functions supporting interaction. In the following section, the identified factors will be considered more closely, and strategies that marketers can use to improve these factors will also be discussed.

#### **4.4 VALUE AS A CONTACT EFFICIENCY FACTOR**

According to Berthon *et al.* (1996a:50), converting a “hit” into a “visit” is an important stage in the overall efficiency of a Web site. Groenne and Barker (1996:93) also supports this notion and reports that retaining visitors in a Web site is an important issue to consider. These researchers are of opinion that the value which the potential customer finds in return for his time spent at the advertising Web site, is a factor which will influence the time spent at a Web site.

Two possible approaches for creating value have been identified. The approach suggested by Groenne and Barker (1996:94) focuses on providing information (infomercials), entertainment (advertainments) and purchase facilitation as strategies to increase the value of the advertising Web site to

the customer. The other approach, developed by Gascoyne (1997:133), focuses on a value proposition that is based on four components: the core competencies of the business and solution differentiation, interlinking with business partners, customer values and Internet-enabled business capabilities. These two approaches will be discussed in more detail to identify possible strategies marketers can use to increase the value proposition for the customer.

#### **4.4.1 Infomercials as a value strategy**

In Chapter 2 section 2.4.2.1 it was pointed out that products could be divided into high buyer involvement products and low buyer involvement products. For products with a high degree of buyer involvement, the infomercial is an obvious method to create customer value, because of the fact that the customer is usually an active information seeker in this product category (Groenne and Barker, 1996:95). Furthermore, in Chapter 3 section 3.11.1, it was noted that the informativeness of advertising on the Web influences the value of the advertisement as perceived by the customer. The conclusion was made that increasing the informativeness of the advertisement could increase the value of a Web advertisement. Thus, the research presented in Chapter 3 section 3.11.1 further supports the notion that providing information can create value. The infomercial strategy utilises the Web's ability to deliver large amounts of product-related information on demand to a global audience.

In addition to providing general information to the customer, the Web provides companies with the opportunity to offer customised information in innovative ways, for instance by letting customers access the company's internal databases (Groenne and Barker, 1996:95). When used in this way, the Web advertisement becomes more than an electronic brochure, it also offers customer service. Customers can access information at the advertising site, a procedure that normally requires interaction with company employees. By integrating this kind of information in Web advertisements, companies are able to deliver valuable customer service in a way not possible in traditional media (Groenne and Barker, 1996:96). This provides an incentive for



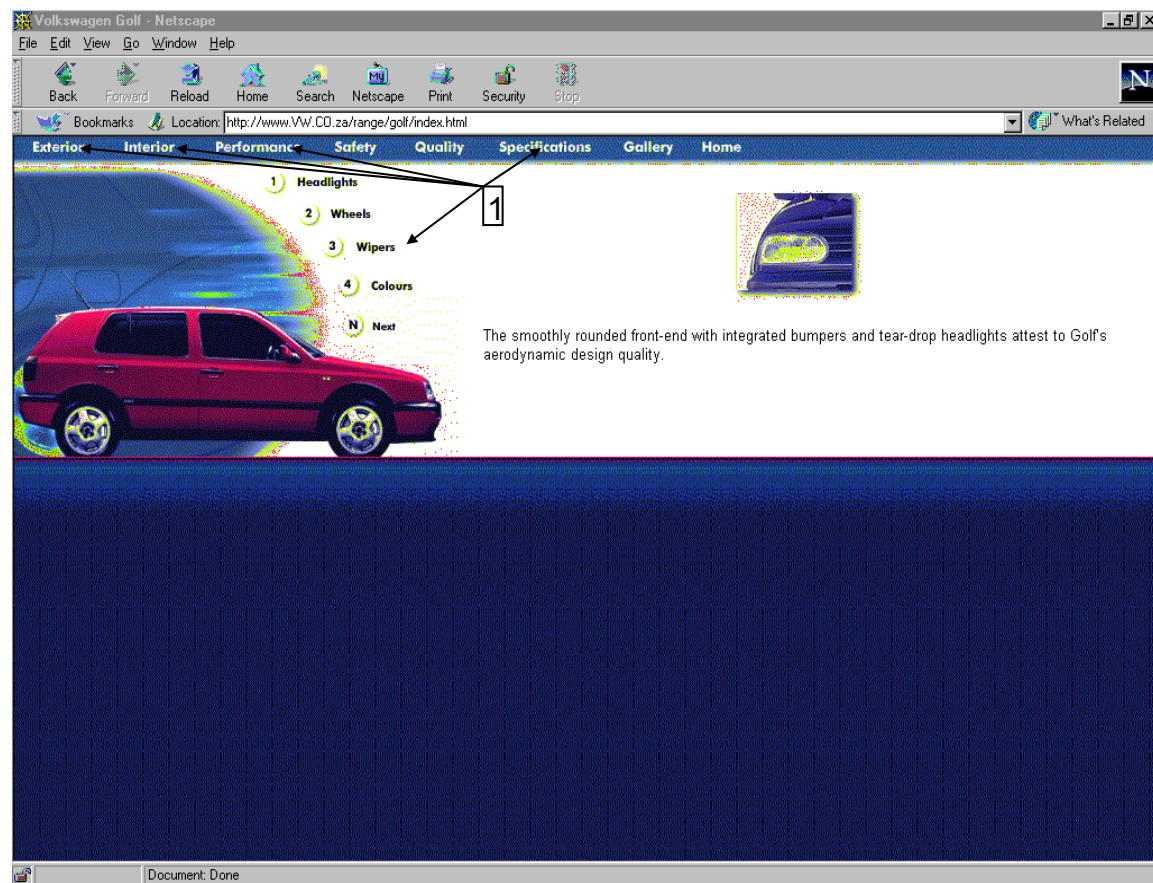
customers to “visit” the Web site and compensates for the technical problems and relatively slow speed of the Web.

Komenar (1997:418) reasons that the information exchange between a company and its customers is a part of the sales process. If at any point in the sales cycle the customer cannot access the information requested, the likelihood of a successful sale declines. Therefore, information design in a Web site should focus on overcoming possible gaps in the information exchange between the company and the customers during the stages of the sales cycle. According to Komenar (1997:420) product or service related information on a Web site should include these categories:

- Features: objective capabilities of the product or service.
- Benefits: qualitative and quantitative business reasons to use the product or service.
- Positioning: when, how and where to use it and who uses it.
- Strengths: comparisons with previous versions and competitive products.

The purchase of a new car is usually considered a high buyer-involvement action, since there are possible economic risks and sometimes social risks involved. Therefore, according to the arguments provided so far, the infomercial strategy will be suitable to use in the Web site of a motorcar manufacturer, such as Volkswagen South Africa. The Volkswagen Golf page is captured in Figure 4-2. An potential buyer of a Volkswagen Golf can click on the Golf image of the product range page and have instant access to information (see 1 in Figure 4-2) regarding the specifications of the Golf, e.g. exterior, interior appointments, performance, quality, safety features and so on. The Web site also presents other features that are normally associated with advertising, such as a financial calculator. With the calculator visitors can calculate instalments on different models of the Golf. By supplying this information, it can be argued that interested customers will spend time at the site, and interact with the site as well.

Figure 4-2 Volkswagen Golf page



Source: <http://www.vw.co.za>

#### 4.4.2 Advertainmentments

Groenne and Barker (1996:100) also reason that it is possible to create value-based advertising on the Web for products with a low product fit (low involvement, low information intensity and low possibilities of purchase facilitation). Where products with a high product fit should normally use an infomercial and/or purchase facilitation approach, these approaches are not likely to be successful for products with a low product fit, because it is difficult to offer product-related information when buyer involvement is low. For these products providing entertainment can be the most feasible strategy to create value. In Chapter 3 section 3.11.3 it was noted that the entertainment provided in Web advertisements influences the value of the advertisement as perceived by the customer. The conclusion was made that increasing the entertainment of the advertisement could increase the value of a Web

advertisement. Thus, the research presented in Chapter 3 section 3.11.3 further supports the notion that providing entertainment can create value.

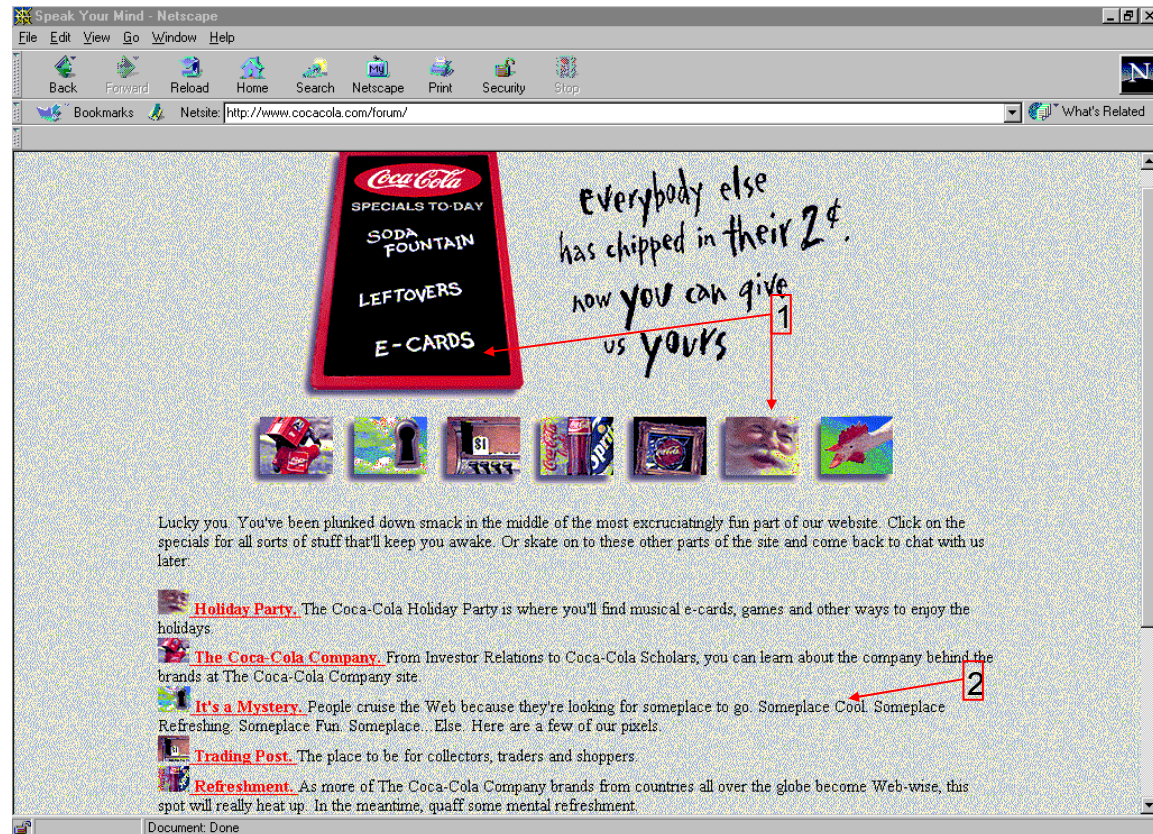
The advertainment model adopts different incentives for the customers to “visit” and stay at the Web site. Where infomercials focus on product-related value, advertainment attracts customers by providing entertainment and information that has little to do with the product itself. Because of this, Groenne and Barker (1996:100) are also of the opinion that advertainment strategies can theoretically be used for all kinds of products. Furthermore, where infomercials mainly compete for attention with sites with related content, advertainment competes for attention with both related and unrelated sites. Advertainments are likely to attract surfers rather than searchers, because of the limited connection between the company products and the content offered on the site.

The interactivity of the Web provides unique opportunities for creating advertisements with a high entertainment value and a high degree of user involvement and user activation, for example through quizzes, competitions, and games. The high-involvement exposures created through advertainment strategies can improve the company’s image and build brand preferences (Groenne and Barker, 1996:101). Advertainments are a useful strategy for companies manufacturing lifestyle products, e.g. Coca-Cola or Levis.

The Coca-Cola site, captured in Figure 4-3, uses various entertainment incentives to attract customers to their sites. For example: customers can send electronic cards (see 1 in Figure 4-3) to friends, a function that is not related to the Coca-Cola product. What appears to be worthy of note is that the entertainment is designed to be product related. For instance, some of the electronic cards have pictures of the Coca-Cola emblem or Coca-Cola products, on them. Another example is the wording used in the Web site: words like “cool” and “refreshing” which have become synonymous with Coca-Cola and Coca-Cola advertisements, appear in the text of the Web site. By employing these non-product related/entertainment strategies, such as the

electronic cards, Coca-Cola can use the Web to develop brand equity (Groenne and Barker, 1996:101).

Figure 4-3 Coca-Cola home page



Source: <http://www.cocacola.com>

#### 4.4.3 Purchase facilitation as part of the value proposition

The ability of the Web to facilitate purchases is a function that is traditionally not associated with advertising. According to Groenne and Barker (1996:103), transactions and even distribution can be integrated in advertisements in order to facilitate the purchase. This ability is unmatched in other media, and therefore advertisers whose products score high marks on the “possibility of providing purchase facilitation”-dimension, can consider this approach.

Offering the possibility of purchase facilitation in the advertisement is especially relevant for products with specific characteristics. This issue was discussed in Chapter 2 section 2.4.2.3. Turban *et al.* (2002: 87) also agree

that product features determine the possibility to sell over the Internet by identifying characteristics of products that lead to higher on-line sales volume.

These characteristics are the following:

- High brand recognition.
- Highly reliable and well-known vendors provide a guarantee.
- The product can be digitised, such as books, music, and videos.
- The products are relative inexpensive.
- The products are frequently purchased (e.g., groceries).
- Products that have standardised specifications, typically commodities.
- Packaged products that cannot be opened in traditional stores and are well-known.

According to Groenne and Barker (1996:80) products usually sold via mail order, such as books, compact discs, appliances, and, to a lesser extent, clothing, are well suited to selling over the Internet. Furthermore, Groenne and Barker (1996:80) acknowledged the influence of brand and standardization on purchase facilitation. Certain goods with a strong brand franchise and standardised products are also suited for on-line shopping, since trusting the vendor is a critical factor because of the low entry barriers to the medium. For this reason, branded goods and companies with a strong image have an advantage since they are already perceived by the customer to be of high quality. Therefore, customers are likely to trust the fairness of companies commanding a strong brand franchise. In addition, Groenne and Barker (1996:80) identified pre-purchase trial as a factor that influences the possibility of direct sales over the Internet. Products that normally require pre-purchase trial are obviously at a disadvantage with respect to home shopping. In the cases of certain information-based products, however, it is possible to let the customer sample the product, for instance, by listening to a sound clip from a compact disc or reading part of a book. High-risk goods such as cars or furs are also ill suited to on-line sales, since personal contact often plays an important role when such goods are purchased.

Thus, it appears that there is agreement between Turban *et al.* (2002:87) and Groenne and Barker (1996:80) that certain product characteristics influence the likelihood of selling the product over the Internet.

One the most well-known Internet Web sites that integrates the purchase facilitation function with the advertisement, is Amazon.com. The home page is shown in Figure 4-4. Amazon.com uses a combination of infomercial and purchase facilitation strategies to provide value. Visitors to the site can search the site for books on specific topics, and can retrieve specific information regarding a book such as price and reviews from the publisher and comments from customers. After a specific book has been located on the Web site, the customer can purchase it via the Internet by adding the book to the shopping chart.

Figure 4-4 Amazon home page

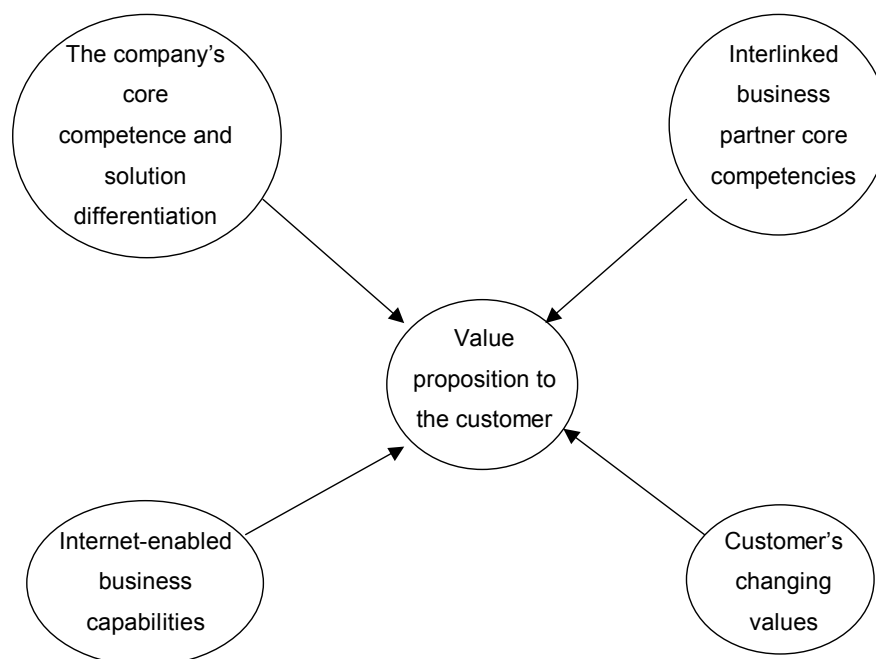
The screenshot shows the Amazon.com website interface. The browser window title is "Amazon.com: A Glance: The Economics of Electronic Commerce - Netscape". The address bar shows the URL: <http://www.amazon.com/exec/obidos/ASIN/1578700140/qid=913109262/sr=1-19/002-9513987-3093824>. The main content area displays the product page for "The Economics of Electronic Commerce" by Andrew B. Winston, Dale O. Stahl, and Soon-Yong Choi. The price is listed as \$49.99. The page includes a "Book Information" sidebar, a "Keyword Search" box, and a "Customers who bought this book also bought:" section with a list of related books. The bottom of the page shows a "Reviews" section with a "Book Description" for "The Economics of Electronic Commerce".

Source: <http://www.amazon.com>

#### 4.4.4 Gascoyne's complete customer-centric solution approach

Another approach in developing the value proposition was designed by Robert Gascoyne. Gascoyne (1997:38) argues that developing a successful Internet value proposition depends on focusing on a complete customer-centric solution. Gascoyne's approach focuses on providing the customer with all the necessary information to make a buying decision, and on serving customer values such as convenience, product/service education and guaranteed fulfilment. According to Gascoyne (1997:132) the most successful Internet value proposition takes into account four components: (1) relevant core -competence and compelling solution differentiation; (2) the value of interlinked business partners; (3) customer's changing needs and expectations, and (4) Internet-enabled business capabilities. This is reflected in Figure 4-5. Each of these components will be discussed separately in this section to explain how each component could contribute to developing a customer centric value proposition.

Figure 4-5 Internet value proposition equation



Source: Adapted from Gascoyne (1997:133)

#### 4.4.4.1 Customers' changing values

According to Gascoyne the value proposition should address one or more values that are important to the customer (1997:22). Gascoyne (1997:22) has identified ten specific values of the Internet customer that should be taken into consideration in developing the value proposition. These values are the following:

- Convenience: Gascoyne (1997:22) is of opinion that convenience will continue to be a prized quality in business and personal transactions, because of the demands of everyday life. Furthermore, simplicity of presentation has become an important factor to the customer. According to Gascoyne (1997:22) studies have shown that graphically rich Internet sites do not generate as much revenue as sites with plainer layouts that are perceived to be more convenient. Peterson (1997:29) supports the notion that convenience is an important value for customers and reports further that customers will pay a higher price if they can save time in the process.
- Transparency: On-line customers may value a high degree of transparency - that is, the ability of a user to migrate from one Internet site to another without realising it. A business seeking to provide value-added services should examine its ability to offer links to complementary Internet sites. For example, a real estate concern would possibly want to provide links to a mortgage broker, an insurer, and notary services.
- Guaranteed fulfilment: Customers will rely increasingly on technology to fulfil their needs. Guaranteed fulfilment is closely aligned with immediate satisfaction and, often, with immediate gratification. It appears that potential customers will expect to obtain all the information they need when they "visit" a site. If the site fails to fulfil this expectation, then the dissatisfied customer will leave the site and move to a competitor's site.



