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CHAPTER 2. LITERATURE REVIEW

2.1 Introduction

Web-mediated marketing communication (WMC) is a relatively new phenomenon, and to date little research within the discipline of marketing has been published on this topic. As indicated in the previous chapter, the overall aim of the study related in this thesis was to investigate the features of effective corporate Web sites. Accordingly, the purpose of this chapter is to critically review the existing marketing literature in order to determine what is known about this phenomenon and to identify any knowledge gaps or problems with the current body of marketing knowledge. This critical review of the marketing literature is extended with a review of literature in social psychology which offers useful insights into the nature of WMC.

This chapter begins with the media characteristics of the Web as a marketing communication medium for firms. Then, some of the issues addressed by marketing communication research are discussed. It is argued that existing marketing communication and consumer behaviour models are not well suited to WMC. Given the deficiencies and limitations in the existing marketing literature, a new theoretical framework is proposed. This framework is based on Activity Theory, a theory originally developed within school of social psychology. The important constructs of this framework are Web site typology, social interaction, individual differences and Web communication effects.

2.2 Corporate Web Sites and Marketing Communication

Web-mediated Marketing Communication (WMC) is a new phenomenon and is different from other communication mediated via the Internet. Generally WMC refers to the "use of a Web site for marketing purposes" (Suh, Couchman, and Park, 2003; Suh, Hasan, Couchman, and Park, in press). Web sites can be classified into five main groups: (1) personal Web sites run by individuals or groups of people, (2) corporate Web sites for profit-oriented firms, (3) public sector Web sites run by government agencies, (4) non-profit organisation Web sites for Universities, and (5) Web sites for voluntary organisations such as the Salvation Army. This study particularly focuses on corporate Web sites, which have unique addresses or uniform resource locators (URLs) such as ".com" or ".co". Corporate Web sites deliver a variety of information relating to companies, products, and services. The term "mediated communication" emphasises human communication that uses media such as the Web rather than direct face-to-face interaction (Richards and Curran, 2002). Leiss, Kline, and Jhlly (1986) explain that the term "mediated communication" has two implications. First, it emphasises the interaction mediated by communication media (e.g., the Web or mass media rather than face-to-face). The different characteristics of communication technologies will have an influence on the patterns of the communication process and interaction. The second implication refers to the role of firms and consumers in the communication process. In mass-mediated marketing communication (e.g., advertising), firms and communication organisations have more power to control the channels and messages. By contrast, in WMC it is argued that consumers have more power to control the channels and messages. Therefore, this study uses the term "Web-mediated marketing communication" to emphasise the active role of consumers and their interaction. WMC

involves interaction between firms and consumers mediated via corporate Web sites. In this section the characteristics of a corporate Web site and consumers interaction with a Web site will be discussed in order to provide a background for understanding WMC.

2.2.1 Media Characteristics of a Corporate Web Site

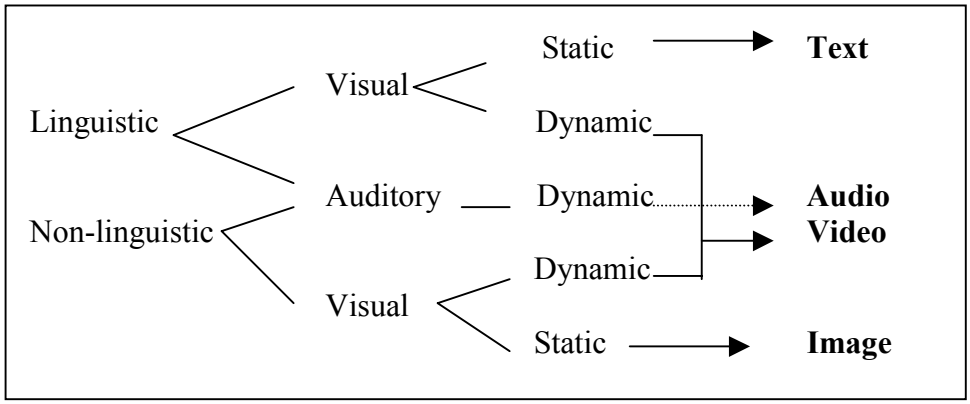
(1) Hypermedia

Hypermedia is the most distinctive feature of a Web site. Here hypermedia is defined as the dynamic elements of a Web site, which include hyperlinks and multimedia. Although there have been many studies on hypermedia (e.g., Bouvin, 2000; Cockburn and Wilson, 1996; Deans and McKinney, 1997; Dholakia and Rego, 1998; Palmer and Griffith, 1998; Lowe and Hall, 1999), there has been some confusion about the term. Hence, it is useful here to more clearly define the elements of hypermedia.