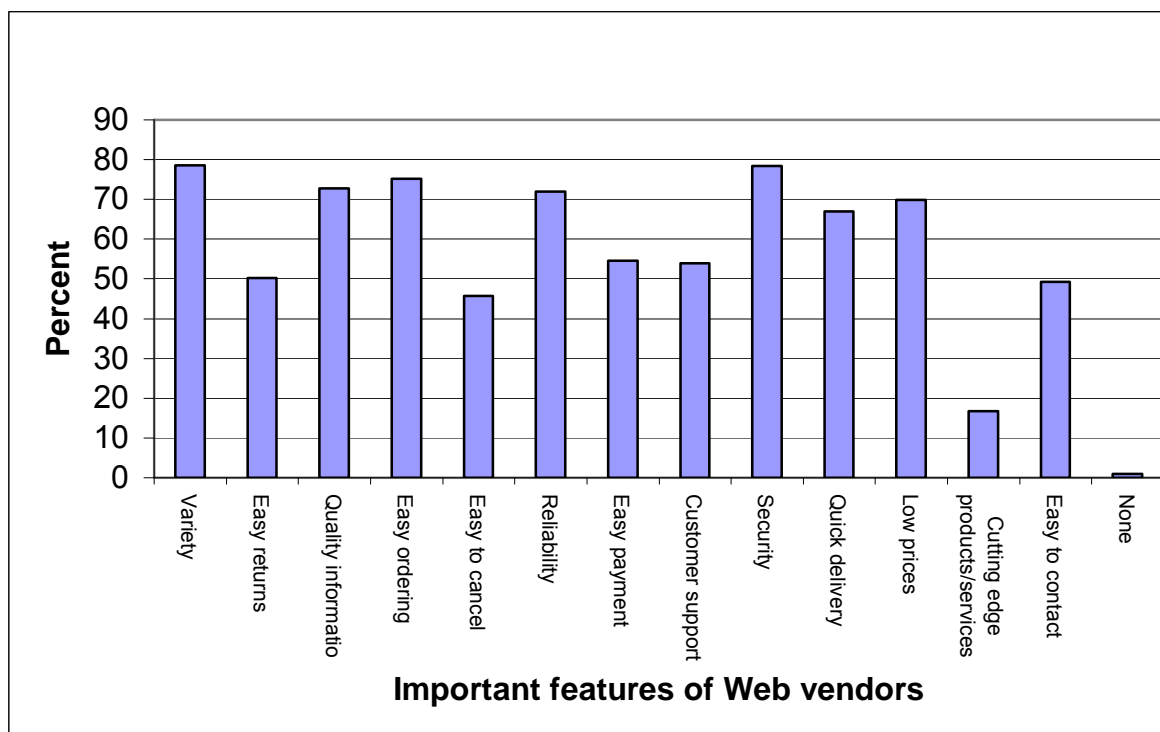
- Security: Security of electronic transactions is of extremely high value to the customer. This value will play an important role when the purchasing of products via the Internet is a possibility. Research presented in Chapter 3 section 3.10 supports the opinion of Gascoyne that security is an important consideration to the Internet user.
- Education: According to Gascoyne (1997:24) evidence suggests that the educational element of an Internet site is a key element to its success. Marketers can use information to educate users on product benefits, how they compare with other products, and how they should be used.
- Personalization: The ability to individualise the business' Internet presence for the customer, business partners, vendors, and even employees, will become increasingly important in the future.
- Proactivity: The ability to move beyond meeting customer needs to actually anticipating those needs is the hallmark of a company striving to meet the challenges of a competitive market. The Internet enables companies to act more proactively. For example, floral delivery services can maintain key customer information in their databases (e.g. birthdays, anniversaries, holidays) and send reminder messages in advance via e-mail.
- Timeliness: It is cited (Gascoyne, 1997:25) that timely response and delivery of the product or service become increasingly important. Furthermore, customers will expect the information to be updated and immediate.
- Choice: With access to products and services from around the globe, today's customer can evaluate more alternatives than before. The Internet allows a customer to collect and assess large quantities of

information about specific products and services, allowing a degree of comparison-shopping previously not possible.

- ***Interaction:*** Initial evidence suggests that interaction provides high value to the customers. According to Gascoyne (1997:25) interaction in communities focussing on a specific topic provides high value to participators.

The results of the 9<sup>TH</sup> Gvu User Survey (available on-line at [http://www.gvu.gatech.edu/user\\_surveys](http://www.gvu.gatech.edu/user_surveys)) supported the notion of Gascoyne's that the Web site must address certain customer values. As indicated by Graph 4-1, the two most important values identified by respondents when shopping, or considering shopping on the Web, are variety and security, Graph 4-1 also indicates that other values, such as convenience and guaranteed fulfilment, are important to the customer.

Graph 4-1 Important features of Web vendors



Source: Adapted from Gvu's 9<sup>TH</sup> WWW User Survey ([http://www.gvu.gatech.edu/user\\_surveys](http://www.gvu.gatech.edu/user_surveys))

#### **4.4.4.2 Core-competence and solution differentiation**

In developing the customer-centric solution, the business must identify the part of the solution they could provide. This is usually manifested in the core-competence of the business, which in turn is determined by the core assets of the business. According to Gascoyne (1997:125), the core-competencies must be identified from the perspective of the Internet customer. Since the core-competencies are customer driven, changes in what customers value as important could result in redefining the core-competence of the business. Through defining or redefining the core-competencies of the business a differentiable solution could be presented.

#### **4.4.4.3 Interlinked business partner core-competencies**

Interlinking with business partners is an important tool for providing customers with more complete business solutions (Gascoyne, 1997:34). Komenar (1997:419) indicates that the Web site must provide the customer with all the information necessary to make a decision. Interlinking with business partners is a possible method of providing customers with all the information they need to make a decision.

Customers can navigate transparently between sites in ways that interlinking business partners, who anticipated customer's buying habits and decision-making criteria, have established. An example is the Toyota South Africa Web site, which provides links to different financial institutions (see 1 in Figure 4-6) as part of the customer solution. The Web page is presented in Figure 4-6. After the potential customer has calculated the instalment, he or she can move on to the next step in the sales cycle, identifying a potential financial institution. This link provides additional information regarding buying a Toyota vehicle and improves the total solution for the customer.

Not only must interlinking with business partners be organised to create complete customer-centric solutions, but points of entry from other sites must also be identified to create customer-centric solutions (Gascoyne, 1997:124). Points of entry can be identified as the manner, method, site or path the

customer follows to get to a site, content, functionality, and value proposition. Points of entry can further be defined as all the possible routes potential customers might use to get to a site. These points of entry could be business partners, other product or service-related Internet sites or advertisements.

Figure 4-6 Toyota finance page

The screenshot shows a Netscape browser window displaying the Toyota finance page. The address bar shows <http://www.toyota.co.za/>. The page content includes a red warning: "These figures are to act as guidelines only, for detailed information speak to your Dealer, or Financial Institution." Below this is a financial calculator with the following fields and options:

- Select Model:** Dropdown menu with options: Camry, Corolla, Conquest, Venture.
- Select Model Type:** Empty text field.
- Select Accessories:** Empty text field.
- Suggested Retail + V.A.T.:** Input field containing "R".
- Purchase/Lease:** Radio buttons for "Purchase" (selected) and "Lease".
- Total Amount:** Input field.
- Deposit:** Input field containing "10%".
- Residual:** Input field containing "0%".
- Interest Rate:** Input field containing "25%".
- Months:** Input field containing "60".
- Installments:** Input field.
- Buttons:** "RESET" and "CALCULATE".

On the right side of the calculator, there are three logos: "STIMIS", "BANKFIN", and "WesBank". Arrows from these logos point to a small box containing the number "1".

At the bottom left, there is a copyright notice: "© Rapid Blue Interactive 1997".

Source: <http://www.toyota.co.za>

According to Gascoyne (1997:124), identifying points of entry is one of the critical tasks of the marketing group. The better the points of entry are defined, the more successful the business can be. This is because, more qualified customers will be coming to the site and their needs could be better anticipated and fulfilled. Depending on the situation, identifying potential points of entry may require new business alliances.

#### **4.4.4.4 Internet-enabled business capabilities**

Internet-enabled business capabilities are the fourth part of Gascoyne's value proposition. Ghosh (1998:128) is of opinion that companies could use the Internet to provide new services inexpensively. A company could, for example, draw on data from its customer base to make available wide-ranging knowledge on some topic. For instance, if a customer has a problem with a product, he or she might consult a site's directory of frequently asked questions to see how others have solved it. Or closer to the advertisement of products, the customer might benefit from knowing how others have used a particular product. Amazon.com encourages customers to post reviews of books they have read for visitors to see, making it possible for customers to scan reviews by peers before deciding to buy a book.

#### **4.4.5 Similarities and differences between Gascoyne's customer-centric solution and Groenne's value strategies**

Both Gascoyne and Groenne and Barker, are of opinion that providing information is a strategy to create value. From the literature it appears that Gascoyne provides a more complete model to develop an information strategy. Gascoyne's model does not only include product related information, but also interlinking with business partners to provide information.

It also appears that Gascoyne does not consider entertainment as a strategy to create value. What is more is that Gascoyne does not consider entertainment as a value that must be addressed by the customer solution.

Purchase facilitation appears to be anticipated by both Gascoyne and Groenne and Barker. In Gascoyne's model, purchase facilitation can be placed under Internet-enabled capabilities that contribute to a more complete solution.

## 4.5 INTERACTIVITY AS A FACTOR OF CONTACT EFFICIENCY

According to Peterson (1997:9) interactive marketing is a general approach to marketing, creating a situation or mechanism through which a marketer and a consumer can interact, usually in real time. Furthermore, Janal (1997:06) defines interactivity as customers conducting a meaningful dialogue with the company, obtaining information that answers their questions quickly, accurately and personally.

The Web provides two forms of interaction, viz., machine interactivity and person interactivity. As already explained, machine interactivity is interaction between the Web page and the surfer, and person interactivity is interactivity between two persons via the Internet. Person interactivity does not only include interaction between the Web user and a representative of the company, it also includes interaction between Web users.

Research by Ghose and Dou (1998:37) indicates that the degree and nature of interactivity have a statistically significant effect on the perceived quality of corporate Web sites. The greater the degree of interactivity, the greater the quality of the Web site was perceived to be. The following describes different forms of interactive functions and examples of Web sites that demonstrate it (Ghose and Dou, 1998:31):

- On-line forms for customer feedback, inquiries, or comments: This form of interactivity is used in The BASF site where the company solicits on-line feedback from visitors. On this form, visitors can comment on anything related to the company - either product-related or company-related.
- Downloading of software: In the Epson site, for instance, visitors can download operating software for Epson printers to upgrade their existing software. This approach is much faster and convenient than traditional methods. If a firm can upgrade its products or services

continuously then it is likely that the company may “lock in” the customers by building a long-term relationship.

- Software downloading: Another variation of “software downloading” is found in a section where customers can download images from an Internet presence site and save them as a screensaver. For example, Guinness allows surfers to download its latest TV commercial for use as a screen saver. Conceivably, this approach builds affinity with the corporate brand by encouraging fun and involvement, and the screensaver provides a constant reminder of the advertising message.
- On-line problem diagnostics: The Whirlpool site has a built-in function that allows Whirlpool to diagnose problems pointed out by the site visitors. The function enables the customer to engage in a conversation with the Whirlpool service representative who asks the customer a series of questions.
- Order status checking: The Dell site enables customers to track their orders on-line. This capacity challenges the firm to stick to its delivery time claims, and this in turn may give customers added confidence in purchasing Dell products. If this function performs satisfactorily, then customers may achieve positive post-purchase reinforcement of the product-choice decisions.
- Site survey: The BMW USA site has on-line survey forms for visitors to fill in, with a view to understanding their perceptions and evaluations of the site. This function provides one way of establishing dialogue between site visitors and the firm’s site design team that can use such feedback to improve the site.
- Product survey: The BMW USA site also has an electronic form of survey about the company’s products. Again, as in the site survey, a

dialogue between the customer and the firm can be established through this channel.

- *New product proposal:* The Kenwood USA site has allocated a social section in which visitors can express their opinions on their ideal new products. Through this, surfers are likely to feel that the firm values their opinions and their self-perceptions might therefore be positively enhanced.
- *Key word search:* A surfer interested in Kodak's foreign operations can simply type a key phrase "foreign operations" in the "search" section of the site. Then all the relevant information contained in the Kodak site will be shown on screen. This function allows an IPS to provide an individual visitor with personalised information while it can still contain a full spectrum of information to meet the potentially diversified information needs of site visitors.
- *Personal choice helper:* The Internet gives firms the unique opportunity of moving consumers from being potential buyers to purchasers by actively helping them to make their final purchasing choices. This is illustrated in the Ford site. Once the surfer indicates that that he or she is interested in a certain model, the site can instantly calculate the required monthly payment for the model if the surfer specifies specify the amount of down payment and APR rate.
- *Virtual-reality presentation:* A visitor to the BMW USA site who is interested in getting the real "feel" for the M3 model, can virtually examine the interior and the exterior of the car and experience the fast ride. While the visitor is not moving physically, the virtual-reality function enables him or her to "test drive" the car. This interactive function ensures that potential consumers of the BMW model are no longer passive recipients of its Web marketing communication. They can actually participate and be part of it. This is yet another interactive



technique that firms can employ to help its potential customers make purchasing decisions.

- Dealer locator: A fundamental issue consumers must address during decision making is from whom they should buy a product. A firm can provide such information in their site by employing a dealer/retailer locator function. Car manufacturers could use the dealer locator functions to assist potential customers in finding the nearest dealer.
- Electronic coupon: The Burpee site offers electronic coupons for its gardening products. Surfers can print the coupons and use them at retail stores. Compared to traditional coupon distribution, the company can monitor and even control the number of e-coupons in circulation. For instance, the company can withdraw the e-coupon section when there are too many downloads. In addition, the cost of setting up the e-coupon section is nominal for the firm.
- On-line ordering of goods: A visitor to the Gateway 2000 site can order his or her computer on-line. After specifying the desired model, the visitor can choose from a number of modes of payment, e.g., secured server credit, telephone or check by mail.
- On-line games and contests: The Acer site has a monthly sweepstakes campaign that invites visitors to participate by filling in an electronic entry form in which they are also asked to provide some personal information. While visitors are likely to view such messages as advertising (Ducoffe, 1996), they might benefit from such events and the participation requires little effort. Further, if such an event is held regularly, it is quite likely that visitors may come back regularly.
- Push media: The GM site can broadcast its content to interested users. Once the visitor registers to participate, the GM site will deliver multimedia-rich information content about GM products and events to

the user's screen. Users of the GM channel can even specify which type of information they would like to receive. This technology allows visitors to the GM site the convenience of receiving information tailored to their personal interests.

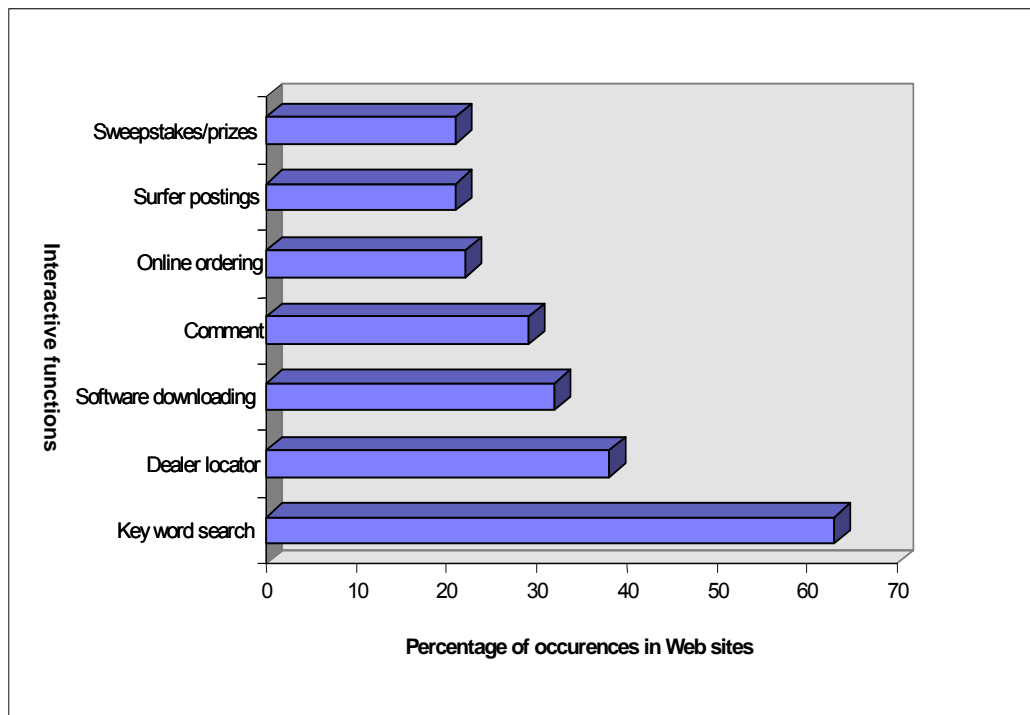
- Interactive job placement: The presence site of Texas Instrument (TI) is one of the best examples of how companies can use their Web site to improve their recruitment procedure. The "employment" section in the site contains a list of openings, a job-search planning guide, a fit check questionnaire which "measures" the degree the applicant fits in with TI's culture and organisational goals, and an on-line resume builder which allows the visitor to type in relevant information for constructing a resume. The highly interactive nature of this section provides the means to treat each on-line applicant in an individual manner.
- Electronic postcards: Kellogg's site allows visitors to send electronic postcards to their friends directly from the site. Ghose and Dou (1998:34) anticipate that this function not only offers real benefits to surfers but also entertains visitors by fulfilling their needs for aesthetic enjoyment.
- Surfer postings: The BMW site asks consumers to write down their driving experiences with BMW cars on an on-line form. It will publish these details on the site. In a sense therefore, consumers are also content providers to the site. In encouraging consumers to write out their consumption experiences, BMW is also encouraging them to relate their personal experiences to the site content.
- Usergroup: The Agfa site has a special section for its user groups on different topics, e.g., scanners, or photo imaging. Users of Agfa products can share their experiences with others and also ask questions which may be answered by others. User groups may build a

community atmosphere in the site, which in turn may make this site a satisfying and adaptive market option.

- Games: The Electrolux site offers cleverly designed games that can be related to the firm's products, such a game featuring an Electrolux vacuum cleaner sucking up bugs in a room. The interactive games aim not only to entertain consumers in the cyberspace but also to reinforce their impressions about the company's products.
- Multimedia presentations: The Coca-Cola site neatly slides in multimedia presentations that have several interesting themes, e.g., mini-movies about its animated spokesperson the "Sun". New inventions in Web technology today such as Quick Time movies and xlivescreen, now allow multimedia techniques to make much more sophisticated and integrated presentations in the form of video, sound, music, graphics and text. This enhanced experience not only makes surfers' experiences more fun and stimulating but also gives surfers the flexibility to activate only a desired part of the presentation, e.g., movie frames four to eight.

Graph 4-2 presents the seven interactive functions that occurred most in the Web site sample used by Ghose and Dou (1998:37). Although not all the functions listed above are directly related to marketing, their presence cannot be excluded in determining the effect of interactivity on the contact efficiency of a Web site. Interactive functions such as software downloading are a customer support function (Ghose and Dou, 1998:32) and contribute to providing more complete customer-centric solutions.

Graph 4-2 The seven interactive functions that occurred most in the Web site sample



Source: Adapted from Ghose and Dou (1998:37)

## 4.6 NAVIGATION

Navigation (also referred to as user interface) is a term used to describe how users find their way in a site. Since the WWW is an information intensive environment, potential customers could find it difficult to find the information they require. This can lead to irritation, which diminishes the value of the Web site. Poorly designed user interface may also cause customers to exit the site and visit that of competitors.

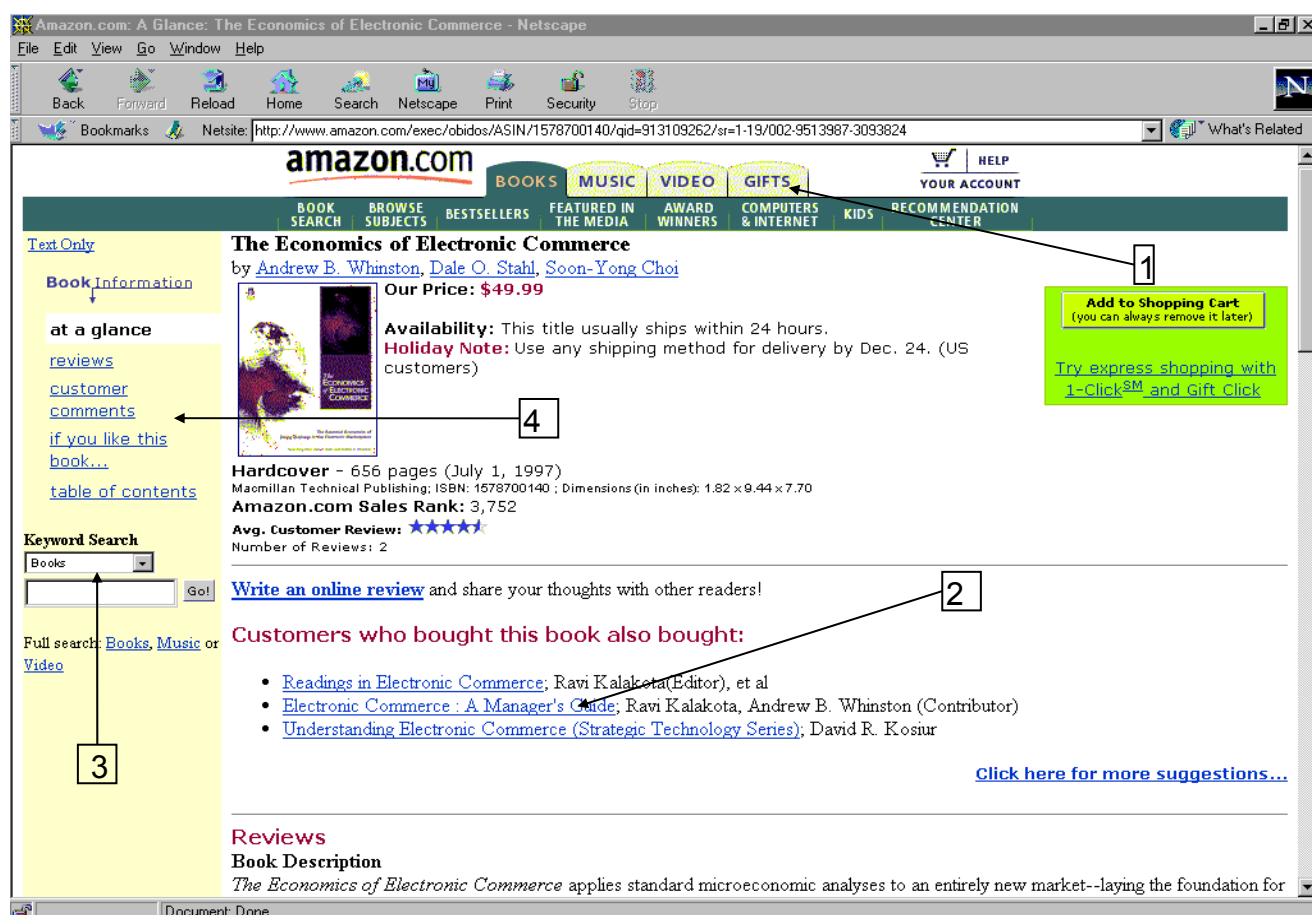
According to Nadler et al. (1997:178), navigation has two important functions, viz.,

1. Getting users to specific information quickly.
2. Assisting users to find their way around the site.

Berthon *et al.* (1996a:49) are of opinion that navigation should be easy and intuitive. Customers must be able to find the information they need quickly. Any problems that they may experience in finding the information can cause irritation, leading to the visitor leaving the site.

There are various forms of navigational aids which site designers can use for navigation. The use of four types of navigational tools on a Web page is depicted in Figure 4-7. These navigational tools are icons (1), text links (2), control bars (3) and site maps (4). Key word search, which was mentioned in the section regarding interactivity, can also be used to help visitors find specific information they need quickly.

Figure 4-7 Navigation aids in the Amazon.com home page



Source: <http://www.amazon.com>

Figure 4-7 depicts the home page of Amazon.com. The home page of Amazon.com provides various functions that users can use to get specific

information quickly. At the top of the page (see 1 in Figure 4-7), visitors can quickly choose whether they want to search for information on books, videos, music or gifts. The home page also uses hyperlinks (see 2 and 4 in Figure 4-7) to take visitors directly to specific information. Another navigational aid used on the site is the key word search function (see 3 in Figure 4-7). Visitors can type in key words regarding book topics, and the site will display possible matches in the database.

The research of Hoffman and Novak (1995) does not support the original notion of Berthon *et al.* (1996a:49), that navigation must be easy. According to Hoffman and Novak (1995:12) consumers move in and out the state of flow when they navigate in computer mediated environments, such as the Web. Hoffman, Novak and Yung (1998:30) define flow as a multidimensional construct that can be defined as a set of direct relationships among twelve unidimensional constructs and three Web usage variables. These 12 unidimensional constructs were identified by Hoffman *et al.* (1998:10) from sixteen key studies regarding flow, and are presented in Figure 4-8.

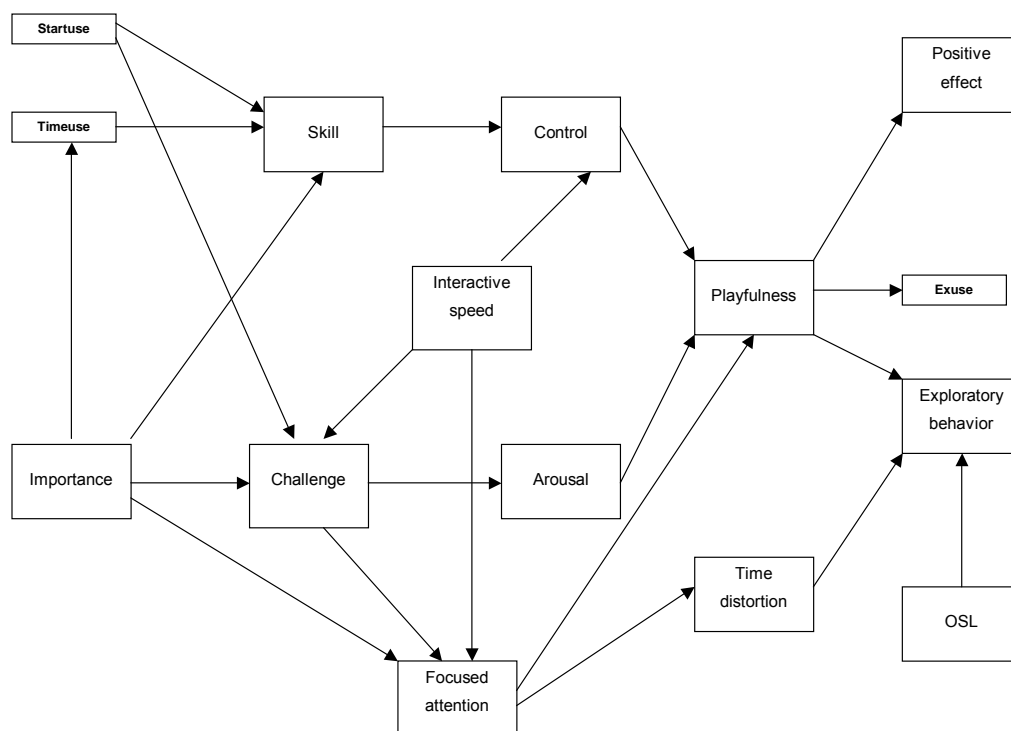
Figure 4-8 Flow constructs

	Arousal	Challenge	Control	Exploratory behaviour	Focused attention	Interactivity	Involvement	OSL	Playfulness	Positive effect	Skill	Tele-presence	Time distortion
Csikszentmihalyi (1977)			X		X	X	X						
Privette and Bundrick (1987)										X			
Csikszentmihalyi and Csikszentmihalyi (1988)		X				X					X		
Mannell, Zuzanek and Larson (1988)		X	X		X		X			X	X		
Massimini and Carli (1988)		X									X		
LeFevre (1988)		X									X		
Csikszentmihalyi and Lefevre (1989)		X									X		
Csikszentmihalyi (1990)			X		X		X			X			
Ghani, Supnick and Rooney (1991)		X	X		X					X	X		
Trevino and Webster (1992)			X	X	X				X	X			
Webster, Trevino and Ryan (1993)			X		X								
Clark and Haworth (1994)		X							X		X		
Ellis, Voelkl and Morris (1994)	X	X					X			X	X		
Ghani and Deshpande (1994)		X	X		X					X	X		
Lutz and Guirv (1996)					X								X
Hoffman and Novak (1996)		X			X	X		X			X	X	X

Source: Adapted from Hoffman *et al.* (1998:10)

These constructs, when organised into sets of antecedents and consequences, underlie the model of flow put forward by Hoffman *et al.* (1998:23). The model of flow is depicted in Figure 4-9, and embodies the components that make for a compelling on-line experience.

Figure 4-9 Model of flow



Source: Adapted from Hoffman *et al.* (1998:23)

The three Web usage variables in the model of flow are startuse, timeuse and exuse. Startuse refers to when the person started to use the Web, timeuse refers to how much time he/she personally devotes to using the Web, and exuse refers to the expected use of the Web in the coming year compared to the current usage level.

The model in Figure 4-9 indicates that timeuse and startuse predict the skill of the Internet user, and that challenge is predicted by startuse. Hoffman *et al.* (1998:30) indicate that skill and challenge are key antecedents of the flow experience. To experience flow while engaged in an on-line activity,

consumers must experience a balance between their skills and the challenges of the activity, and both their skills and challenges must be above a critical threshold (Hoffman *et al.*, 1998:2). The consequence of skill is control, whilst the consequence of challenge is arousal. Interactive speed, referring to the speed of interactions, influences the consumer's perception of control, challenge and focused attention during the interactions. Control, focused attention and arousal, as indicated by the model, lead to playfulness, which is an important indicator of flow. Playfulness leads to the consequences of positive effect, more exploratory behaviour on the Web, and greater expected Web use in the future. Exploratory behaviour is also predicted by time distortion, which is a consequence of focused attention.

The importance of the flow concepts lies in the consequences, viz., exploratory behaviour and positive effect. The empirical research of this study does not have to prove a relationship between the flow experience and contact efficiency. The model developed by Hoffman and Novak already indicates that the flow experience leads to exploratory behaviour. Therefore, it can be argued that flow could increase the contact efficiency of an advertising Web site. The research by Hoffman *et al.* (1998) appears to challenge the notion of Berthon *et al.* (1996a:50) that navigation should be easy. The research by Hoffman *et al.* (1998:30) implies that the user must find the navigation challenging. The impact of these two different opinions on contact efficiency will be tested in the empirical survey.

#### **4.7 GRAPHIC DESIGN AS A FACTOR OF CONTACT EFFICIENCY**

According to Nadler *et al.* (1997:167) graphic design as pertaining to a Web site refers to typography, images, colour and layout. Each of these design elements will be discussed in this section. Furthermore, documented research relating to the effect of graphic design elements on number of pages "visited", will also be presented.



- a) Typography has a dramatic effect in practically every major modern medium, from newspapers to television to individual correspondence (Nadler et al., 1997:167). Bovee and Arens (1992:358) support the notion that typography has tremendous importance in advertising and they define typography as the art of selecting and setting type.

Type can be divided into two classes: display type and text type (Bovee and Arens, 1992:358). Display type is larger and heavier than text type and is used in headlines, subheads, logos and addresses, and for emphasis in an advertisement. Smaller text type is used for body copy in an advertisement. According to Nadler et al. (1997:167) the font options on the Web include: bold, italic, underline, blinking, emphasised, text colour and heading levels.

- b) The most basic use of images is as a background for a page (Nadler et al., 1997:170). There are a wide variety of possibilities in terms of background colours. Historically, all Web sites had the same grey background. Then Web site designers explored the use of other colours, ranging from “traditional” colours such as paper white, to more exotic colours such as bright pink and multicoloured patterns. This increased flexibility in terms of background colours had the following implications for the Web site.

- Firstly, using complex backgrounds may slow down both transmission and display time, as more information needs to be exchanged between the Web server and the Web browser. Secondly, the Web page designer can never be sure of how the colour will be displayed on an unknown PC system.

Drezè and Zufryden (1997:85) tested the effect of two possible backgrounds on number of pages accessed and impact of time spend. They concluded the following:

1. A standard coloured background, *green*, used in the research, had a negative impact on time spent (not

statistically significant) and number of pages accessed (statistically significant).

2. The *tiled* background used by Drezè and Zufryden (1997:85) yielded a positive effect on number of pages accessed (marginally statistically significant) and a negative impact (statistically significant) on time spent at the Web site.

This research indicated that background as a Web site design element has some impact on the contact efficiency a Web site. In addition to this, exploring the impact of other Web site design elements can be useful in understanding factors that influence contact efficiency.

- Pictures and images provide a possible pitfall in the design of a Web site. The larger the picture is, the longer it takes to download. Long download times can upset net surfers, as they may become impatient, causing them to leave the site, in spite of the overall attractiveness. The research of Drezè and Zufryden (1997:85) concluded that large images have a negative impact on the number of pages accessed (statistically significant) and a negative impact on time spent on a site (not statistically significant).
  - Colour not only contributes to the attractive presentation of the products in the advertisement, but also to the overall attractiveness of an advertisement. According to Bovee and Aarens (1992:289), vibrant colours in advertisements can also be used to attract the attention of potential customers.
- c) The positioning and alignment of text and images on a page, also known as layout, contribute strongly to the feel of a site, as well as to its ease of use (Nadler et al., 1997:173). While HTML options are beginning to expand, the current options for layout are most easily split into three categories:

Frames: Frames can be defined as artificial subwindows created within the main browser window. It appears that frames fulfil the following roles:

- Functionally, frames enable users to change content on one section of a site (within a frame), while maintaining content in other frames.
- They keep a site organised.
- They improve navigation.

The research of Drezè and Zufryden (1997:87) concluded that the use of frames had a positive impact on the number of pages accessed (marginally statistically significant). The explanation provided for this in the research is that it provides effective linking to more pages. Conversely, frames had a negative impact (not statistically significant) on time spent at the Web site. Drezè and Zufryden (1997:87) reasoned that a possible explanation is that frames may provide too much ease in navigating through the site and hence a visitor may tend to spend less time on a site to satisfy his information or curiosity needs.

Tables: Grids created within a browser window through HTML tags. It appears that the main function of tables in a Web site is to organize text graphics in a defined format (Nadler et al., 1997:173).

Alignment: Can be defined as the position of objects with respect to a page, table or frame. Alignments are limited, but can still produce satisfying results if used in conjunction with frames and tables (Nadler et al., 1997:176).

This section identified typography, images, colour and positioning of text as possible Web site design factors that could influence the contact efficiency of an advertising Web site. These factors will be included in the questionnaire.

## 4.8 CONCLUSION

The purpose of this chapter was to develop a better understanding of the factors that can contribute to better contact efficiency. The literature presented in this chapter pointed out the following:

- Providing information, entertainment and purchase facilitation can create value. Furthermore, in developing the value proposition for the customer, the company should also consider addressing specific values of the customer.
- Interactivity refers to interaction between the customer and the Web site, the customer and a representative of the company, and also interaction between users. In addition to this, the literature also assisted in identifying twenty-two interactive functions. The influence of these interactive functions on converting “hits” into “visits” can be tested in the empirical survey.
- The literature also explored different views on navigation. Although Berthon *et al.* (1996a:49) are of opinion that the navigation must be easy, Hoffman and Novak (1995:12) argue that when the user experiences the navigation as challenging the results are positive effect and exploratory behaviour.
- Furthermore, the literature also presented documented research on graphic design elements and their influence on the number of pages accessed.

This chapter assisted in identifying possible factors that could influence the contact efficiency of an advertising Web site. This information will be used to design a questionnaire that will assist in isolating factors that could influence contact efficiency in advertising Web sites. In the next chapter the research methodology will be explained and the results of the empirical survey will be presented.

## **CHAPTER 5: EMPIRICAL RESEARCH AND FINDINGS**

### **5.1 INTRODUCTION**

The previous chapter identified and explored different factors that could enhance the contact efficiency stage of a Web site. The main factors that were documented in Chapter 4 can be categorized as: information, entertainment, customer values, interactivity, navigation and Web site design. The primary objective of this chapter is to determine the perceived influence of these factors on the contact efficiency of advertising Web sites. The researcher will make use of the experience and knowledge of respondents to determine the influence of these factors on contact efficiency. In addition to identifying these factors, this survey will provide an indication of what the respondents consider to be the most likely strategies to employ to improve the conversion rate of “hits” into “visits”.

This chapter will firstly explain the methodology of the empirical research in more detail. This section will revisit the research problem and explain the sampling procedure and information gathering process. In section 5.2.5 the tabulation plan will be presented and the statistical techniques used for data analysis will be discussed. This will be followed by presentation and discussion of the data gathered through the empirical survey.

### **5.2 METHODOLOGY**

#### **5.2.1 The research problem**

The overall problem investigated in this study was formulated as follows: What are the factors that influence contact efficiency in an advertising Web site? The reason for formulating this research problem is that an improved understanding of the factors that influence contact efficiency can assist advertisers in the process of converting “hits” into “visits”.

Given the above formulated research problem, the objective of the empirical research is to gain a better understanding of the extent to which the factors that were identified in the literature influence the contact efficiency stage of an advertising Web site.

### **5.2.2 Data collection method**

Based on the information collected from secondary sources, presented in Chapters 2-4, a questionnaire was constructed to resolve the research problem further. The questionnaire was used to gather the primary data of the study. The primary data was collected by means of a mail survey. This mail survey method of data collection was selected for the following reasons:

- Most of the questions in the questionnaire were to be answered on a scale. According to Dillon et al. (1994:149) a reason for not using telephone interviews is that respondents may tire very quickly if repeatedly exposed to similar scales on the telephone.
- Mail surveys can be used to collect large quantities of information (Kotler and Armstrong, 1999:112). The questionnaire used in the survey consisted of 63 questions and statements. Asking these questions and explaining all the possible options via a telephone would be very time consuming, costly and the respondent could also lose interest. This is another reason why a telephone survey was not conducted.
- The sample included 299 respondents from all over South Africa. Mail surveys are usually best suited when conducting market research over a large geographical area. The geographical distance made personal interviews cost ineffective, and the sample size included too many respondents for personal interviews. The geographical dispersion of the respondents also made focus groups ineffective.

### **5.2.3 Selecting the sample**

According to Dillon et al. (1994:42) designing a sampling plan includes three steps. Firstly, the researcher must precisely define who should participate in

the study. Secondly, the researcher must devise a method for identifying and reaching those eligible to participate in the study. And thirdly, the researcher must determine how many respondents to include. These three steps were applied as follows in the study.

The target population was identified as marketing directors of the companies included in the Financial Mail Top Company Survey 2000. The Financial Mail Top Company Survey (2000) included 299 companies. The primary reason for selecting marketing directors was that drawing a representative sample of the South African Internet user population would be problematical. Drawing a sample according to industry standards (Dillon *et al.*, 1994:235) would mean that only 0,0163 percent of Internet users (calculation is based on NUA December 2001 statistics for Internet users in South Africa) would participate in the study. This sample size might not be enough to be representative of the population. Other reasons for addressing the questionnaire to marketing directors were the following:

- Marketing directors were specifically selected as the study attempts to understand the factors that influence contact efficiency from a marketing strategy-design perspective.
- Addressing the questionnaire to the marketing director would also mean that the most senior marketing individual in the company would complete the questionnaire. Although the questionnaire was addressed to the marketing director of the company, it could happen that an individual with a different job description completed the questionnaire. Only 69,1 percent of the respondents were in marketing related jobs and 2 of the respondents had Internet marketing related job descriptions. Since the other questionnaires were completed by individuals with non-marketing related job descriptions, it appears that in some companies the responsibility of the Internet marketing initiative was passed on to individuals outside the marketing department.
- Another benefit of addressing the questionnaire to marketing directors was that the study could draw on the Internet marketing knowledge and experience of these individuals.

The Financial Mail Top Company Survey (2000) was selected as the target population for the following reasons:

- The survey is a widely used and recognised source in South Africa.
- The Bureau Financial Analysis at the University of Pretoria provided an address list for the companies included in the survey. This enabled the researcher to reach the companies by mail.

Since the target population only included 299 companies, all the companies would be included in the sample. Therefore, the sample size was 299.

#### **5.2.4 The questionnaire**

The questionnaire (Annexure A) used in the survey consisted of six main sections. The sections are as follows:

Section A: The first section comprised a number of questions regarding the role of the marketing manager in the design of the Web site and management of the contact efficiency stage. The primary objective of this section was to determine the role of the marketing manager in the management of the contact efficiency stage. Furthermore, this section contributed to understanding the importance of the contact efficiency stage.

Section B: The study identified a number of factors that could have an effect on the value created in a Web site. Section B focused on determining the extent to which the respondents agreed, in their opinions, that the identified factors created an incentive to “visit” a Web site.

Section C: Research presented by Berthon et al. (1996a:50) indicates that interactivity plays an important role in the contact efficiency stage. Chapter 4 section 4.5 identified 24 different types of interactive functions that can be used in a Web site. The objective of section C was to determine the influence of each interactive function, according to the respondents, on the user’s decision to “visit” a Web site.

Section D: As with the previous section of the questionnaire, the research by Berthon et al. (1996a:50) also lists navigation as an important factor that



influences the contact efficiency of a Web site. Section D investigated the navigation considerations identified from the literature study.

Section E: Five important Web site design issues were identified in the previous chapter. Section E of the questionnaire aimed at determining the impact of each of these factors on the contact efficiency stage.

Section F: The final section of the questionnaire collected demographic information regarding the respondents. In addition to this, information on the computer literacy, Internet marketing knowledge, and the type of product sold by the company was collected. Using this information in cross-tabulations and other statistical manipulations could contribute to achieving the overall objective of the study.

### **5.2.5 Tabulation and data analysis**

After the questionnaires had been received from the respondents they were inspected to determine if they were acceptable for use in the study. The criteria proposed by Dillon et al. (1994:44) to determine if a questionnaire is acceptable for use, were applied to the returned questionnaires. The completed questionnaires were checked for key questions that were unanswered, questions that may have been answered improperly, and to determine if the questionnaire had been completed by an individual who should have been excluded from participation. After this process was completed, the data of the usable questionnaires was analysed. The tabulation plan initially involved the developing of frequency tables of the responses to each question. In addition to this, a number of cross-tabulations were presented. According to Dillon et al. (1994:403) frequency distributions are useful for summarizing responses to specific questions. Cross-tabulations are an extension of frequency distributions and are a common method of describing two or more variables at a time (Dillon et al., 1994:405).

Furthermore, the data analysis also included the *Pearson product moment correlation coefficient* to measure the correlation between independent and dependent variables. This correlation is a measure of the strength of the linear

relationship between two variables  $x$  and  $y$  in a sample (Sincich, 1995:619). It is denoted as follows:

$$r = \frac{SS_{xy}}{\sqrt{SS_{xx} SS_{yy}}}, \quad -1 \leq r \leq 1$$

Where,

$$SS_{xy} = \sum_{xy} - \frac{(\sum x)(\sum y)}{n}$$

$$SS_{xx} = \sum_{xy}^2 - \frac{(\sum x)^2}{n}$$

A value of  $r$  near or equal to 0 implies little or no linear relationship between  $y$  and  $x$ . And, if  $r=1$  or  $r=-1$ , all the points fall exactly on the least square line. Positive values of  $r$  imply that  $y$  (dependent variable) increases as  $x$  (independent variable) increases; negative values imply that  $y$  decreases as  $x$  increases.