First of all, for the categorisation of multimedia, three dimensions are considered: (1) linguistic or non-linguistic, (2) auditory or visual, and (3) dynamic or static properties. Advertising and psychology research (e.g., Littlejohn, 1983; Krech and Crutchfield, 1965; Moriarty, 1994; Rada and Tochtermann, 1995; Ross, 1973) indicate that these three dimensions can facilitate an understanding of consumer's perception and feelings. Based on these criteria four categories of Web-based multimedia are identified (see Figure 2.1). Text, as the written language, including letters and numbers, is expressed in static and visual forms. Audio is any kind of sound, which is a dynamic, auditory medium. An image refers to a non-lingual, static, and visual element of a Web site. It includes photographs, paintings, drawings, graphics, etc. Video refers to dynamic visual

elements including both linguistic and non-linguistic. The simplest form of video is animation. Some examples are flickering icons, spinning logos, or scrolling text (King, Knight, and Mason, 1997). More complicated forms of video are full motion video clips such as films.

Figure 2.1 Multimedia Elements of a Web Site



A hyperlink is an important concept that distinguishes a Web site from all other mass media. A hyperlink refers to a connection between two or more sets of information. The prefix "hyper" emphasises multidirectional links, which enable the user to move or jump in any direction while they are navigating a Web site. This differs from the sequential nature of traditional mass media advertising. In this sense a hyperlink is a crucial factor in determining the non-linear nature of a Web site (e.g., Fuller and Jenkins, 1995; Heim, 1993; Jackson, 1997; Landow, 1992; Lanham, 1993). Reflecting this, the use of hyperlinks is distinctively called "navigation", and accordingly, navigation often refers to the use of the Web generally.

Typically, links are performed by clicking on highlighted words or symbols. A hyperlink may be classified into two categories, an internal and external link. An

internal link allows the user to move to another place within the same Web site or even on the same page. An external link takes users to another Web site. External links are created for various purposes. For instance, linking to external resources, a company can provide users with additional information related to the industry. Some sites facilitate external links to affiliated companies to enhance brand and corporate image.

(2) The potential of Hypermedia for Marketing Communication

The potential advantages of hypermedia to marketing communication can be explored by identifying its unique characteristics. Firstly, hypermedia can enrich the quality of information and its presentation. Hypermedia involves the use of more than one sense in communication. This multi-modality stimulates sensory perception in a synergistic way and enhances the experience of accessing information (e.g., Nisbett and Ross, 1980). Hyperlinks also can improve the quality of information by leading users to more relevant data.

Secondly, as discussed above, hypermedia is non-linear and non-sequential, hence, there is no single predetermined path that users follow. Users can select the page they want to read, and decide which direction they want to go. Thus, users can control the order and sequence of presentation while they are navigating a Web site (Burton, Moore, and Holmes, 1995). User control when accessing a Web site involves a shift of power to control information from firms to consumers (Pavlou and Stewart, 2000; Vandermerwe, 2000). This shift emphasises the importance of taking a consumer-centric approach to Web site design, central to the concept of marketing.

Finally, as many researchers have argued (Bates, 1994; Blumberg and Galyean, 1995; Granieri, Becket, Reich, Crabtree, and Badler, 1995; Kurlander and Ling, 1995; Maes, Blumburg, Darrell, and Pentland, 1995; Tu and Terzopoulos, 1994), the ultimate goal of using hypermedia is to enhance perceived reality through rich interaction. When users feel they are navigating where they want to go, and they get what they want, a Web site is seen as an interaction-rich virtual space (Suh, Couchman, and Park, 2003). This implies that Web users have more power to control information process than traditional mass media.