In addition to calculating  $r$ , the  $p$ -value was calculated for each of the correlations. The  $p$ -value was calculated by using the SPSS (Statistical Package for the Social Sciences). The  $p$ -value is the smallest value for  $\alpha$  for which a test result is considered statistically significant (Ingram and Monks, 1989:387). By calculating the  $p$ -value, it can be determined if a statistically significant correlation exists between the dependent and the independent variable.

### 5.3 RESULTS OF THE EMPIRICAL SURVEY

This section presents the results of the empirical survey. In sections 5.3.1 frequency tables are used to summarize the responses of the respondents. In

addition to this, graphs and other tables are used to present the data. Cross-tabulations are presented in sections 5.3.2. And lastly, in section 5.3.3, Pearson product moment coefficient of correlation matrixes are presented to illustrate correlations between independent and dependent variables.

### 5.3.1 Frequency tables

#### 5.3.1.1 Question 1: The role of the marketing manager in the design of a company's Web site

Seventy-two comma seven (72,7) percent of the respondents strongly agreed that the marketing manager should play a role in the design of a company's Web site (see Table 5-1).

Table 5-1 The role of the marketing manager in the design of the Web site

	N	%
Did not answer the question	0	0
Strongly disagree	0	0
Disagree	1	1.8
Neither agree nor disagree	2	3.6
Agree	12	21.8
Strongly agree	40	72.7
TOTAL	55	100*

\*The percentages in the columns have been rounded off to the first decimal. Consequently, the percentages in a column may count up to 99.9 or 100.1. These totals are rounded off to 100. This principle applies to all tables in this study.

A further 21,8 percent of the respondents also agreed with the statement. In total, almost 95 percent of the respondents agreed to some degree that the marketing manager should play a role in the design of the company's Web site. Two of the respondents indicated that they could neither agree nor disagree with the statement. This showed that these 2 respondents appeared to be uncertain regarding the role of the marketing manager in the design of a company's Web site.

Conclusion: From the findings of the empirical survey it appears that the respondents are of the opinion that the marketing manager should participate in the design of the Web site.

### **5.3.1.2 Question 2: The conversion of “hits” into “visits” is an important part of the overall efficiency of a Web site**

Ninety-six comma four (96,4) percent of the respondents in total either agreed or strongly agreed that the contact efficiency stage is an important part of the overall efficiency of a Web site. More than two thirds of the respondents (67,3 percent) strongly agreed with the statement and a further 29,1 percent agreed with the statement. What is more, there appeared to be very little uncertainty among the respondents regarding the importance of the contact efficiency stage. Only 1 of the respondents neither agreed nor disagreed with the statement.

Table 5-2 The conversion of “hits” into “visits” is important

	<b>N</b>	<b>%</b>
Did not answer the question	0	0
Strongly disagree	0	0
Disagree	1	1.8
Neither agree nor disagree	1	1.8
Agree	16	29.1
Strongly agree	37	67.3
TOTAL	55	100

Conclusion: The majority of the respondents supported the argument by Berthon et al (1996a:50) that the conversion of “hits” into “visits” is important to the overall efficiency of a Web site.

### 5.3.1.3 Question 3: The marketing manager should be responsible for developing a Web site strategy to convert “hits” into “visits”

According to the results of the survey tabulated in Table 5-3, 47,3 percent (26 respondents) strongly agreed that the marketing manager should be responsible for developing Web site strategies to convert “hits” into “visits”.

Table 5-3 The marketing manager should be responsible for developing a Web site strategy to convert “hits” into “visits”

	N	%
Did not answer the question	0	0
Strongly disagree	0	0
Disagree	1	1.8
Neither agree nor disagree	5	9.1
Agree	23	41.8
Strongly agree	26	47.3
TOTAL	55	100

Additionally, 41,8 percent of the respondents also agreed with this question, while 9,1 percent of the respondents neither agreed nor disagreed with the statement.

Conclusion: The majority of the respondents are of the opinion that marketing managers should be responsible for the development of strategies to convert “hits” into “visits”.

### 5.3.1.4 Question 4: Providing product related information is an incentive to improve contact efficiency

The theoretical study identified product-related information as a possible incentive to improve the contact efficiency of a Web site. This question was asked to determine if the respondents support the theoretical study that product related information could be used as an incentive.

More than half of the respondents (almost 50,9 percent) agreed with the statement (see Table 5-4). They were supported by an additional 27,3 percent of the respondents who strongly agreed with the statement, while only 14,5 percent of the respondents neither agreed nor disagreed. Very few of the respondents, only 7,3 percent, disagreed to some extent with the statement.

Table 5-4 Product-related information is an incentive

	N	%
Did not answer the question	0	0
Strongly disagree	1	1.8
Disagree	3	5.5
Neither agree nor disagree	8	14.5
Agree	28	50.9
Strongly agree	15	27.3
TOTAL	55	100

Conclusion: More than three quarters of the respondents perceive product related information as an incentive to convert “hits” into “visits” at a Web site. These results further confirm the use of product information as an incentive to improve the conversion rate of the contact efficiency stage.

#### **5.3.1.5 Question 5: Entertainment is an incentive that can be used to improve contact efficiency**

It appeared that some uncertainty surrounded the use of entertainment as an incentive among the respondents. From Table 5-5 it appears that 38,2 percent of the respondents neither agreed nor disagreed with the use of entertainment as an incentive to convert “hits” into “visits”. What is more, 29,1 percent of the respondents disagreed with the statement and 7,3 percent strongly disagreed. Only 14,5 percent of the respondents agreed with the statement and another 10,9 percent of the respondents strongly agreed.

Table 5-5 Entertainment is an incentive

	N	%
Did not answer the question	0	0
Strongly disagree	4	7.3
Disagree	16	29.1
Neither agree nor disagree	21	38.2
Agree	8	14.5
Strongly agree	6	10.9
TOTAL	55	100

Conclusion: The results of the survey do not conclusively support the literature on this issue. It appears that the respondents do not view entertainment as an important incentive to convert “hits” into “visits”.

#### **5.3.1.6 Question 6: Offering on-line ordering of products is an incentive that can be used to improve contact efficiency**

Thirty-six comma four (36,4) percent of the respondents strongly agreed that on-line ordering of products is an incentive, while 50,9 percent of the respondents agreed with the statement. As with the response concerning information as a potential incentive, there was little uncertainty existed among the respondents regarding the use of on-line ordering. Only 9,1 percent indicated uncertainty by neither agreeing nor disagreeing with the statement.

Table 5-6 On-line ordering as an incentive

	N	%
Did not answer the question	0	0
Strongly disagree	1	1.8
Disagree	1	1.8
Neither agree nor disagree	5	9.1
Agree	28	50.9
Strongly agree	20	36.4
TOTAL	55	100

Conclusion: The responses to this question also support the literature that on-line ordering can be used as an incentive to improve the contact efficiency of a Web site.

### 5.3.1.7 Question 7: Offering on-line purchasing is an incentive to improve contact efficiency

The use of on-line purchasing as an incentive to improve contact efficiency was also tested in the empirical survey. As in the case of on-line ordering, a substantial group of the respondents (85,5 percent) either agreed or strongly agreed with the question. Few respondents showed uncertainty; only 4 of the respondents neither agreed nor disagreed with the question.

Table 5-7 On-line purchasing as an incentive

	N	%
Did not answer the question	1	1.8
Strongly disagree	1	1.8
Disagree	2	3.6
Neither agree nor disagree	4	7.3
Agree	25	45.5
Strongly agree	22	40
TOTAL	55	100

Conclusion: According to a large group of the respondents, offering on-line purchasing can be used as an incentive to improve contact efficiency. The survey results on on-line ordering and purchasing further support the findings of the literature that purchase facilitation can be used as an incentive for customers to “visit” a Web site.

### 5.3.1.8 Question 8: Type of entertainment

According to the literature entertainment could be categorized into product related entertainment and non-product related entertainment. The question asked to the respondents concerned the type of entertainment that is the best



incentive to convert “hits” into “visits”. Tabulation of the responses (Table 5-8) indicated that the respondents nominated product related entertainment (50,9 percent) as the best type of entertainment to be used as an incentive. Only 12,7 percent of the respondents indicated that non-product related entertainment is the best incentive. In addition to this, 25,5 percent of the respondents are of the opinion that the type of entertainment does not matter.

Table 5-8 Best type of entertainment to convert “hits” into “visits”

	N	%
Did not answer the question	6	10.9
Product related entertainment	28	50.9
Non-product related entertainment	7	12.7
Type of entertainment does not matter	14	25.5
TOTAL	55	100

Conclusion: According to these results it appears that product related information is perceived as the most useful type of entertainment to convert “hits” into “visits”.

#### **5.3.1.9 Questions 9 – 18: The influence of the customer values identified by Gascoyne on contact efficiency**

Gascoyne identified ten customer values (Chapter 4 section 4.4.4.1) that could be included in the value proposition. The respondents were asked to rate the influence of each of these factors on converting “hits” into “visits”. The results are presented in Table 5-9. From Table 5-9 the following can be reported on each of the listed customer values.

Convenience: The majority of respondents (65,5 percent) indicated that convenience in the use of the Web site has a strong influence in the decision of an Internet user to “visit” a Web site. A quarter of the respondents (25,5 percent) rated the influence of convenience as 4 on a 5 point scale. Only 7,3 percent of the respondents rated convenience as 3 on a 5 point scale. Very few respondents (only 1,8 percent) indicated that convenience in the use of

the Web site has no influence on the Internet user's decision to "visit" a Web site.

Table 5-9 The influence of customer values in converting "hits" into "visits"

	Customer values											
	Did not answer		1 No influence		2		3		4		5 Strong Influence	
	N	%	N	%	N	%	N	%	N	%	N	%
Convenience			1	1.8			4	7.3	14	25.5	36	65.5
Transparency	1	1.8					13	23.6	14	25.5	27	49.1
Guaranteed fulfilment			1	1.8			6	10.9	12	21.8	36	65.5
Security			1	1.8	3	5.5	2	3.6	9	16.4	40	72.7
Education					6	10.9	16	29.1	16	29.1	17	30.9
Personalization			1	1.8	9	16.4	15	27.3	13	23.6	17	30.9
Proactivity			1	1.8	4	7.3	11	20	24	43.6	15	27.3
Timeliness of information			1	1.8			4	7.3	12	21.8	38	69.1
Choice					2	3.6	11	20	24	43.6	18	32.7
Interaction			3	5.5	16	29.1	23	41.8	4	7.3	9	16.4

Transparency: Almost half of the respondents (49,1 percent) agreed that transparency (defined as the easy movement from one site to another that provides additional information) has a strong influence on the decision of an

Internet user to “visit” a Web site. Approximately a quarter of the respondents (25,5 percent) rated the influence of transparency as 4 on a 5 point scale. Less than a quarter of the respondents (23,6 percent) rated the influence of transparency on the contact efficiency of a Web site as 3 on a 5 point scale.

Guaranteed fulfilment: Most of the respondents (65,5 percent) rated the influence of guaranteed fulfilment as a very strong influence on the Internet user’s decision to “visit” a Web site. Twenty-one comma eight (21,8) percent of the respondents rated the influence as 4 on a 5 point scale. Only 10,9 percent of the respondents rated the influence as 3 on a 5 point scale.

Security of electronic transactions: The theoretical study suggests that security is an important factor to consider when selling products or services on the Internet. Almost three quarters of the respondents (72,7 percent) indicated that they felt that security has a strong influence in the Internet user’s decision to “visit” a Web site. This response further emphasizes the importance of security for the customer.

Educating the user on product usage or benefits: Only 30,9 percent of the respondents indicated that educating the user on product usage or benefits is perceived to have a strong influence of the Internet user’s decision to visit Web site. Twenty-nine comma one (29,1) percent of the respondents respectively rated the influence of this interactive function as 3 on a 5 point scale or as 4 on a 5 point scale.

Personalization: Thirty comma nine (30,9) percent of the respondents indicated that personalization could be used as a strong influence to convert more “hits” into “visits”. Another 23,6 percent of the respondents rated it as 4 on a 5 point scale, and 27,3 percent rated it as 3 on a 5 point scale.

Proactivity: Only 27,3 percent of the respondents indicated that proactivity has a strong influence on the decision of the Internet user to “visit” a Web site. Another 43,6 percent of the respondents rated the influence of proactivity as 4 on a 5 point scale, while 20 percent rated it as 3 on a 5 point scale.

Timeliness: A sizeable group of the respondents showed agreement on the influence of timeliness as a factor that influences the number of “hits” converted to “visits”. More than two thirds of the respondents (69,1 percent) pointed out that timely information provides a strong influence on the Internet user’s decision to “visit” a Web site. Another 21,8 percent of the respondents rated the influence as 4 on a 5 point scale.

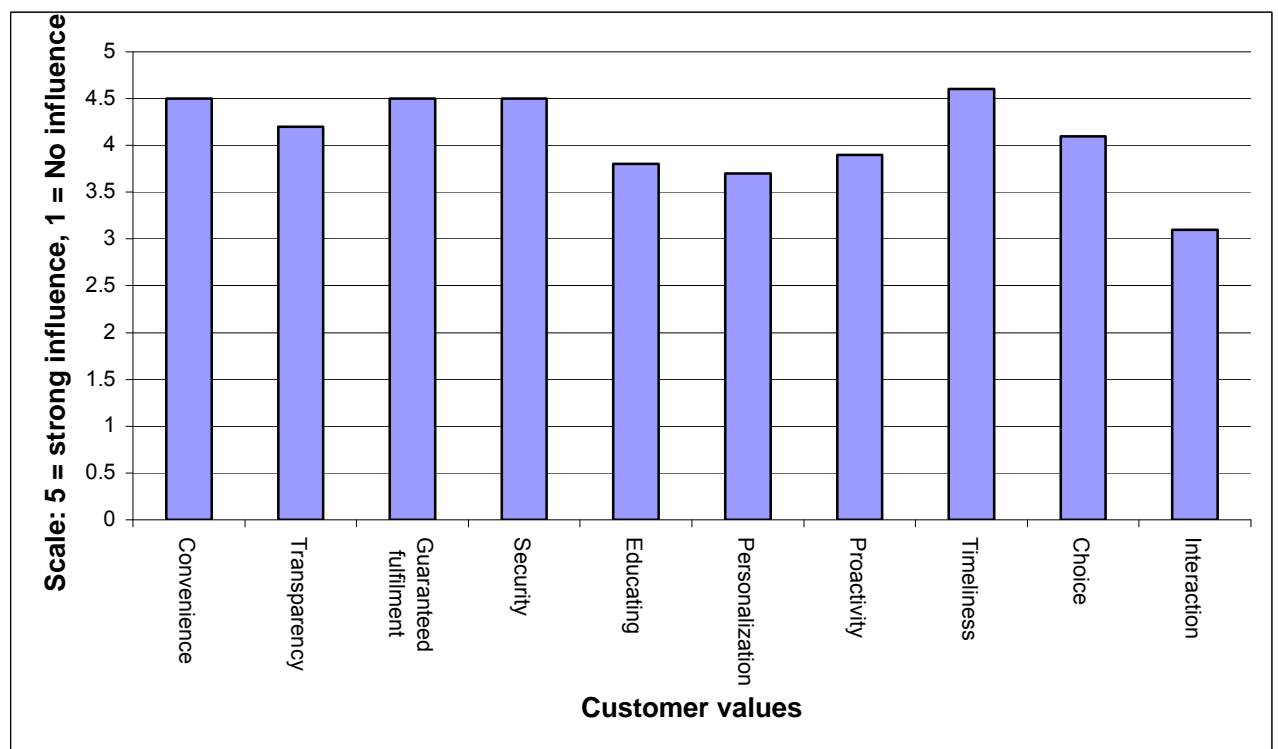
Choice: Just less than one third of the respondents (32,7 percent) were of opinion that providing product options and product diversity for the customer has a strong influence in the decision to “visit” the Web site. A further 43,6 percent of the respondents rated the influence of choice on converting “hits” into “visits” as 4 on a 5 point scale.

Interaction: The responses imply that interaction has less of an influence on the perceived decision of the Internet user to “visit” a Web site. Forty-one comma eight (41,8) percent of the respondents rated it as 3 on a 5 point scale rating. Another 21,9 percent of the respondents rated the influence of interaction on converting Web site “hits” into “visits” as 2 on a 5 point scale.

The analysis of the responses as tabulated in Table 5-9 does not provide a conclusive answer regarding the perceived usefulness of the listed customer values. Further manipulation of this data will include calculating the mean for each customer value. The results of this calculation are reflected in Graph 5-1.

Graph 5-1 indicates that updated and immediately available information has the highest mean of all the factors depicted in the graph. Furthermore, security, convenience and guaranteed fulfilment are jointly perceived by the respondents as the second most important customer values that could influence the decision of the Internet user to “visit” a Web site. Respectively, the respondents perceived personalization to be a less strong customer value influencing contact efficiency. Even more surprisingly, the respondents rated interaction overall as the value factor with the least possible influence on the Internet user’s decision to “visit” a Web site.

Graph 5-1 Mean for each customer value



**Conclusion:** According to the respondents, timely and updated information is the most important customer value to address. Furthermore, the customer values can be ranked from strongest possible influence to least possible influence using the mean of each value factor. According to the respondents, this will indicate which customer values have the strongest influence on the Internet user's decision to "visit" a Web site. This ranking is presented in Table 5-10.

Table 5-10 Ranking the value factors

Rank	Value Factor
1	Timeliness of information
2	Security / Convenience / Guaranteed fulfillment
3	Transparency
4	Choice
5	Proactivity
6	Educating
7	Personalization
8	Interaction

### 5.3.1.10 Questions 19 – 23: Types of product information

The theoretical study identified five types of product related information that could be included in a Web site. The respondents rated the extent to which a marketing manager could use each of the types of product related information as an incentive to convert “hits” into “visits”. According to the respondents information on product benefits has the highest use as an incentive. A more detailed discussion of the results are presented below:

Table 5-11 Types of product related information

	Product features		Product benefits		Comparison with previous products		Comparison with competitive products		Links	
	N	%	N	%	N	%	N	%	N	%
Did not answer	1	1.8	2	3.6	2	3.6	1	1.8	1	1.8
1 (Low use)	1	1.8	0	0	1	1.8	3	5.5	1	1.8
2	3	5.5	1	1.8	14	25.5	12	21.8	3	5.5
3	13	23.6	11	20.0	13	23.6	10	18.2	24	43.6
4	17	30.9	19	34.5	17	30.9	19	34.5	14	25.5
5 (High use)	20	36.4	22	40.0	8	14.5	10	18.2	12	21.8
TOTAL	55	100	55	100	55	100	55	100	55	100

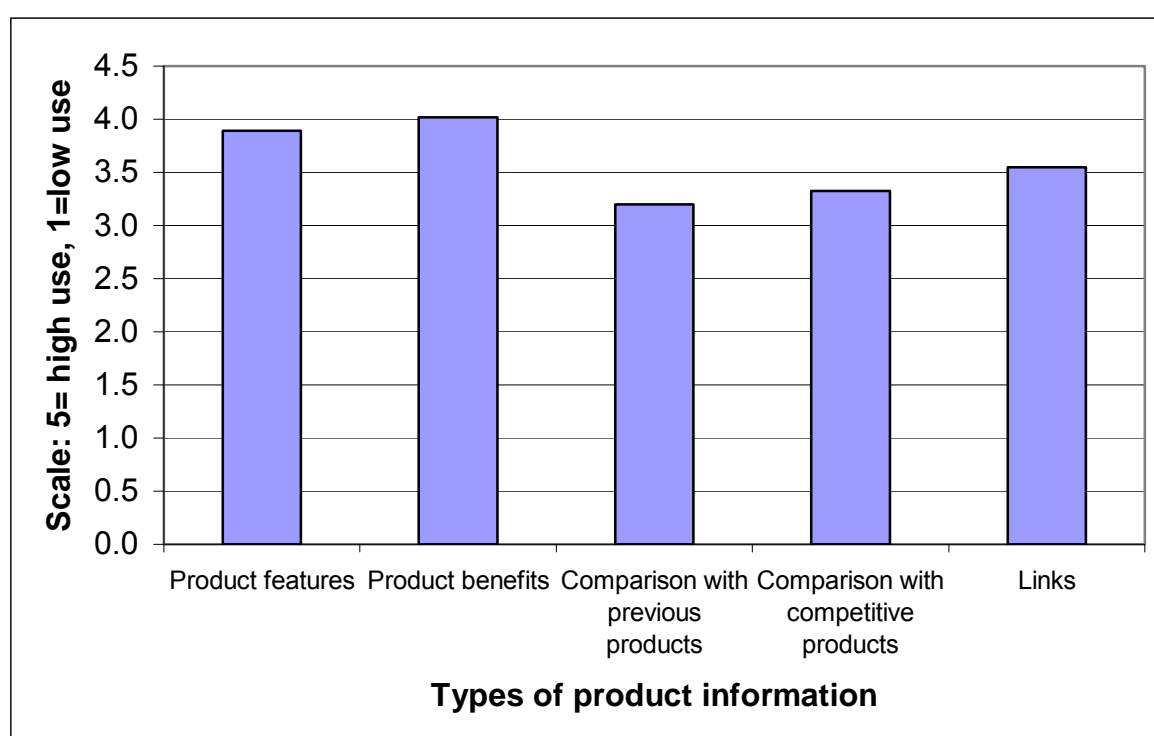
Table 5-11 presents a summary of the responses. The main results regarding each type of product related information are the following:

Product features: Thirty-six comma four (36,4) percent indicated that product features have a high use as an incentive for Web site visitors. Furthermore, 30,9 percent of the respondents also rated the use as 4 on a 5 point scale.

Results on product benefits: Forty (40) percent of the respondents indicated that product benefits have a high use as an incentive for Web site visitors. Another 34,5 percent of the respondents rated the use as 4 on a 5 point scale.

Comparison with previous products: Only 14,5 percent of the respondents indicated that this type of product information has a high use as an incentive to convert “hits” into “visits”. In addition, it appears that this type of product related information has the lowest use as an incentive, according to Graph 5-2. Graph 5-2 depicts the mean of each type of product related information tested in the survey. The mean of the responses for this type of product related information was 3,3. This is the lowest mean of all five of the types of product related information included in the empirical research.

Graph 5-2 Mean for each type of product related information



Comparison with competitive products: Eighteen comma two (18,2) percent of the respondents indicated that this type of information has a high use for them. More that a third of the respondents (34,5 percent) rated the usefulness of this types of product related information as 4 on a 5 point scale. The mean for this type of product related information was the second lowest, as illustrated by Graph 5-2.

Links to other sites related to the product: Only 21,8 percent of the respondents indicated that this type of product related information has a

perceived high use. Twenty-five comma five (25,5) percent of the respondents rated the influence as 4 on a 5 point scale.

Conclusion: The respondents indicated that in their opinions, information on product benefits is the most useful type of product information that can be used as an incentive to convert “hits” into “visits”. Product features are also important, while comparisons with previous products were rated as the least important of the five types of product related information.

#### **5.3.1.11 Questions 24 – 47: Interactive functions**

The respondents were asked to indicate whether they felt that a specific type of interactive function has a strong or less strong influence on the Internet user’s decision to “visit” the Web site. Their responses are tabulated in Table 5-12. From Table 5-12 the following can be reported on each interactive function.

Downloading of software: The largest percentage of respondents (30,9 percent) rated this interactive function as 3 on a 5 point scale. A sizeable group of respondents (29,1 percent) rated the influence as 4 on a 5 point scale.

On-line forms for customer feedback: Only 18,2 percent of the respondents rated this interactive function as having a strong influence on the Internet user’s decision to “visit” a Web site. In addition, 32,7 percent of the respondents rated it as 4 on a 5 point scale, and 25,5 percent rated it as 3 on a 5 point scale.

On-line forms for customer inquiries: In total, 69,1 percent of the respondents rated the influence of this interactive function as 4/5 on a 5 point scale.

On-line forms for customer comments: The majority of the respondents (87,3 percent) rated the influence of this interactive function as 3/4/5 on a 5 point scale.



Table 5-12 Types of interactive functions

	Did not answer		1 (No influence)		2		3		4		5 (Strong influence)	
	N	%	N	%	N	%	N	%	N	%	N	%
Downloading of software	1	1.8	4	7.3	7	12.7	17	30.9	16	29.1	10	18.2
On-line forms for customer feedback	0	0	2	3.6	11	20	14	25.5	18	32.7	10	18.2
On-line forms for customer inquiries	0	0	0	0	2	3.6	15	27.3	24	43.6	14	25.5
On-line forms for customer comments	0	0	2	3.6	5	9.1	20	36.4	18	32.7	10	18.2
Download images to save as screen saver	0	0	9	16.4	21	38.2	17	30.9	6	10.9	2	3.6
On-line problem diagnostics	0	0	2	3.6	8	14.5	15	27.3	21	38.2	9	16.4
Order status checking	0	0	1	1.8	4	7.3	11	20	18	32.7	21	38.2
Site survey	0	0	6	10.9	14	25.5	21	38.2	8	14.5	6	10.9
Product survey	1	1.8	1	1.8	6	10.9	29	52.7	11	20	7	12.7
New product proposal	1	1.8	0	0	8	14.5	28	50.9	10	18.2	8	14.5
Key word search	0	0	0	0	3	5.5	18	32.7	16	29.1	18	32.7
Personal helper choice	0	0	0	0	3	5.5	11	20.0	22	40	19	34.5
Virtual-reality presentations	1	1.8	0	0	2	3.6	17	30.9	16	29.1	19	34.5
Dealer locator	0	0	1	1.8	1	1.8	15	27.3	20	36.4	18	32.7
Electronic coupon	1	1.8	6	10.9	10	18.2	16	29.1	18	32.7	4	7.3
On-line ordering of goods	0	0	2	3.6	2	3.6	5	9.1	23	41.8	23	41.8
On-line games and contests	0	0	9,1	16.4	11	20	19	34.5	11	20	5	9.1
Push media	0	0	3	5.5	8	14.5	22	40	16	29.1	6	10.9
Interactive job placements	0	0	4	7.3	14	25.5	23	41.8	11	20	3	5.5
Electronic postcards	1	1.8	5	9.1	19	34.5	24	43.6	6	10.9	1	0
Surfer postings	1	1.8	10	18.2	21	38.2	15	27.3	8	14.5	1	0
Usergroup	1	1.8	3	5.5	21	38.2	22	40	6	10.9	2	3.6
Games	2	3.6	11	20	19	34.5	14	25.5	4	7.3	5	9.1
Multimedia presentations	0	0	1	1.8	5	9.1	21	38.2	20	36.4	8	14.5

Downloading images to save as screen saver: More than a third of the respondents (38,2 percent) rated this interactive function as 2 on a 5 point scale. Sixteen-comma-four (16,4) percent of the respondents also indicated that this interactive function has no influence on the Internet user's decision to "visit" a Web site.

On-line problem diagnostics: It appears that the respondents are more positive regarding the influence of this interactive function on the Internet user's decision to "visit" a Web site. A number of respondents (27,3 percent)

rated it as 3 on a 5 point scale; 38,2 percent rated it as 4 on a 5 point scale; and 16,4 percent rated it as a strong influence. The cumulative total of these three categories is 81,9 percent of the respondents.

Order status checking: It also appears that this interactive function has a strong influence on the decision of an Internet user to “visit” a site or not. Almost 91 percent of the respondents either indicated a 3, or 4, or a 5, on the 5 point scale.

Site survey: The largest group of respondents (38,2 percent) rated this influence of this interactive function as 3 on a 5 point scale. The second largest group (25,5 percent) rated this interactive function as 2 on a 5 point scale. These two groups together make up 63,7 percent of the total number of respondents. According to these findings it appears that this interactive function does not have a strong influence on a customer’s decision to “visit” a Web site.

Product survey: More than half of the respondents (52,7 percent) rated the influence of this interactive function as 3 on a 5 point scale. A further 20 percent of the respondents rated it as 4 on a 5 point scale.

New product proposal: The results of this interactive function are almost the same as the product survey. More than half of the respondents (50,9 percent) rated the influence as 3, while 18,2 percent rated it as 4 on the 5 point scale, and 14,5 percent rated it as a strong influence.

Keyword search: Almost ninety-five (95) percent of the respondents rated the influence of this interactive function either as 3, or 4, or 5, on a 5 point scale. Thirty-two comma seven (32,7) percent of the respondents agreed that this interactive function has a strong influence on the Internet user’s decision to “visit” a Web site.

Personal helper choice: The results of this interactive function are almost similar to those of the key word function. Again, nearly 95 percent of the respondents rated it as 3, or 4, or 5, on a 5 point scale.

Virtual reality presentations: More than a third of the respondents (34,5 percent) indicated that this interactive function has a strong influence on the Internet user's decision to "visit" a Web site. More respondents (29,1 percent) rated the influence of this interactive function as 4 on a 5 point scale.

Dealer locator: Almost a third of the respondents (32,7 percent) indicated that this interactive function has a strong influence on the Internet user's decision to "visit" a Web site. More than a third (36.4 percent) of the respondents rated the influence of this interactive function as 4 on a 5 point scale. Twenty-seven comma three (27,3) percent of the respondents rated the influence of this interactive function as 3 on the scale. Only one of the respondents indicated that this interactive function has no influence on the Internet users decision to "visit" a Web site.

Electronic coupon: Only 7,3 percent of the respondents indicated that electronic coupons have a strong influence in on the Internet user's decision to "visit" a Web site. A third of respondents (32,7 percent) rated this interactive function as 4 on a 5 point scale, and 29,1 percent of the respondents rated the influence of this interactive function as 3 on a 5 point scale. Almost eleven percent of the respondents (10,9 percent) indicate that electronic coupons have no influence on the Internet user's decision to "visit" a Web site.

On-line ordering of goods: Almost half of the respondents (41,8 percent) indicated that on-line ordering has a strong influence on the Internet user's decision to "visit" a Web site. The same number of respondents rated the influence of on-line ordering as 4 on a 5 point scale. Only 3,6 percent of the respondents indicated that on-line ordering has no influence on the Internet user's decision to "visit" a Web site.

On-line games and contests: Sixteen comma four (16,4) percent of the respondents perceived on-line games and contests to have no influence on the Internet user's decision to "visit" a Web site. Only 9,1 percent of the respondents perceived this interactive function to have a strong influence. This was supported by 20 percent of the respondents who perceived the influence as 4 on a 5 point scale. Besides this, 34,5 percent of the respondents rated the influence of interactive functions as 3 on a 5 point scale.

Push media: The largest group of respondents (40 percent) rated the influence of this interactive function as 3 on a 5 point scale. Twenty-nine comma one (29,1) percent of the respondents rated it as 4 on a 5 point scale. Another 10,9 percent indicated that it has a strong influence on the Internet user's decision to "visit" a Web site. Only 5,5 percent of the respondents indicated that push media have no influence on the Internet user's decision to "visit" a Web site.

Interactive job placements: The largest group of respondents (41,8 percent) rated the influence of interactive job placements as 3 on a 5 point scale. The second largest group of respondents (25,5 percent) rated the influence of interactive job placements on the Internet users decision to "visit" a Web site as 2 on a 5 point scale.

Electronic postcards: None of the respondents perceived that electronic postcards have a strong influence on the Internet user's decision to "visit" a Web site. Forty-three comma six (43,6) percent of the respondents rated the influence of this interactive function as 3 on a 5 point scale. Nine comma one (9,1) percent of respondents indicated that electronic postcards do not have an influence on the Internet users decision to "visit" a Web site.

Surfer postings: Eighteen comma two (18,2) percent of the respondents indicated that surfer postings do not have an influence on the Internet users decision to "visit" a Web site. None of the respondents indicated that it has a strong influence on the Internet user's decision, and 27,3 percent of the

respondents rated the influence of this interactive function as 3 on a 5 point scale. More than a third of the respondents (38,2 percent) rated the influence of this interactive function as 2 on a 5 point scale.

User Group: The largest percentage of respondents (40 percent) rated the influence of user groups as 3 on a 5 point scale. Thirty-eight comma two (38,2) percent of the respondents rated the influence of this interactive function as 2 on a 5 point scale, and 10,9 percent of the respondents rated the influence as 4 on a 5 point scale. Only 3,6 percent of the respondents indicated that user groups have a strong influence on the Internet user's decision to "visit" a Web site.

Games: More than a third of the respondents (34,5 percent) rated the influence of this interactive function as 3 on a 5 point scale. A quarter of the respondents (25,5 percent) rated the influence as 3; 7,3 percent of the respondents rated the influence; as 4 and 9,1 percent of the respondents rated the influence as strong, viz., as 5 on a 5 point scale. What is more, 20 percent of the respondents indicated that this interactive function has no influence on the Internet user's decision to "visit" a Web site.

Multimedia presentations: Only 14,5 percent of the respondents rated the influence of multimedia presentations as a strong influence on the Internet user's decision to "visit" a Web site. Thirty-six comma four (36,4) percent of the respondents rated the influence of this interactive function as 4 on a 5 point scale; 38,2 percent rated it as 3, while 9,1 percent rated it as 2. Only one respondent indicated that this interactive function has no influence on the Internet user's decision to "visit" a Web site.

The above discussion provided some insight regarding the influence of the interactive functions on contact efficiency, in respondents' opinions. Table 5-12 provided a summary of how the respondents answered the question, but the information does not provide a conclusive finding on the influence of each factor on contact efficiency. Therefore, the mean for each of the interactive functions will be calculated to establish which interactive function has the

highest perceived influence, according to respondents, on converting “hits” into “visits”. In Table 5-13 the interactive functions are organized in descending order according to the means.

The respondents perceived on-line ordering of goods as the interactive function which the highest influence to convert “hits” into “visits”. The second most valuable interactive function is personal helper choice, followed by order status checking. Virtual-reality presentations, making use of one of the Internet’s unique capabilities, was rated forth overall by the respondents. Screen savers that can be downloaded and surfer postings were perceived as the least effective interactive functions.

Table 5-13 The mean for each interactive function in descending order

<b>Interactive Function</b>	<b>Mean</b>	<b>Interactive Function</b>	<b>Mean</b>
On-line ordering of goods	4.15	New product proposal	3.33
Personal helper choice	4.04	Product survey	3.32
Order status checking	3.98	Push media	3.26
Virtual-reality presentations	3.96	Electronic coupon	3.07
Dealer locator	3.96	Interactive job placements	2.91
On-line forms for customer inquiries	3.91	Site survey	2.89
Key word search	3.89	On-line games and contests	2.86
On-line forms for customer comments	3.53	Usergroup	2.69
Multimedia presentations	3.53	Electronic postcards	2.57
On-line problem diagnostics	3.49	Games	2.49
On-line forms for customer feedback	3.42	Download images to save as screen saver	2.47
Downloading of software	3.39	Surfer postings	2.39

#### **5.3.1.12 Question 48: The number of interactive functions**

The research presented in the Chapter 4 section 4.5 suggested that the number of interactive functions has a strong influence on the quality of a Web

site. Only 9,1 percent of the respondents were of the opinion that the number of interactive functions has a strong influence on the Internet user's decision to "visit" a Web site. More than a third of the respondents (34,5 percent) indicated the influence as 4 on a 5 point scale. Another 34,5 percent of the respondents rated the influence of the number of interactive functions on the Internet user's decision to "visit" a Web site as 3 on a 5 point scale. Moreover, 16,4 percent of the respondents did not answer the question, probably because they were uncertain regarding this statement.

Table 5-14 The number of interactive functions

Usability	N	%
Did not answer	9	16.4
1 (No influence)	0	0
2	3	5.5
3	19	34.5
4	19	34.5
5 (High influence)	5	9.1
TOTAL	55	100

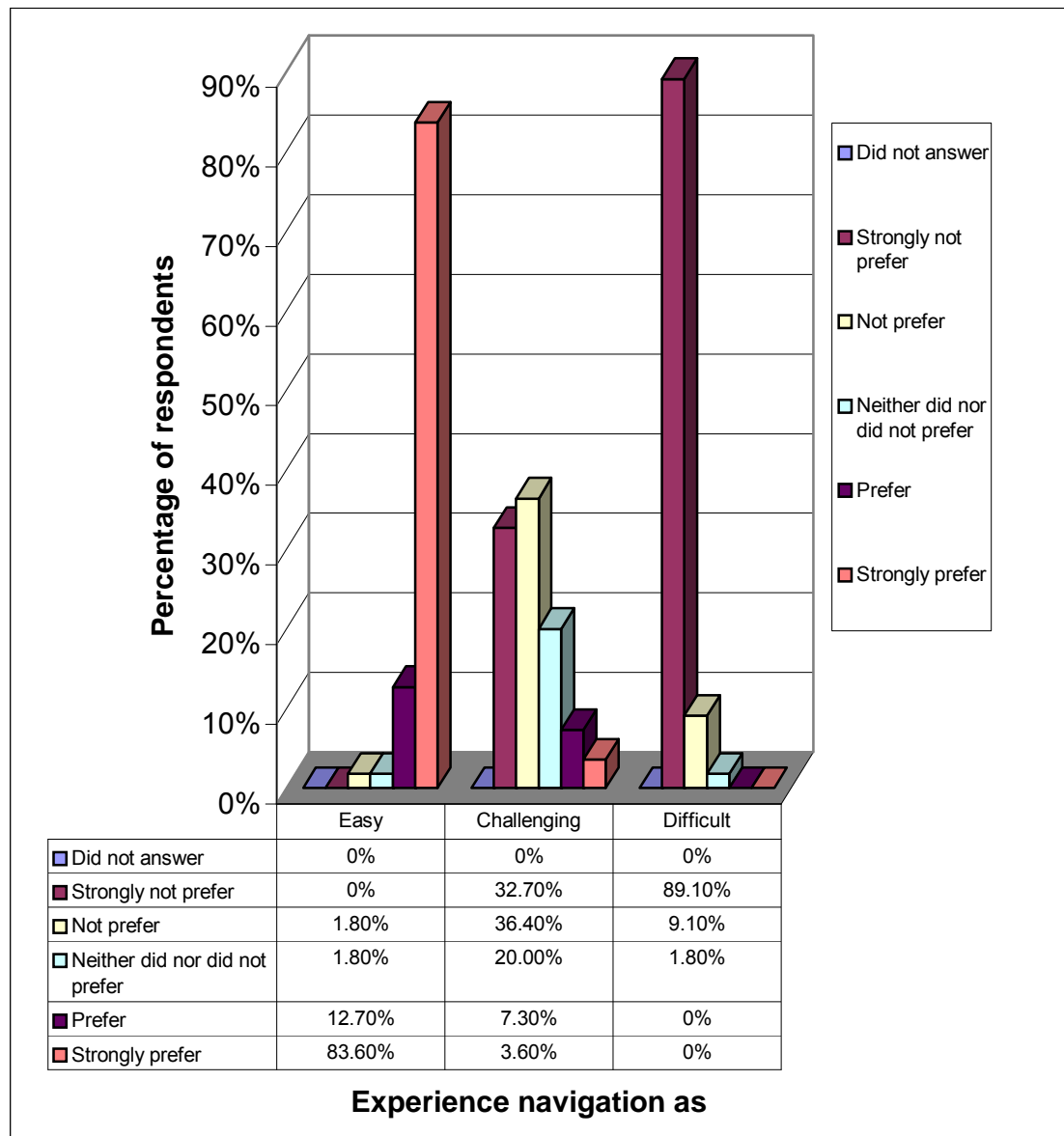
Conclusion: The respondents are of the opinion that the number of interactive functions on the Web site does influence the user's decision to "visit" the site or not, in some way. Therefore, the research by Ghose and Dou (1998:37) is somewhat supported by the empirical survey.

### 5.3.1.13 Questions 49 – 51: Navigation

The initial research of Berthon et al. (1996a:50) argued that navigation must be easy and intuitive to improve the contact efficiency of a Web site. According to Graph 5-3, 83,6 percent of the respondents indicated that they strongly prefer the navigation to be easy, thus supporting the initial argument of Berthon and his co-researchers. An additional 12,7 percent of the respondents preferred the navigation to be easy and very few of the respondents neither did or did not prefer the navigation to be easy.

The research from Hoffman and Novak (1996) presented another argument regarding site navigation. They reasoned that the Internet user must experience the navigation as challenging. This opinion was researched in the empirical survey, and it appears that the respondents did not agree with it (see Graph 5-3).

Graph 5-3 Navigation options



Only 3,6 percent of the respondents strongly preferred that navigation must be challenging, and only 7,3 percent of the respondents preferred navigation to be challenging. A fifth of the respondents (20 percent) neither did nor did not



prefer navigation to be challenging. What is more is that the majority of the respondents (69,1 percent of the respondents) neither did nor did strongly not prefer navigation to be challenging. This negative reaction towards navigation as challenging is well illustrated by Graph 5-3.

The stronger negative reaction on navigation as difficult can also be seen in Graph 5-3. The majority of the respondents (89,1 percent) did strongly not prefer navigation of a Web site to be difficult. Another 9,1 percent of the respondents did not prefer navigation to be difficult, while only 1,8 percent of the respondents indicated that they neither did nor did not prefer navigation to be challenging. As may be expected, none of the respondents indicated preferring or strongly preferring navigation to be difficult.

Conclusion: The empirical study supports the initial argument that navigation must be easy. The results of the empirical study do not support the research presented by Hoffman and Novak. Additionally, the empirical research supports the arguments in the study that navigation in a Web site must not be difficult.

#### **5.3.1.14 Questions 52 - 56: Factors regarding Web site design**

In the study five Web site design factors were identified. These factors were typography, loading time of a Web site, image loading time, colour and positioning of text. For each of these factors a statement was provided. These statements were the following:

- Typography on a Web page has an effect on the Internet user's decision to "visit" a site.
- Slow loading due to complex backgrounds affects the user's decision to stay at a site.
- Long image loading time has a negative effect on the Internet user's decision to "visit" a site.
- Colour usage in the site has an effect on the Internet user's decision to "visit" a site.