Although hypermedia has many advantages, there are also drawbacks that need to be considered. For instance, multi-modality itself does not automatically guarantee its effectiveness. Sometimes a Web site, with the hypermedia element, can take more time as it takes a long time to download and this can cause irritation. A Web site can also distract user's attention due to its complexity.

(3) Web Site Functions

In traditional marketing communication, personal selling is the dominant marketing communication tool in industrial marketing, while mass media advertising is the most frequently used tool for consumer markets (Dickson, 1994). Firms cannot perform more than one function on the same media. However, a corporate Web site delivers more than one function at the same time (e.g., Ainscough and Luckett, 1996; Cockburn and Wilson, 1996; Esrock and Leichty, 2000; Perry and Bodkin, 2000). Some scholars (e.g., Berthon, 1996) argue that a Web site is a combination of direct selling and advertising. Others (e.g., Cockburn and Wilson, 1996) identify corporate Web sites perform several

functions including public relations (PR), advertising, online selling, and customer service. These facts imply that a corporate Web site can be an effective marketing communication medium for firms due to its multi-functionality.

However, the problem in the field is that there has been some confusion with the terms and definitions of the functions of marketing communication. These problems call for new criteria for the classification of marketing communication tools. This thesis more clearly defines the functions of marketing communication. This process begins with an investigation of the traditional functions of marketing communication.

Although the terminology and definitions are not standardised (Anderson and Rubin, 1986), advertising, public relations (PR), sales promotion, and personal selling are the four common elements of the traditional marketing communication mix (e.g., Boone and Kurtz, 1992; Boyd, Walker, and Rarreche, 1995; Fill, 1995; Rix and Stanton, 1998; Stanton, Miller, and Layton, 1991). The traditional criteria for the classification of these marketing communication tools are whether they use paid or unpaid media, whether they use product-specific or company-specific messages, whether they are personal or non-personal, and whether sponsors are identified or unidentified (e.g., Belch and Belch, 1999; Shimp, 1997).

However, the traditional classification schemes for the marketing communication mix have been criticised by many scholars. For example, van Waterschoot and van den Bulte (1992) have pointed out the vagueness of the classification criteria. Overall, two main problems can be identified. The first is related to the definition of sales promotion. As van Waterschoot and van den Bulte (1992) argue, there is no standard definition.

Moreover, following the American Marketing Association's definition, many authors define sales promotion as activities other than advertising, public relations, and personal selling (e.g., Cateora, 1993; Morrison, 2002; Perreault and McCarthy, 1996; Ray, 1982). The lack of clear definition of sales promotion often causes confusion with promotion, another general term for marketing communication. Therefore, sales promotion should be more clearly defined for Web marketing communication.

The second problem is the blurring of functions amongst marketing communication tools. Sales promotion activities basically overlap with advertising and personal selling (van Waterschoot and van den Bulte, 1992). Moreover, advertising activities also overlap with sales promotion and public relations. Corporate image advertising, also called corporate advertising or institutional advertising, is a hybrid form of advertising and public relations in that it emphasises corporate-related messages rather than particular products or services (Boyd *et al.,* 1995; Kotler, 1994; Perreault and McCarthy, 1996; Shimp, 1997). On the other hand, promotional advertising and direct response advertising, which include sales promotional content or attempts to induce direct responses (Engel, Warshaw, and Kinnear, 1991; Kotler, 1994; Shimp, 1997), are hybrid forms of advertising and sales promotion. Hence, the criteria for the advertising, public relations, and sales promotion functions should be made clearer for Web marketing communication.

Drawing on previous studies on the functions (e.g., Ainscough and Luckett, 1996; Angehrn, 1997; Cockburn and Wilson, 1996; Deans and McKinney, 1997; Dholakia and Rego, 1998; Esrock and Leichty, 2000; Hoger, Cappel, and Myerscough, 1998; Huizingh, 2000; Leong, Huang, and Stanners, 1998; Liu, Arnett, Capella, and Beatty,

1997; McNaughton, 2001; Perry and Bodkin, 2000; Simeon, 1999; Spiller and Lohse, 1997-8; Zeff and Arronson, 1999), five marketing communication functions of a corporate Web site can be identified: advertising, public relations, sales promotion, online selling, and customer service. The functions of advertising, public relations, and sales promotion through corporate Web sites are basically the same as those in traditional marketing communication. Online selling can be regarded as an online version of personal selling in traditional marketing communication. However, customer service is a new function of a corporate Web site.

In WMC, advertising refers to messages related to a product or service to persuade potential customers to choose a specific product or service. Familiar advertising activities of a corporate Web site are product information, brochures, catalogues, packaging, signs, posters, and so forth (Boyd *et al*., 1995; Kotler, 1999). Hence, advertising is similar to typical brand advertising in traditional marketing communication.

Public relations (PR) can be defined as activities that use corporate-related information to enhance corporate image or goodwill with broad publics including employees, stockholders, financial communities, the government, and even general publics (Boone and Kurtz, 1992; Engel *et al*., 1991; Griffith and Krampf, 1998; Kitchen, 1993; Lamb, Hair, and McDaniel, 1996; Patti and McDonald, 1985). Popular activities of public relations in Web marketing communication are general news about a company, annual reports, contributions, speeches, seminars, newsletters, sponsorships, charitable donations, press kits, company magazines, favourable news, and so on (Boyd *et al*., 1995; Kotler, 1999; Mercer, 1999; Rix and Stanton, 1998; Uva, 2000). In traditional

marketing communication, both corporate advertising (also called institutional, image, or public relations advertising) and PR put an emphasis on corporate image rather than sales of specific products or services (Burnett, 1993). The only difference between corporate advertising and PR is whether they use paid or unpaid media. In the Web, however, this criterion is not appropriate any more. Therefore, here corporate advertising is included in public relations.

Sales promotion refers to an attempt to induce a customer to perform a specific action within a short period of time (Boone and Kurtz, 1992; Davis, 1981; Dickson, 1994; Kotler, 1994; Morrison, 2002; Runyon, 1984; Shimp, 1997; Zikmund and D'Amico, 1996). Activities of sales promotion include coupons, sweepstakes, contests, samples, rebates, low-interest financing, free offer, price reduction, etc. (Bolen, 1981; Boyd *et al*, 1995; Davis, 1981; Griffith and Krampf, 1998; Kotler, 1999; McDonalds, 1984; Rix and Stanton, 1998).

Online selling is defined as an online transaction, that is, direct selling and buying products or services over the Web (e.g., Esrock and Leichty, 2000; Griffith and Krampf, 1998; Lamb *et al*., 1996; Stewart, Pavlou, and Ward, 2002). Online selling aims at providing facilities for buyers to purchase products or services. The ordering process and payment system through the Web are examples of online selling activities. Although usage of this function remains low (Chaudhury, Mallick, and Rao, 2001), online selling is an important capability of corporate Web sites.

Customer service refers to all the activities of answering customers, responding to customers, and solving customer problems. Accordingly, activities of customer service

include after sales, handling of repair or installation, dealing with complaints, technical advice, contacts, answers, and so on (e.g., Kotler, 1999; Lovelock, 1991). Customer service has played an important role in competitive marketing environments. As the quality of products becomes very similar, customer service is perceived to be a critical attribute for many companies (Boyd *et al*., 1995; Jain, 1993).

2.2.2 Consumer Interaction

In traditional advertising situations, consumers are accidentally or inadvertently exposed to advertisements while they are watching television. The viewers are regarded as passive recipients of advertising messages. However, Web users voluntarily access corporate Web sites and actively communicate with firms. In the WMC process consumers should be regarded as active participants (Fiske and Hartley, 1978; Hall, 1980; Pitt, Berthon, and Watson, 1996; Rogers, 1986). The concept of "active participants" provides new perspectives to understand WMC. Active consumers are more involved and feel a sense of community via social interaction, which is an important feature of WMC. This section explores how interactivity has an effect on consumer interaction, and how interaction creates a virtual community in WMC. This will provide a basis for developing a new approach for WMC.

(1) Interactivity

A Web site is called an "interactive medium" to emphasise its capability for interactivity. In the marketing context, a corporate Web site can be understood as a medium of interactive advertising or interactive marketing communication because it

enables consumers to control marketing information and to engage in communication (Shimp, 1997). The key assumption behind the concept of interactivity is that Web users are active participants in the communication process. Although there is no standard definition of interactivity, it is generally understood as a property of communication process rather than a media characteristic (Rafaeli and Sudweeks, 1997). Here interactivity can be defined as "the extent to which users can participate in modifying the form and content of a mediated environment in real time" (Steuer, 1992).