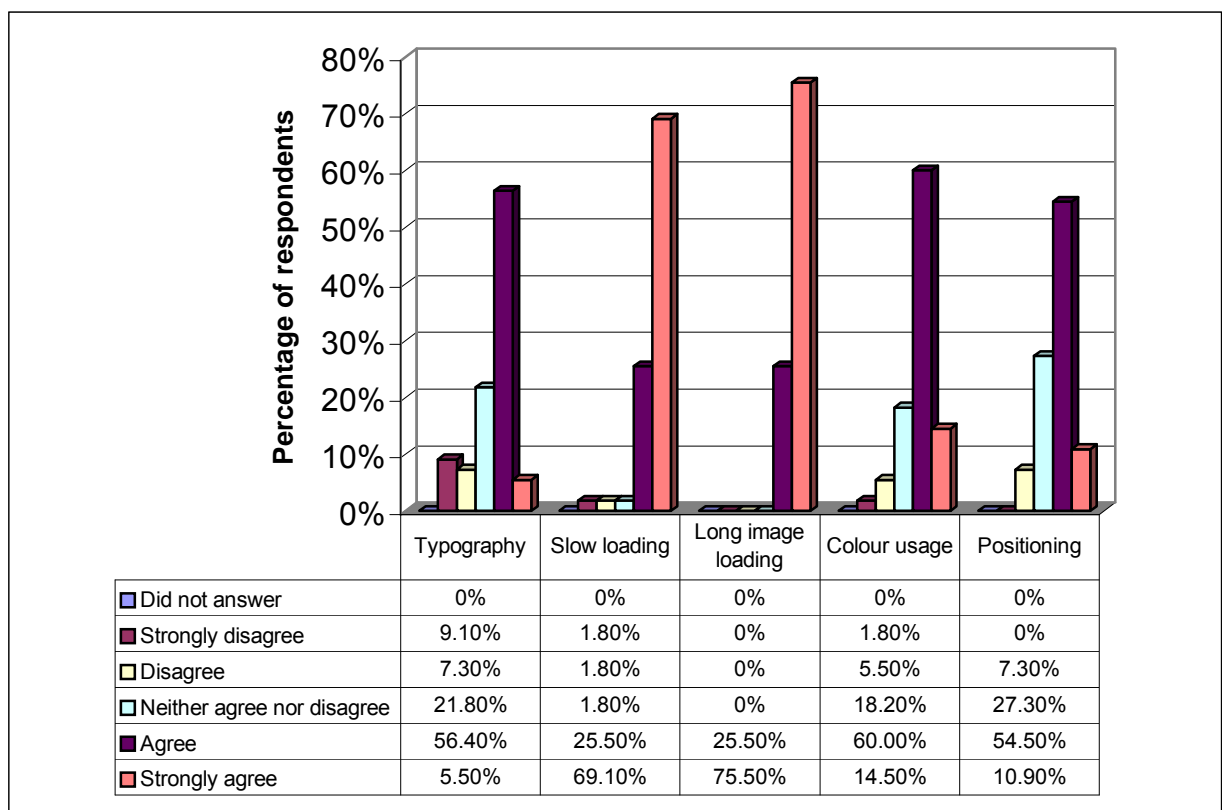
- Positioning of the text on the Web page has an effect on the Internet user's decision to "visit" a site.

The responses to each of these statements are summarized in Graph 5-4.

The main findings are the following:

- Typography: A number of respondents appear to be uncertain regarding the influence of typography on the Internet user's decision to "visit" a Web site. Twenty-one comma eight (21,8) percent of the respondents indicated that they neither agreed nor disagreed that typography has an effect on the Internet user's decision to "visit" a Web site.

Graph 5-4 Web site design factors



Furthermore, 56,4 percent of the respondents agreed that typography of a Web page has an effect on the Internet user's decision to "visit" a Web site or not. Nine comma one (9,1) percent of the respondents strongly disagreed that typography has an effect on the Internet users decision to "visit" the Web site or not.

- Slow loading due to complex backgrounds: In contrast with the uncertainty regarding typography, the respondents were more certain regarding the influence of slow loading due to complex backgrounds on the decision of an Internet user to “visit” a site. Sixty-nine comma one (69,1) percent of the respondents strongly agreed that slow loading due to complex backgrounds has an influence on the Internet user’s decision to “visit” a Web site. Twenty-five comma five (25,5) percent of the respondents agreed with the question and only 1 of the respondents showed uncertainty.
- Long image loading time: About three quarters of the respondents (75,5 percent) strongly agreed that long image loading time has a negative effect on the Internet user’s decision to “visit” a site. The remainder of the respondents (25,5 percent) also agreed with the question. None of the respondents showed uncertainty regarding this issue. And none of the respondents disagreed with the question.
- Colour usage: Almost 15 percent of the respondents (14,5 percent) strongly agreed that colour usage in a site has an effect on the Internet user’s decision to “visit” a site. Sixty (60) percent agreed with this question, while 18,2 percent neither agreed nor disagreed with the question. Only 1 of the respondents strongly disagreed that colour usage has an effect of the Internet user’s decision to “visit” a site.
- Positioning of text: Nearly a third of the respondents (27,3 percent) indicated that they neither agree nor disagree that positioning of text on a Web page has an effect on the Internet user’s decision to “visit” a site. Fifty-four comma five (54,5) percent of the respondents agreed that positioning of the text on the Web page has an effect on the Internet user’s decision to “visit” a site, and a further 10,9 percent strongly agreed with the question. A small percentage of the

respondents (7,3 percent) disagreed with the question, while none of the respondents strongly disagreed with the question.

Conclusions: This section of the empirical study presents a number of findings. They are:

- The first important finding of this section is that the respondents reason that typography does influence the Internet user's decision to "visit" a Web site. Since more than a fifth of the respondents indicated that they neither agree nor disagree with the question, it also appears that some uncertainty exists regarding typography and the contact efficiency stage.
- The findings of the research supported the earlier research findings by Drezè and Zufryden (1997:85). Sixty-nine comma ten (69,10) percent of the respondents strongly agreed that slow loading due to complex backgrounds would affect the Internet user's decision to "visit" a Web site. Another 25,5 percent agreed with the statement, and very few of the respondents were uncertain regarding the issue or disagreed.
- There was also agreement among the respondents that long image loading time has an effect on the Internet user's decision to "visit" a site. The findings of the research also support the findings of Drezè and Zufryden (1997:85).
- In addition to typography, complex backgrounds, and image loading time, the majority of the respondents were also of opinion that colour usage has an effect on the Internet user's decision to "visit" a site.
- The research also provided another useful finding regarding the positioning of text. The respondents were of opinion that text positioning on the Web page has an effect on the Internet user's decision to "visit" a site. In total, two-thirds of the respondents either agreed or strongly agreed with this question. There also appears to be some uncertainty regarding the positioning of text on the Web page and the effect on the Internet user's decision to "visit" a Web site. Twenty-seven comma three (27,3) percent of the respondents either agreed or disagreed with the question.

### 5.3.1.15 Other factors that could influence the conversion of “hits” into “visits”

Two of the respondents were of the opinion that the brand of the product/service influences the decision to “visit” a Web site. Another respondent identified the on-line brand as a potential factor that could influence the Internet user’s decision to “visit” or not.

### 5.3.1.16 Sex and age of respondents

Sixty (60) percent of the respondents were male and 38,2 percent of the respondents were female. One of the respondents did not indicate his/her sex. The oldest respondent was 63 years of age and the youngest 20 years of age. The mean of all the ages was 39,3 years.

### 5.3.1.17 Job descriptions of respondents

The job descriptions of the respondents are presented in Table 5-15.

Table 5-15 Job description of respondents

Job description	N	%
Marketing	38	69.1
Internet marketing	2	3.6
Financial	3	5.5
Management	7	12.7
Accounting	1	1.8
Managing product innovations	1	1.8
Did not answer	3	5.5
TOTAL	55	100

Although the questionnaire was addressed to the marketing director, some of the questionnaires were completed by employees whose job description were not marketing related. Almost 70 percent of the respondents (69,1 percent) were in marketing related positions. Two respondents were involved in the

Internet marketing of the company, and 7 of the respondents were in management positions.

### 5.3.1.18 Computer literacy of respondents

The respondents were asked to rate their computer literacy on a scale ranging from very poor to very good. From Table 5-16 it appears that the computer literacy of the majority of respondents was good to very good. Forty-three comma six (43,6) percent of respondents rated their computer literacy as good, and 30,9 percent rated their computer literacy as very good. Eleven of the respondents (20 percent) were unsure whether they should rate their computer literacy as either good or poor.

Table 5-16 Computer literacy of respondents

	N	%
Very poor	1	1.8
Poor	2	3.6
Neither poor nor good	11	20
Good	24	43.6
Very good	17	30.9
TOTAL	55	100

### 5.3.1.19 Internet marketing knowledge of respondents

The respondents were also asked to rate their Internet marketing knowledge on a scale ranging from very inexperienced to very experienced. Only three (3) respondents rated themselves as very experienced (see Table 5-17). Thirty-eight comma two (38,2) percent of the respondents rated their Internet marketing knowledge as only experienced. Twenty (20) were unsure whether to rate themselves as experienced or inexperienced. The remaining 11 respondents rated their Internet marketing knowledge as either inexperienced or very inexperienced.

Table 5-17 Internet marketing knowledge of the respondents

	N	%
Very in experienced	1	1.8
Inexperienced	10	18.2
Neither inexperienced nor experienced	20	36.4
Experienced	21	38.2
Very experienced	3	5.5
TOTAL	55	100

### 5.3.1.20 Type of product that the respondent's company sells

Table 5-18 Product that the respondent's company sells

	N	%
High buyer involvement product	32	58.2
Low buyer involvement product	19	34.5
High and low buyer involvement products	1	1.8
Did not answer	3	5.5
TOTAL	55	100

Fifty-eight comma two (58,2) percent of the respondents categorized their company's product as high involvement and 34,5 percent of the respondents categorized their company's product as low involvement. As shown in Table 5-18, one of the respondents indicated that his/her company is selling high and low involvement products.

### **5.3.2 Cross-tabulations**

This section will present a number of cross-tabulations. The first group of cross-tabulations will be between the job descriptions of the respondents and key questions in the empirical study. In the second group of cross-tabulations the two variables will be the sex of the respondents and key questions in the empirical survey.

These cross-tabulations between job descriptions and specific key questions are done with the intent to understand the responses of different groups of respondents. Although the majority of the respondents have marketing related job descriptions, 30,9 percent have other job descriptions. Understanding how the other respondents with non-marketing related job descriptions responded to the question could further contribute to the understanding of the factors that influence contact efficiency.

The second group of cross-tabulations will be done to gain insight regarding the views of male and female respondents in respect of certain questions. These cross-tabulations will also indicate differences and similarities in opinions on the factors that influence contact efficiency.

#### **5.3.2.1 The marketing manager's role in designing the company's Web site and the job descriptions of the respondents**

From Table 5-19 it appears that the respondents with marketing related job descriptions are in agreement that the marketing manager should play a role in designing the company's Web site. The same applies for respondents with job descriptions as Internet marketing managers and innovations product managers. Also of importance, is that the majority of the respondents (66,7 percent) with financial job descriptions strongly agreed with the statement.



Table 5-19 Cross-tabulation between the role of the marketing manager in designing the Web site (question 1) and job descriptions of the respondents (question 60)

	Job description																	
	Marketing			Internet Marketing Manager			Financial			Management			Accounting			Innovations Product Manager		
	N	%	CUM %	N	%	CUM %	N	%	CUM %	N	%	CUM %	N	%	CUM %	N	%	CUM %
Strongly disagree																		
Disagree							1	33.3	1.9									
Neither agree nor disagree										1	14.3	1.9						
Agree	9	23.7	17.3							1	14.3	1.9	1	100	1.9			
Strongly agree	29	76.3	55.8	2	100	3.8	2	66.7	3.8	5	71.4	9.6				1	100	1.9
TOTAL	38	100	73.1	2	100	3.8	3	100	5.8	7	100	13.5	1	100	1.9	1	100	1.9

### 5.3.2.2 Job descriptions of the respondents and the importance of the contact efficiency stage in the overall efficiency of a Web site

Once again the respondents with marketing and Internet marketing related job descriptions generally agreed to some extent that the contact efficiency stage is important to them (see Table 5-20). Furthermore, two thirds of the respondents with financial related job descriptions also strongly agreed with the statement on the contact efficiency stage. Seventy-one comma four (71,4) percent of the respondents with management related job descriptions strongly agreed with the statement.

Table 5-20 Cross-tabulation between the job descriptions of the respondents (question 60) and the importance of the contact efficiency stage (question 2)

	Job description																	
	Marketing			Internet Marketing Manager			Financial			Management			Accounting			Innovations Product Manager		
	N	%	CUM %	N	%	CUM %	N	%	CUM %	N	%	CUM %	N	%	CUM %	N	%	CUM %
Strongly disagree																		
Disagree							1	33.3	1.9									
Neither agree nor disagree										1	14.3	1.9						
Agree	11	28.9	21.2	1	50	1.9				1	14.3	1.9	1	100	1.9			
Strongly agree	27	71.1	51.9	1	50	1.9	2	66.7	3.8	5	71.4	9.6				1	100	1.9
TOTAL	38	100	73.1	2	100	3.8	3	100	5.8	7	100	13.5	1	100	1.9	1	100	1.9

### 5.3.2.3 Job descriptions of the respondents and whether the marketing manager should develop a Web site strategy to convert Web site “hits” into “visits”?

Table 5-21 indicates that 97,4 percent of the respondents with marketing related job descriptions agreed or strongly agreed that the marketing manager should be responsible for developing Web site strategies to convert “hits” into “visits”. The majority of the respondents with financial (66,6 percent) and management (85,8 percent) related job descriptions shared the same opinion as the respondents with marketing related job descriptions.

Table 5-21 Cross-tabulation between the job descriptions of respondents (question 60) and responses to the statement that the marketing manager should be responsible for developing a Web site strategy to convert “hits” into “visits” (question 3)

	Job description																	
	Marketing			Internet Marketing Manager			Financial			Management			Accounting			Innovations Product Manager		
	N	%	CUM %	N	%	CUM %	N	%	CUM %	N	%	CUM %	N	%	CUM %	N	%	CUM %
Strongly disagree																		
Disagree							1	33.3	1.9									
Neither agree nor disagree	1	2.6	1.9	1	50	1.9				1	14.3	1.9	1	100	1.9			
Agree	16	42.1	30.8	1	50	1.9	1	33.3	1.9	3	42.9	5.8						
Strongly agree	21	55.3	40.4				1	33.3	1.9	3	42.9	5.8				1	100	1.9
TOTAL	38	100	73.1	2	100	3.8	3	100	5.8	7	100	13.5	1	100	1.9	1	100	1.9

#### 5.3.2.4 Job descriptions of the respondents and providing product related information is an incentive for converting “hits” into “visits”

From Table 5-22 it appears that little disagreement existed amongst the respondents with marketing related job descriptions regarding the use of product related information as an incentive. Almost 16 percent (15,8 percent) of these respondents neither agreed nor disagreed with the statement and 5,3 percent of these respondents disagreed with the statement. Furthermore, one

of the respondents with a management related job description strongly disagreed about product related information being used as an incentive to convert “hits” into “visits”.

Table 5-22 Cross-tabulation between job descriptions of respondents (question 60) and their views on information as an incentive to convert “hits” into “visits” (question 4)

	Job description																	
	Marketing			Internet Marketing Manager			Financial			Management			Accounting			Innovations Product Manager		
	N	%	CUM %	N	%	CUM %	N	%	CUM %	N	%	CUM %	N	%	CUM %	N	%	CUM %
Strongly disagree										1	14.3	1.9						
Disagree	2	5.3	3.8				1	33.3	1.9									
Neither agree nor disagree	6	15.8	11.5							2	28.6	3.8						
Agree	19	50	36.5				1	33.3	1.9	3	42.9	5.8	1	100	1.9	1	100	1.9
Strongly agree	11	28.9	21.2	2	100	3.8	1	33.3	1.9	1	14.3	1.9						
TOTAL	38	100	73.1	2	100	3.8	3	100	5.8	7	100	13.5	1	100	1.9	1	100	1.9

### 5.3.2.5 Job descriptions of the respondents and entertainment as an incentive to convert “hits” into “visits”

From Table 5-23 it appears that the respondents with marketing related job descriptions showed more disagreement concerning the use of entertainment as an incentive. Almost 40 percent of these respondents (39,5 percent) indicated that they neither agree nor disagree with the statement. Thirteen

(13) of these respondents either disagreed or strongly disagreed, and 10 of the respondents agreed or strongly agreed with the statement.

Table 5-23 Cross-tabulation between job descriptions of respondents (question 60) and their views on entertainment as an incentive to convert “hits” into “visits” (question 5)

	Job description																	
	Marketing			Internet Marketing Manager			Financial			Management			Accounting			Innovations Product Manager		
	N	%	CUM %	N	%	CUM %	N	%	CUM %	N	%	CUM %	N	%	CUM %	N	%	CUM %
Strongly disagree	3	7.9	5.8							1	14.3	1.9						
Disagree	10	26.3	19.2				1	33.3	1.9	2	28.6	3.8						
Neither agree nor disagree	15	39.5	28.8	1	50	1.9	1	33.3	1.9	3	42.9	5.8	1	100	1.9			
Agree	7	18.4	13.5							1	14.3	1.9						
Strongly agree	3	7.9	5.8	1	50	1.9	1	33.3	1.9							1	100	1.9
TOTAL	38	100	73.1	2	100	3.8	3	100	5.8	7	100	13.5	1	100	1.9	1	100	1.9

Furthermore, respondents with a management related job description also showed more disagreement with the statement. Three (3) of these respondents neither agreed nor disagree with the statement. In addition, the same number of respondents in total either disagreed or strongly disagreed with the statement. Only one (1) of these respondents agreed with the statement.

### 5.3.2.6 Job descriptions of the respondents and type of entertainment that is the best incentive to convert “hits” into “visits”

Table 5-24 Cross-tabulation between job descriptions of respondents (question 60) and their views on the type of entertainment that is the best incentive to convert “hits” into “visits” (question 8)

	Job description																	
	Marketing			Internet Marketing Manager			Financial			Management			Accounting			Innovations Product Manager		
	N	%	CUM %	N	%	CUM %	N	%	CUM %	N	%	CUM %	N	%	CUM %	N	%	CUM %
Product related	24	66.7	51.1	1	50	2.1	1	50	2.1	1	20	2.1						
Non-product related	4	11.1	8.5							2	40	4.3				1	100	2.1
Entertainment does not matter	8	22.2	17	1	50	2.1	1	50	2.1	2	40	4.3	1	100	2.1			
TOTAL	36	100	76.7	2	100	4.3	2	100	4.3	5	100	10.6	1	100	2.1	1	100	2.1

The majority of the respondents with marketing related job descriptions (66,7 percent) were of opinion that product related information is the best incentive (see Table 5-24). Furthermore, 22,2 percent of this category of respondents indicated that the type of entertainment does not matter. The respondents with Internet marketing related job descriptions were also divided on this issue. One (1) was of opinion that product related information is the best incentive, and the other one (1) felt that the type of entertainment does not matter.

### 5.3.2.7 Job descriptions of the respondents and offering on-line ordering as an incentive to convert “hits” into “visits”

Although the majority of the respondents with marketing related job descriptions (84,2 percent) in total either agreed or strongly agreed with the statement, 13,2 percent of these respondents showed uncertainty regarding on-line ordering as an incentive and one (1) of these respondents disagreed with the statement (see Table 5-25). One (1) of the respondents with a

financial related job description strongly disagreed with the statement, while remainder either strongly agreed or agreed with the statement.

Table 5-25 Cross-tabulation between job descriptions of respondents (question 60) and their views on on-line ordering as an incentive to convert “hits” into “visits” (question 6)

	Job description																	
	Marketing			Internet Marketing Manager			Financial			Management			Accounting			Innovations Product Manager		
	N	%	CUM %	N	%	CUM %	N	%	CUM %	N	%	CUM %	N	%	CUM %	N	%	CUM %
Strongly disagree							1	33.3	1.9									
Disagree	1	2.6	1.9															
Neither agree nor disagree	5	13.2	9.6															
Agree	16	42.1	30.8	2	100	3.8	1	33.3	1.9	6	85.7	11.5						
Strongly agree	16	42.1	30.8				1	33.3	1.9	1	14.3	1.9	1	100	1.9	1	100	1.9
TOTAL	38	100	73.1	2	100	3.8	3	100	5.8	7	100	13.5	1	100	1.9	1	100	1.9

### 5.3.2.8 Job descriptions of the respondents and offering on-line purchasing of products is an incentive to convert “hits” into “visits”

Table 5-26 shows a very similar result to Table 5-25. Once again, a number of the respondents with marketing related job descriptions strongly agreed (43,2 percent), agreed (40,5 percent), showed uncertainty (10,8 percent) and

disagreed (5,4 percent). In addition, one (1) of the respondents with a financial related job description strongly disagreed with the statement.

Table 5-26 Cross-tabulation between job descriptions of respondents (question 60) and their views on on-line purchasing as an incentive to convert “hits” into “visits” (question 7)

	Job description																	
	Marketing			Internet Marketing Manager			Financial			Management			Accounting			Innovations Product Manager		
	N	%	CUM %	N	%	CUM %	N	%	CUM %	N	%	CUM %	N	%	CUM %	N	%	CUM %
Strongly disagree							1	33.3	2									
Disagree	2	5.4	3.9															
Neither agree nor disagree	4	10.8	7.8															
Agree	15	40.5	29.4	1	50	2	1	33.3	2	5	71.4	9.8						
Strongly agree	16	43.2	31.4	1	50	2	1	33.3	2	2	28.6	3.9	1	100	2	1	100	2
TOTAL	37	100	72.5	2	100	3.9	3	100	5.9	7	100	13.7	1	100	2	1	100	2

### 5.3.2.9 Job descriptions of the respondents and the number of interactive functions influencing the Internet user’s decision to “visit” a Web site

From Table 5-27 it appears that the respondents with marketing related job descriptions have different views on the extent to which the number of interactive functions influencing the Internet user’s decision to “visit” a Web site. The majority of these respondents (53,2 percent) rated the influence as 4



or 5 on a 5 point scale. Furthermore, 40,6 percent of these respondents rated the influence as 3 on a 5 point scale. The respondents with a financial background were less convinced regarding the influence of interactive functions on the Internet user's decision to "visit" a Web site. This category of respondents rated the influence as 3 or 2 out of 5.

Table 5-27 Cross-tabulation between job descriptions of respondents (question 60) and the influence of the number of interactive functions on the Internet user's decision to "visit" a site (question 48)

	Job description																	
	Marketing			Internet Marketing Manager			Financial			Management			Accounting			Innovations Product Manager		
	N	%	CUM %	N	%	CUM %	N	%	CUM %	N	%	CUM %	N	%	CUM %	N	%	CUM %
No influence 1																		
2	2	6.3	4.5				1	33.3	2.3									
3	13	40.6	29.5				2	66.7	4.5	2	28.6	4.5						
4	15	46.9	34.1							3	42.9	6.8	1	100	2.3			
Strong influence 5	2	6.3	4.5							2	28.6	4.5				1	100	2.3
TOTAL	32	100	72.7				3	100	6.8	7	100	15.9	1	100	2.3	1	100	2.3

### 5.3.2.10 The opinions of marketing managers on key factors determining value

Sections 5.3.1.4 – 5.3.1.8 presented the responses on the influence of information, entertainment and purchase facilitation on contact efficiency. In this section, only the responses of respondents with marketing related job descriptions to these statements will be presented in Table 5-28. This will

provide a summary of how respondents with marketing related job descriptions view the influence of these factors on contact efficiency.

Table 5-28 The opinions of respondents with marketing related job descriptions on the key value strategies

	Job description											
	Product related information			Entertainment			On-line ordering			On-line purchasing		
	N	%	CUM %	N	%	CUM %	N	%	CUM %	N	%	CUM %
Strongly disagree				3	7.9	5.8						
Disagree	2	5.3	3.8	10	26.3	19.2	1	2.6	1.9	2	5.4	3.9
Neither agree nor disagree	6	15.8	11.5	15	39.5	28.8	5	13.2	9.6	4	10.8	7.8
Agree	19	50	36.5	7	18.4	13.5	16	42.1	30.8	15	40.5	29.4
Strongly agree	11	28.9	21.2	3	7.9	5.8	16	42.1	30.8	16	43.2	31.4
TOTAL	38	100	73.1	38	100	73.1	38	100	73.1	37	100	72.5

From Table 5-28 it appears that the respondents with marketing related job descriptions agree on the use of information, on-line ordering and on-line purchasing as incentives, but are not so confident about the use of entertainment as an incentive. Seventy-eight comma nine (78,9) percent of this group of respondents agreed to some degree that product-related information could be used as an incentive. More that 80 percent of this group of respondents were of the opinion that on-line ordering and on-line purchasing could be used as incentives. In contrast, only 26,3 percent of this group of respondents agreed or strongly agreed that entertainment can be used as an incentive. Furthermore, 39,5 percent of the respondents neither

agreed nor disagreed with the use of entertainment as an incentive. The remainder of the respondents with marketing related job descriptions neither agreed nor disagreed with the use of entertainment as an incentive.

### 5.3.2.11 The sex of the respondents and the marketing manager plays a role in the design of the company's Web site

This cross-tabulation was done to determine if male and female respondents are of the same opinion regarding the role of the marketing manager in the design of the company's Web site.

Table 5-29 Cross-tabulation between the role of the marketing manager in Web site design (question 60) and sex of the respondents (question 58)

	Sex					
	Male			Female		
	N	%	CUM %	N	%	CUM %
Strongly disagree						
Disagree	1	3	1.9			
Neither agree nor disagree	1	3	1.9	1	4.8	1.9
Agree	9	27.3	16.7	3	14.3	5.6
Strongly agree	22	66.7	40.7	17	81	31.5
TOTAL	33	100	61.1	21	100	38.9

It appears that the female respondents feel more strongly that the marketing manager should play a role in the design of the company's Web site. A larger percentage of the female respondents strongly agreed that the marketing manager should play a role in the design of a company's Web site, than did their male counterparts. Eight-one (81) percent of the female respondents strongly agreed that the marketing manager should play a role in the design of

the company's Web site (see Table 5-29). Sixty-six comma seven (66,7) percent of the male respondents strongly agreed.

### 5.3.2.12 The sex of the respondents and the importance of the contact efficiency stage in the overall efficiency of a Web site

The reaction of the respondents to this statement is almost similar to the responses documented in section 5.3.2.11. Table 5-30 summarizes the responses. A larger percentage of the females who completed the questionnaire strongly agreed that the conversion of "hits" is important, than did the male respondents. Eight-one (81) percent of the female respondents strongly agreed that converting "hits" into "visits" is important. Fifty-seven comma six (57,6) percent of the male respondents strongly agreed.

Table 5-30 Cross-tabulation between the sex of the respondents (question 58) and the importance of the contact efficiency stage (question 2)

	Sex					
	Male			Female		
	N	%	CUM %	N	%	CUM %
Strongly disagree						
Disagree	1	3	1.9			
Neither agree nor disagree	1	3	1.9			
Agree	12	36.4	22.2	4	19	7.4
Strongly agree	19	57.6	35.2	17	81	31.5
TOTAL	33	100	61.1	21	100	38.9

### 5.3.2.13 Sex of the respondents and whether the marketing manager should develop a Web site strategy to convert Web site “hits” into “visits”

The cross-tabulation presented in Table 5-31 indicates that 90,5 percent of the females who completed the questionnaire either agreed or strongly agreed that the marketing manager should be responsible for developing strategies to convert “hits” into “visits”. Of the male respondents, 87,9 percent also either agreed or strongly agreed with the statement.

Table 5-31 Cross-tabulation between the sex of respondents (question 58) and responses to the statement that the marketing manager should be responsible for developing a Web site strategy to convert “hits” into “visits” (question 3)

	Sex					
	Male			Female		
	N	%	CUM %	N	%	CUM %
Strongly disagree						
Disagree	1	3	1.9			
Neither agree nor disagree	3	9.1	5.6	2	9.5	3.7
Agree	15	45.5	27.8	8	38.1	14.8
Strongly agree	14	42.4	25.9	11	52.4	20.4
TOTAL	33	100	61.1	21	100	38.9

### 5.3.2.14 The sex of the respondents and providing product-related information is an incentive to convert “hits” into “visits”

Male and female respondents are almost of the same opinion on the use of product-related information as an incentive. Almost the same percentage of male and female respondents strongly agreed that information could be used as an incentive (see Table 5-32). Eleven comma six (11,6) percent more of the male respondents than the female respondents agreed with the statement. It appears that the female respondents are more uncertain regarding the

perceived use of product-related information as an incentive. Fourteen comma seven (14,7) percent more female respondents than male respondents neither agreed nor disagreed with the statement.

Table 5-32 Cross-tabulation between the sex of respondents (question 58) and their views on information as an incentive to convert “hits” into “visits” (question 4)

	Sex					
	Male			Female		
	N	%	CUM %	N	%	CUM %
Strongly disagree	1	3	1.9			
Disagree	2	6.1	3.7	1	4.8	1.9
Neither agree nor disagree	3	9.1	5.6	5	23.8	9.3
Agree	18	54.5	33.3	9	42.9	16.7
Strongly agree	9	27.3	16.7	6	28.6	11.1
TOTAL	33	100	61.1	21	100	38.9

### 5.3.2.15 The sex of the respondents and entertainment as an incentive to convert “hits” into “visits”

A significant result from Table 5-33 is the percentage of male and female respondents that neither agreed nor disagreed with the statement. Forty-seven comma six (47,6) percent of the female respondents neither agreed nor disagreed with the statement. Furthermore, more male respondents disagreed (30,3 percent) than agreed (15,2 percent) on the use of entertainment as an incentive. The cross-tabulation presented in Table 5-33 shows a similar result for the female respondents. It appears that both the male and female respondents are uncertain regarding the use of entertainment as an incentive, and feel even more strongly that entertainment is not a good incentive to use.

Table 5-33 Cross-tabulation between the sex of the respondents (question 58) and their views on entertainment as an incentive to convert “hits” into “visits” (question 5)

	Sex					
	Male			Female		
	N	%	CUM %	N	%	CUM %
Strongly disagree	3	9.1	5.6	1	4.8	1.9
Disagree	10	30.3	18.5	5	23.8	9.3
Neither agree nor disagree	11	33.3	20.4	10	47.6	18.5
Agree	5	15.2	9.3	3	14.3	5.6
Strongly agree	4	12.1	7.4	2	9.5	3.7
TOTAL	33	100	61.1	21	100	38.9

### 5.3.2.16 The sex of the respondents and offering on-line ordering as an incentive to convert “hits” into “visits”

Table 5-34 Cross-tabulation between the sex of the respondents (question 58) and their views on on-line ordering as an incentive to convert “hits” into “visits” (question 6)

	Sex					
	Male			Female		
	N	%	CUM %	N	%	CUM %
Strongly disagree	1	3	1.9			
Disagree	1	3	1.9			
Neither agree nor disagree	3	9.1	5.6	2	9.5	3.7
Agree	14	42.4	25.9	13	61.9	24.1
Strongly agree	14	42.4	25.9	6	28.6	11.1
TOTAL	33	100	61.1	21	100	38.9

Male respondents feel strongly that on-line ordering can be used as an incentive. A higher percentage of the male respondents strongly agreed with the statement than did female respondents (see Table 5-34). The opposite is true for the percentage of male and female respondents that agreed with the statement. Here a higher percentage of the female respondents agreed with the statement.

### 5.3.2.17 The sex of the respondents and offering on-line purchasing of products as an incentive to convert “hits” into “visits”

Table 5-35 presents almost the same results as Table 5-34. A higher percentage of the male respondents strongly agreed with the statement than did female respondents (see Table 5-35). However, more of the female respondents agreed with the statement, than did male respondents.

Table 5-35 Cross-tabulation between the sex of the respondents (question 58) and their views on on-line purchasing as an incentive to convert “hits” into “visits” (question 7)

	Sex					
	Male			Female		
	N	%	CUM %	N	%	CUM %
Strongly disagree	1	3	1.9			
Disagree	2	6.1	3.8			
Neither agree nor disagree	2	6.1	3.8	2	10	3.8
Agree	14	42.4	26.4	10	50	18.9
Strongly agree	14	42.4	26.4	8	40	15.1
TOTAL	33	100	61.1	21	100	38.9

### 5.3.3 Pearson product moment coefficient of correlation

The next step of the data analysis is to determine if a correlation exists between the computer literacy and Internet marketing knowledge of the



respondents, and responses to key questions. Calculating the correlation can assist in determining whether the computer literacy and Internet marketing knowledge of the respondents influenced their views on certain factors affecting the contact efficiency of a Web site. The statistical manipulation will also assist in determining the level of certainty of the correlation.

### 5.3.3.1 Pearson product moment coefficient of correlation between Web site design and contact efficiency, and the computer literacy and Internet marketing knowledge of respondents

Table 5-36 Pearson product moment coefficient of correlation between Web site design and contact efficiency (questions 1-3), and computer literacy (question 61) and Internet marketing knowledge (question 62)

	Computer literacy			Internet marketing knowledge		
	<i>r</i>	N	$\rho$	<i>r</i>	N	$\rho$
Role of the marketing manager in the design of the Web site	.1465	55	.286	.1025	55	.730
The conversion of "hits" into "visits" is important in the overall efficiency of the Web site	.0852	55	.536	.0576	55	.676
The marketing manager should be responsible for developing strategies to convert "hits" into "visits"	.2054	55	.133	.0807	55	.558

In Table 5-36 all the  $\rho$ -values are greater than  $\alpha=0,05$  or  $\alpha=0,1$ . For a statistically significant correlation to exist,  $\rho \leq 0,05$  or  $\rho \leq 0,1$ . Thus, there is no strong statistically significant correlation between the independent and dependent variables. Therefore it appears that the computer literacy and Internet marketing knowledge of the respondents did not influence the responses to these questions.

### 5.3.3.2 Pearson product moment coefficient of correlation for customer values that could influence contact efficiency and the computer literacy and Internet marketing knowledge of the respondent

Table 5-37 indicates, firstly, that a statistically significant correlation exists between how the respondents rated the influence of user education (dependent variable) and the level of Internet marketing knowledge (independent variable) of the respondents; and secondly, a statistically significant correlation exists between proactivity (dependent variable) and the level of Internet marketing knowledge (independent variable) of the respondents. According to Table 5-29,  $\rho \leq 0,1$  ( $\alpha = 0,1$ ) for both of the above mentioned correlations. Therefore, there is a 90 percent certainty that the independent variable influences the dependent variable.

Table 5-37 Pearson product moment coefficient correlation for customer values (questions 9-18), and computer literacy (question 61) and Internet marketing knowledge (question 62)

	Computer literacy			Internet marketing knowledge		
	<i>r</i>	N	$\rho$	<i>r</i>	N	$\rho$
Convenience	.0906	55	.511	-.0239	55	.862
Transparency	.1300	54	.349	-.0160	54	.908
Guaranteed fulfilment	.0847	55	.539	-.0587	55	.670
Security	-.0966	55	.483	-.0201	55	.884
User-education on product usage and benefits	.0765	55	.579	.2268	55	.096*
Personalization	.0827	55	.548	.2034	55	.136
Proactivity	-.0659	55	.633	.2568	55	.058*
Timeliness	.1948	55	.154	.0935	55	.497
Choice	.1733	55	.206	.1555	55	.257
Interaction	-.1085	55	.430	.1666	55	.224

\* Correlation is significant at the 0,1 level (2-tailed)

Furthermore, both of the correlations are positive,  $r=0,2268$  and  $r=0,2568$ . Thus, the higher the level of Internet marketing knowledge of the respondents (independent variable), the higher they rated the influence of user education

and proactivity as factors that influence the Internet user's decision to "visit" a Web site.

### 5.3.3.3 Pearson product moment coefficient of correlation types of product-related information and the computer literacy and Internet marketing knowledge of the respondent

The results of the correlations presented in Table 5-38 indicate that there is a 90 percent ( $\alpha=0,1$ ) certainty that correlation ( $\rho \leq 0,1$ ) exists between computer literacy (independent variable) and links to other sites related to the product (dependent variable) as an incentive for converting "hits" into "visits". Since  $r=0,2264$ , the correlation is positive. Thus, the better the computer literacy of the respondent, the higher the use of links to other sites related to the product will be rated.

Table 5-38 Pearson product moment coefficient correlation for types of product-related information (questions 19-23), and computer literacy (question 61) and Internet marketing knowledge (question 62)

	Computer literacy			Internet marketing knowledge		
	<i>r</i>	N	$\rho$	<i>r</i>	N	$\rho$
Information on product features	.0616	54	.658	-.0301	54	.829
Information on the benefits of products	.1772	53	.204	.1121	53	.424
Comparison with other previous products	.2152	53	.122	.0237	53	.866
Comparison with competitive products	.0929	54	.504	-.0612	54	.660
Links to other sites related to the product	.2264	54	.100*	.1637	54	.237

\* Correlation is significant at the 0,1 level (2-tailed)

### 5.3.3.4 Pearson product moment coefficient of correlation for interactive functions and the computer literacy and Internet marketing knowledge of the respondent

Table 5-39 presents the statistically significant correlations between a number of interactive functions (dependent variables), and computer literacy (independent variable) and Internet marketing knowledge (independent variable). Each of these correlations will be discussed separately.

There is a 90 percent ( $\alpha=0,1$ ) certainty ( $\rho=0,054$  and  $\rho\leq 0,1$ ) of a negative correlation ( $r= -0,2637$ ) between the Internet marketing knowledge (dependent variable) of the respondent and how the influence of the interactive function -downloading of software(independent variable)- was rated. The higher the respondent rated his/her Internet marketing knowledge, the lower the influence of this interactive function was rated on the Internet user's decision to "visit" a Web site.

Table 5-39 Pearson product moment coefficient correlation for interactive functions, and computer literacy (question 61) and Internet marketing knowledge (question 62)

	Computer literacy			Internet marketing knowledge		
	<i>r</i>	N	$\rho$	<i>r</i>	N	$\rho$
Downloading of software				-.2637	54	.054***
On-line problem diagnostics				.2496	55	.066***
Site survey	-.2884	55	.033**			
Virtual reality presentations	.2691	54	.049**			
On-line games and contests				.2470	55	.069***
Interactive job placement	.2814	55	.037**			
Surfer postings	-.2477	54	.071***			
User group				.3869	54	.004*
Games				.2314	53	.096***
Multimedia presentations				.3859	55	.004*

\* Correlation is significant at the 0,01 level (2-tailed)

\*\* Correlation is significant at the 0,05 level (2-tailed)

\*\*\* Correlation is significant at the 0,1 level (2-tailed)

Table 5-39 also suggests a statistically significant correlation between the Internet marketing knowledge of the respondent and his/her rating of the influence of on-line problem diagnostics. There is a 90 percent ( $\alpha=0,1$ ) certainty ( $\rho=0,066$  and  $\rho\leq 0,1$ ) of a positive correlation ( $r=0,2496$ ) between the Internet marketing knowledge (dependent variable) of the respondent and how the influence of the interactive function –on-line problem diagnostics (independent variable)- was rated. The higher the respondent rated his/her Internet marketing knowledge, the higher the influence of this interactive function was rated on the Internet user's decision to "visit" a Web site.

Furthermore, there is a 95 percent ( $\alpha=0,05$ ) certainty ( $\rho=0,033$  and  $\rho\leq 0,05$ ) of a negative correlation ( $r= -0,2884$ ) between the computer literacy (dependent variable) of the respondent and how the influence of the interactive function – site survey (independent variable)- was rated. The higher the respondent rated his/her computer literacy, the lower the perceived influence of this interactive function was rated on the Internet user's decision to "visit" a Web site.

There is a 95 percent ( $\alpha=0,05$ ) certainty ( $\rho=0,049$  and  $\rho\leq 0,05$ ) of a positive correlation ( $r=0,2691$ ) between the computer literacy (dependent variable) of the respondent and how the influence of the interactive function –virtual-reality presentation (independent variable)- was rated. Thus, the higher the respondent rated his/her computer literacy, the higher the influence of this interactive function was rated on the Internet user's decision to "visit" a Web site.

According to Table 5-39 there is a 90 percent ( $\alpha=0,1$ ) certainty ( $\rho=0,069$  and  $\rho\leq 0,1$ ) of a positive correlation ( $r=0,2470$ ) between the Internet marketing knowledge (dependent variable) of the respondent and how the influence of the interactive function –on-line games and contests (independent variable)- was rated. The higher the respondent rated his/her Internet marketing knowledge, the higher the influence of this interactive function was rated on the Internet user's decision to "visit" a Web site.

There is a 95 percent ( $\alpha=0,05$ ) certainty ( $\rho=0,037$  and  $\rho\leq 0,05$ ) of a positive correlation ( $r= 0,2814$ ) between the computer literacy (dependent variable) of the respondent and how the influence of the interactive function –interactive job placement (independent variable)- was rated. The higher the respondent rated his/her computer literacy, the higher the influence of this interactive function was rated on the Internet user's decision to "visit" a Web site.

According to the empirical survey, there is a 90 percent ( $\alpha=0,1$ ) certainty ( $\rho=0,071$  and  $\rho\leq 0,1$ ) of a negative correlation ( $r= -0,2477$ ) between the computer literacy (dependent variable) of the respondent and how the influence of the interactive function –surfer postings (independent variable)- was rated. The higher the respondent rated his/her computer literacy, the lower the influence of this interactive function was rated on the Internet user's decision to "visit" a Web site.

A strongly positive ( $r=0,3869$ ) statistically significant correlation, with a 99 percent certainty ( $\rho=0,004$  and  $\rho\leq 0,01$ ), exists between the Internet marketing knowledge (dependent variable) of the respondent and how the influence of the interactive function –user group (independent variable)- was rated. The higher the respondent rated his/her Internet marketing knowledge, the higher the influence of this interactive function was rated on the Internet user's decision to "visit" a Web site.

Another positive ( $r=0,2314$ ) statistically significant correlation, with a 90 percent ( $\alpha=0,1$ ) certainty ( $\rho=0,096$  and  $\rho\leq 0,1$ ), exists between the Internet marketing knowledge (dependent variable) of the respondent and how the influence of the interactive function –games (independent variable)- was rated. The higher the respondent rated his/her Internet marketing knowledge, the higher the influence of this interactive function was rated on the Internet user's decision to "visit" a Web site.

Lastly, a strongly positive ( $r=0,3859$ ) statistically significant correlation, with a 99 percent ( $\alpha=0,01$ ) certainty ( $\rho=0,004$  and  $\rho\leq 0,01$ ), exists between the Internet marketing knowledge (dependent variable) of the respondent and how the influence of the interactive function –multimedia presentations (independent variable)- was rated. The higher the respondent rated his/her Internet marketing knowledge, the higher the influence of this interactive function was rated on the Internet user’s decision to “visit” a Web site.

### 5.3.3.5 Pearson product moment coefficient of correlation for navigation and the computer literacy and Internet marketing knowledge of the respondents

From Table 5-40 it appears that a stronger correlation exists between the computer literacy of the respondents and how they prefer navigation, than between the Internet marketing knowledge of the respondents and their preference for navigation. There is a 99 percent ( $\alpha=0,01$ ) certainty of a statistically significant correlation between computer literacy and their preference for navigation as easy ( $\rho=0,009$ ) or challenging ( $\rho=0.001$ ). What is more interesting is that the correlation between computer literacy and preference for navigation as easy is positive ( $r= 0,3498$ ), while the correlation between computer literacy and preference for navigation as challenging is negative ( $r= -0.4327$ ).

Table 5-40 Pearson product moment coefficient correlation for navigation and computer literacy (question 61) and Internet marketing knowledge (question 62)

	Computer literacy			Internet marketing knowledge		
	<i>r</i>	N	$\rho$	<i>r</i>	N	$\rho$
Experience navigation as easy	.3498	55	.009*	.2297	55	.092**
Experience navigation as challenging	-.4327	55	.001*	-.2307	55	.090**
Experience navigation as difficult	-.2028	55	.138	-.1023	55	.457

\* Correlation is significant at the 0,01 level (2-tailed)

\*\* Correlation is significant at the 0,1 level (2-tailed)

A less significant correlation, with a 90 percent ( $\alpha=0,1$ ) statistically significant correlation, exists between the Internet marketing knowledge of the respondents and the preference for navigation as easy ( $\rho=0,092$ ) or challenging ( $\rho=0.090$ ). What is more interesting is that the correlation between Internet marketing knowledge and preference for navigation as easy, is positive ( $r= 0,2297$ ), while the correlation between Internet marketing knowledge and preference for navigation as challenging, is negative ( $r= - 0,2307$ ).

Thus, in both situations, as the computer literacy or Internet marketing knowledge of the respondents increased, the more they prefer the navigation to be easy. However, the statistics also showed the opposite: as the computer literacy or Internet marketing knowledge of the respondents increased, the less they preferred the navigation to be challenging.

## **5.4 CONCLUSION**

This chapter presented the empirical findings of a survey conducted among the companies included in the Financial Mail Top Company Survey (2000). The sample size was 299 companies and the response rate was 18,4 percent.

The statistical manipulations of the data included frequency tables, cross-tabulations and Pearson product moment coefficient of correlations. The aim of these statistical manipulations was to gain a better understanding of the factors that influence contact efficiency. The respondents' opinions on the influence of information, entertainment, purchase facilitation, customer values, interactivity, navigation and Web site design, on the contact efficiency of an advertising Web site, was documented.

The chapter succeeded in identifying specific factors that the respondents felt could enhance the conversion of "hits" into "visits". These findings and recommendations to enhance the contact efficiency of an advertising Web site, will be discussed in the next chapter.



## **CHAPTER 6: FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

### **6.1 INTRODUCTION**

The primary objective of this study was to identify factors, which, in the opinion of marketing managers, could influence contact efficiency of an advertising Web site. Chapter 1 provided a broad overview of the study and explained the research problem and the research methodology. In Chapter 2 the role of the advertising Web site as a component of the promotion strategy of a business was considered. Chapter 3 investigated the characteristics of the WWW as an advertising medium. In addition to this, Chapter 3 also considered the advantages and the disadvantages of these characteristics for the advertiser. The primary objective of Chapter 4 was to gain a better understanding of the factors that can contribute to better contact efficiency of an advertising Web site. In Chapter 5 the empirical findings of the survey conducted among companies included in the Financial Mail Top Company Survey were presented. The empirical study was conducted from the perspective of management to gain specific insights in terms of strategy. This chapter will conclude the study by drawing conclusions based on the empirical research and the literature study. Lastly, the conclusions will be used to make recommendations that could assist marketers in developing Web site strategies that could enhance the contact efficiency of an advertising Web site

### **6.2 FINDINGS AND CONCLUSIONS**

In this section the findings of the empirical survey will be discussed in conjunction with findings from the literature study. The findings and conclusions will be linked with the corresponding sections of the questionnaire.

### **6.2.1 Findings and conclusions regarding the marketing manager and the contact efficiency stage**

According to the responses obtained, it appears that the contact efficiency stage is an important stage to consider. Even the majority of the respondents without marketing related job descriptions were of opinion that the contact efficiency stage is important. This corresponds well with the literature presented in Chapter 4 section 4.2. Furthermore, the cross-tabulations indicated that female respondents felt more strongly that contact efficiency is important compared to male respondents.

From the empirical study it appears that the marketing manager should be involved in the design of the company's Web site. Once again, a larger percentage of female respondents strongly agreed with the statement than did male respondents. Furthermore, not only respondents with marketing or Internet marketing related job descriptions, but also respondents with other job descriptions, shared the opinion that the marketing manager should be involved in the design of the company's Web site.

The majority of the respondents in the empirical survey were of the opinion that the marketing manager should be responsible for the development of strategies to improve the contact efficiency of the Web site. It appears that the female respondents feel more strongly that the marketing manager should develop Web site strategies to improve contact efficiency.

### **6.2.2 Findings and conclusions regarding the use of information as an incentive to convert "hits" into "visits"**

The majority of the respondents were of opinion that providing product-related information could serve as an incentive to convert "hits" into "visits". This also included respondents with job descriptions that are not marketing related. The finding supports the literature on product-related information as an incentive to convert "hits" into "visits". The empirical survey further contributed to an understanding on how product-related information can be used as an

incentive by determining which type of product-related information could serve as the best incentive. It appears that product benefits are the best type of information to provide. Furthermore, providing information on product features and links to sites related to the product, could also serve as incentives to convert “hits” into “visits”.

### **6.2.3 Findings and conclusions regarding the use of entertainment as an incentive to convert “hits” into “visits”**

The empirical research indicated less certainty regarding the perceived use of entertainment as an incentive. The majority of the respondents were uncertain as to whether entertainment could be used as an incentive or not. Even respondents with marketing related job descriptions indicated uncertainty regarding the use of entertainment as an incentive. What is more is that 50 percent of the respondents with Internet marketing related job descriptions also indicated that they were uncertain regarding entertainment as an incentive. The cross-tabulation in Chapter 5 section 5.3.2.15 indicated that the uncertainty is not sex related. Both male and female respondents were uncertain. This finding of the empirical survey does not corroborate the literature presented in Chapter 4 section 4.4.2. However, the empirical survey did contribute to the use of entertainment as an incentive by identifying product-related entertainment as the best type of entertainment that could be used as an incentive to convert “hits” into “visits”.

### **6.2.4 Findings and conclusions regarding on-line ordering and on-line purchasing as incentives to convert “hits” into “visits”**

As expected the empirical survey supported the literature presented in Chapter 4 section 4.4.3. The majority of the respondents were of opinion that on-line ordering and on-line purchasing provided incentives to convert “hits” into “visits”.

### **6.2.5 Findings and conclusions regarding the influence of addressing customer values on the contact efficiency of a Web site**

The empirical research indicated that addressing customer values could improve the conversion of “hits” into “visits”. In general, not one of the values identified from the literature had a mean lower than 3 on a 5 point scale (where 5 = strong influence and 1 = no influence). Thus, the empirical research generally supports the literature in that addressing customer values could improve the conversion of “hits” into “visits”. In addition to this finding, the empirical research further contributed to an understanding of the influence of customer values on contact efficiency by identifying the possible influence of each customer value on the contact efficiency stage. According to the empirical research, timely, up-dated information is the customer value that has the strongest influence on the user’s decision to “visit” a site or not. The other customer values that the empirical survey found important are; convenience, guaranteed fulfilment and security.

### **6.2.6 Findings and conclusions regarding the influence of interactivity of the contact efficiency of a Web site**

In general, the empirical survey suggests that interactive functions do have an influence on the user’s decision to “visit” a site or not. According to the respondents the influence may differ from one interactive function to a next interactive functions. This finding of the empirical research supports the literature in Chapter 4 section 4.3 that interactivity is a factor that influences the Internet user’s decision to “visit” a site or not.

The empirical study also established respondent’s opinions regarding the influence of each interactive function on converting “hits” into “visits”. The findings of the empirical survey concluded that on-line ordering of goods has the strongest influence on converting “hits” into “visits”. Other interactive functions that also appear to have a strong influence are: personal helper

choice, order status checking, virtual reality presentations, dealer locator, on-line forms for customer inquiries and key word search.

The empirical research further determined that the number of interactive functions could have an influence on the Internet user's decision to "visit" a Web site or not.

### **6.2.7 Findings and conclusions regarding navigation preferences**

As expected, the results of the empirical survey indicated that more than 80 percent of the respondents prefer the navigation to be easy. At the same time, almost 90 percent of the respondents do not strongly prefer navigation to be difficult. This supports the theory in Chapter 4 section 4.3 that the navigation of the site must be easy. The empirical survey did not support the theory (Chapter 4 section 4.6) regarding navigation as challenging. The majority of the respondents neither preferred or did not strongly prefer navigation to be challenging.

### **6.2.8 Findings and conclusions regarding Web site design factors**

The majority of the respondents in the empirical survey either agreed or strongly agreed that typography, image-loading time, colour and layout influence the user's decision to visit a site. This finding supports the theory that Web site design influences contact efficiency (refer to Chapter 4 section 4.3).

## **6.3 RECOMMENDATIONS**

### **6.3.1 Recommendation(s) regarding the marketing manager and the contact efficiency stage**

- Marketing managers should be involved in the design of the company's Web site. Thus, the design of the Web site is not only the responsibility

of the Information Technology department or Internet department, which often appears to be the case.

- The marketing manager should be assigned the responsibility to design strategies to improve the contact efficiency of a Web site. Given the characteristics of the company's product(s), the marketing manager should develop the best strategies to convert "hits" into "visits".

### **6.3.2 Recommendations regarding the use of information as an incentive to convert "hits" into "visits"**

- One of the strategies that the marketing manager could consider to improve contact efficiency is to provide product-related information as an incentive to convert "hits" into "visits".
- The best types of information to include are: information on product benefits, product features, and links to sites that are related to the product.

### **6.3.3 Recommendations regarding the use of entertainment as an incentive to convert "hits" into "visits"**

- Given the uncertainty regarding the use of entertainment, further research is necessary to determine its influence as an incentive to convert "hits" into "visits".
- Regardless of the uncertainty, product-related entertainment would be the best to use if the marketing manager does employ entertainment as an incentive.

### **6.3.4 Recommendations regarding on-line ordering and on-line purchasing as incentives to convert "hits" into "visits"**

- To improve the contact efficiency of an advertising Web site, marketers can use on-line ordering and on-line purchasing as incentives. On-line ordering and purchasing provide an incentive for the customer to "visit" the advertising Web site.

- To employ this strategy effectively, marketers need to consider the influence of product characteristics on the potential of on-line selling. Given the nature of certain products, the possibility of using on-line purchase facilitation as an incentive could be minimized.

### **6.3.5 Recommendations regarding the influence of addressing customer values on the contact efficiency of a Web site**

- Marketers must consider addressing customer values as part of the value proposition. By focusing on specific customer values, the contact efficiency of an advertising Web site can be enhanced.
- It appears that the most important customer value to address is providing the customer with timely, updated information. Other customer values that are also very important to address are: convenience, guaranteed fulfilment and security.

### **6.3.6 Recommendations regarding the influence of interactivity on the contact efficiency of a Web site**

- Marketers could use interactive functions to convert “hits” into “visits”. Interactive functions provide an incentive for the Internet user to “visit” a Web site.
- It appears that interactive functions have different influences on the Internet user’s decision to “visit” a Web site. The study indicated that the interactive functions that have the strongest influence to convert “hits” into “visits” are: on-line ordering of goods, personal helper choice, order status checking, virtual reality presentations, dealer locator, on-line forms for customer inquiries, and dealer locator.

### **6.3.7 Recommendations regarding navigation preferences**

- Given the design of the advertising Web site, the customer must experience the navigation as easy. Marketers should regularly determine how site visitors experience the navigation of the advertising

Web site. If, for some reason, the visitors do not experience it as easy, corrective steps should be taken.

### **6.3.8 Recommendations regarding Web site design factors**

- Marketing managers need to bear in mind that the design of the Web site could influence the user's decision to "visit" a site or not.
- Marketing managers should select fonts, font sizes and colours that enhance the contact efficiency of the Web site. Marketing managers could experiment with different fonts and font sizes and solicit Internet users' opinions which will contribute to better contact efficiency.
- Marketing managers should ensure that Web pages or images on Web pages do not take a long time to load. Marketing managers should determine what the Internet user perceives as a "too long time to load", and adjust the design of the Web site accordingly.
- Marketing managers should position text in the best possible way so that it enhances the contact efficiency of the Web site. Similar to the recommendation on fonts, font sizes, and colours, the marketing manager could experiment with different text positions and gather customer feedback on which positions will facilitate the conversion of "hits" into "visits".

The overall recommendation of the study is that marketing managers and practitioners could enhance the contact efficiency of advertising Web sites by addressing specific factors. These factors are: product information, purchase facilitation, interactivity, navigation and Web site design.

## **6.4 SUGGESTIONS FOR FURTHER RESEARCH**

During this study literature was reviewed to identify possible factors that could enhance the contact efficiency of advertising Web sites. The factors that were identified were then tested in an empirical survey. Given the results of the study the following areas for further research are identified:



- The factors that could influence the contact efficiency stage of an advertising Web site can be empirically tested from the consumer's perspective. This research could indicate similarities and differences between views of respondents to this survey and those of consumers. Such research could also contribute to developing customer-centric , and/or industry specific, strategies to improve contact efficiency.
- Further research can be conducted regarding the use of entertainment as an incentive to convert "hits" into "visits". The aim of such research could be to determine why the respondents to the survey viewed entertainment as less of an incentive to convert "hits" into "visits".
- This study only explored the influence of the navigation experience on contact efficiency. Further research could explore how different navigation tools influence the user's decision to "visit" a site or not.
- Future research can also attempt to determine the influence of brand on the conversion of "hits" into "visits". Three respondents identified brand as a possible factor to consider in the contact efficiency stage. More certainty is needed regarding the influence on contact efficiency.

## **6.5 FINAL CONCLUSION**

In conclusion, this study succeeded in identifying factors that influence the contact efficiency of an advertising Web site. Therefore, the primary objective of the study was successfully achieved.

In addition to achieving the primary objective to the study, this research could contribute to the future success of companies in the digital economy. It can provide marketing managers and practitioners with more insight to develop effective Web site strategies. Improving the understanding of strategies that could enhance the contact efficiency of advertising Web sites could lead to improved results for on-line advertising sites, such as more on-line sales. It is therefore imperative for marketing managers and practitioners of companies with on-line advertising Web sites to consider the recommendations of this study.

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## **ANNEXURE A: QUESTIONNAIRE**

**CONFIDENTIAL**

<b>QUESTIONNAIRE TO IDENTIFY FACTORS THAT INFLUENCES CONTACT EFFICIENCY IN MARKETING WEB SITES AS PERCEIVED BY MARKETING MANAGERS</b>
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**SECTION A: Web site design and contact efficiency**

Indicate by checking (X) the appropriate category the extent to which you, as a marketing manager, agree or disagree with the following statements.

	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neither agree or Disagree</b>	<b>Agree</b>	<b>Strongly agree</b>
1. The marketing manager plays a role in the design of a company's Web site.					
2. The conversion of Web site "hits" (landing on a Web site) into "visits" (greater interaction between the surfer and the web page after landing on the Web site) is an important part of the overall efficiency of a Web site.					
3. The marketing manager should be responsible for developing a Web site strategy to convert Web site "hits" into "visits".					

**SECTION B: Factors determining value**

Indicate by checking (X) the appropriate category the extent to which you, as a marketing manager, agree with the following statements.

	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neither agree or disagree</b>	<b>Agree</b>	<b>Strongly agree</b>
4. Providing product related information is an incentive that can be used to convert Web site "hits" into "visits".					
5. Entertainment such as games is an incentive that can be used to convert Web site "hits" into "visits".					
6. Offering online ordering of products is an incentive that can be used to convert Web site "hits" into "visits".					
7. Offering online purchasing of products is an incentive that can be used to convert Web site "hits" into "visits".					

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8. Indicate by checking (X), which of the following types of entertainment is the *best incentive* that can be used by a marketing manager to convert Web site "hits" into "visits". (MARK ONLY ONE)

Product related entertainment	
Non-product related entertainment	
Type of entertainment does not matter	

Indicate by checking (X) the appropriate category the extent, according to you as a marketing manager, to which each of the following factors influence the decision of an Internet user to "visit" a Web site.

	<b>No influence 1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>Strong influence 5</b>
9. Convenience in the use of the Web site.					
10. Transparency - Easy migration from one site to another that provides additional information.					
11. Guaranteed fulfillment.					
12. Security of electronic transactions.					
13. Educating the user on product usage or benefits.					
14. Personalization - Individualization of the Web site for you as customer.					
15. Proactivity - The Web site anticipate future needs of you as a customer.					
16. Timeliness - Updated and immediate information are available.					
17. Choice - Providing more options and product diversity.					
18. Interaction - Interaction with other users.					

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Indicate by checking (X) the appropriate category the extent to which, a marketing manager, can use the following types of product information as an incentive for Internet users to "visit" a Web site.

<b>Type of info</b>	<b>Low use 1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>High use 5</b>
19. Information on product features.					
20. Information on the benefits of the product.					
21. Comparison with other previous product.					
22. Comparisons with competitive products.					
23. Links to other sites related to the product.					

*Section C follows on the next page.*

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**SECTION C: Interactivity**

Indicate by checking (X) the appropriate category the extent to which, according to you as a marketing manager, the following *interactive functions* in a Web site influence the Internet user's decision to "visit" the Web site.

	<b>No influence 1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>Strong influence 5</b>
24. Downloading of software.					
25. Online forms for customer feedback. (Customers can type in their feedback in e-forms with regard to specific questions raised by the site.)					
26. Online forms for customer inquiries. (E-forms on which customers can type online inquiries regarding the products or the firm.)					
27. Online forms for customer comments. (Customers can fill out e-forms to express their opinions about the company, products, and sites.)					
28. Download images to save as screensaver.					
29. Online problem diagnostics. (Providing troubleshooting information to product users.)					
30. Order status checking.					
31. Site survey.					
32. Product survey.					
33. New product proposal.					
34. Key word search.					
35. Personal choice helper. (A function that can make relatively sophisticated recommendations on consumer choices based on their input of preferences and decision criteria.)					
36. Virtual-reality presentation. (A function that permits consumers to virtually "feel or experience" the product.)					
37. Dealer locator.					

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38. Electronic coupon. (Download and print discount coupons for services or products.)					
39. Online ordering of goods.					
40. Online games and contests.					
41. Push media. (Users select to participate and receive information directly to their screens on a regular basis.)					
42. Interactive job placement.					
43. Electronic postcards.					
44. Surfer postings. (Section for surfers to post messages to other visitors to the site.)					
45. Usergroup. (Cyber community for product users.)					
46. Games.					
47. Multimedia presentations. (Video clips of products that can be downloaded and view on the computer.)					

48. Indicate by checking (X) the extend to which the number of interactive functions have on the Internet user's decision to visit a Web site.

<b>No influence</b> <b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>Strong influence</b> <b>5</b>
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**SECTION D: Navigation**

Indicate by checking (X) the appropriate category your preferences, as a marketing manager, on site navigation.

	<b>Strongly not prefer</b>	<b>Not prefer</b>	<b>Neither prefer or Not prefer</b>	<b>Prefer</b>	<b>Strongly Prefer</b>
49. The Internet user must experience the navigation of the site as easy.					
50. The Internet user must experience the navigation of the site as challenging.					
51. The Internet user must experience the navigation of the site as difficult.					

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**SECTION E: Factors regarding Web site design**

Indicate by checking (X) the appropriate category the extent to which you, as a marketing manager, agree with the following statements.

	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neither agree or Disagree</b>	<b>Agree</b>	<b>Strongly agree</b>
52. Typography (font of words) on a web page has an effect on the Internet user's decision to "visit" a Web site or not.					
53. Slow loading due to complex backgrounds affects your decision to stay at a site.					
54. Long image loading time has a negative effect on the Internet user's decision to "visit" a site.					
55. Colour usage in the site has an effect on the Internet user's decision to "visit" a site.					
56. Positioning of the text on the web page has an effect on the Internet user's decision to "visit" a site.					

57. Are there any factors not listed in this questionnaire that can, according to you, influence the conversion of "hits" into "visits"? Briefly name it or them.

**SECTION F: Respondent information**

58. Sex	Male	
	Female	

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59. Age	
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60. Job description	
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Indicate by checking (X) the appropriate category for questions 61, 62 and 63.

61. How would you rate your computer literacy?	Very poor.	
	Poor.	
	Neither Poor nor Good.	
	Good.	
	Very good.	

62. How would you rate your Internet marketing knowledge?	Very inexperienced.	
	Inexperienced.	
	Neither Inexperienced nor Experienced.	
	Experienced.	
	Very Experienced.	

63. Which type of product does your company sell?	High buyer involvement product (Customer needs information to make the purchase decision.)	
	Low buyer involvement product (Purchase decision is made on habit, intuition and convenience.)	