Feedback and immediacy are important concepts in relation to interactivity. Unlike traditional advertising, a Web site facilitates real-time feedback functions, which provide mutual understanding, enhance involvement (Clark, 1992; Clark and Brennan, 1991; Dennis and Kinney, 1998; Huang, 1999; Luo, 2002; Walther, 1992; Zack, 1993). There are feedback functions in traditional marketing communication. Consumer survey or monitoring sales data are some examples. In this context consumers are passive or reactive and feedback time is very delayed. Ultimately these sorts of feedback functions cannot increase interactivity in marketing communication. Beside, interactive communication means continuous exchanges of information (Zack, 1993). A corporate Web site is not a one-time advertisement. Web users can come back again any time, 24 hours a day, 7 days a week, whenever they want.

The importance of interactivity for marketing communication is that it ultimately influences a consumer's affect and creates social relationships (Duncan and Moriety, 1998; Ghose and Dou, 1998; Kiesler, Zubrow, Moses, and Geller, 1985; Rafaeli and Sudweeks, 1997). Marketing scholars (e.g., Duncan and Moriety, 1998) argue that relationship building is the critical task in WMC.

(2) Interaction and Virtual Community

The concept of "interaction" is a property of human actors in a communication system such as consumers, marketers, and firms. From marketing communication perspectives, interaction refers to "mutual exchange of information and emotion between consumers and firms". Emotion differentiates interaction from "action-reaction" or "stimulus-response" which does not involve interrelationship. Hence, interaction is regarded as the ideal of human communication (Berlo, 1960). Reciprocity or mutuality is also an important concept. Interaction occurs between more than two or more people. When consumers and marketers interact, they influence each other (Lauer and Handel, 1977).

A corporate Web site allows a high degree of interaction. Web users can send feedback and email to marketers any time. Further they can receive a response from marketers in a short time. Through this process Web users are involved in the marketing communication process. They exchange information and emotion. Amor (1999) insists that a corporate Web site creates tight relationships and a sense of teamwork between consumers and firms. Traditional advertising viewers, on the contrary, cannot do this. They just receive information while they are watching television or reading newspapers. There is generally no interaction between consumers and firms. This is the difference between traditional advertising and WMC. The concept of interaction has made marketing communication scholars re-think the communication concept. Therefore, it is claimed that consumer interaction in the marketing process should be explored and evaluated.

Further, consumer interaction creates a virtual community. Rheingold (1993) defines virtual communities as:

> "social aggregations that emerge from the Net when enough people carry on those public discussions large enough, with sufficient human feelings, to form webs of personal relationships in cyberspace (p. 5)."

In short, the definition emphasises the human feelings between people. While there are many processes or elements of human feelings, the ability to create a sense of presence online is one important factor (Palloff and Pratt, 1999). When consumers navigate Web sites they feel that they are communicating or interacting with others. This feeling is called social presence (Suh, Hasan, and Couchman, 2003; Suh, Hasan, Couchman, and Lee, in press). Therefore, social presence is an important indication of a virtual community. For example, a high degree of social presence generates a virtual community. Several studies have found that interactive media create virtual communities (e.g., Papacharissi and Rubin, 2000).

In WMC a corporate Web site is a place, consumers and firms are members, and they share information. Hoffman and Novak (1996) have proposed a conceptual model, which highlights the role of a sense of presence in the marketing context. Advertising scholars (e.g., Choi, 2000; Choi, Miracle, and Biocca, 2001) have recently begun to include the concept of presence in empirical studies. They found that a high level of presence created a high level of positive attitude toward the advertisement, brand attitude, and intention to revisit the Web site.

When firms provide better interactive social environments (e.g., online forums, feedback functions, bulletin boards, etc.), consumers and firms can build better relationships. Many marketing scholars (e.g., Hoey, 2000; Hoffman and Novak, 1996; Rayport and Sviokla, 1995) argue that understanding a virtual community or marketspace is critical to the success of WMC.

2.3 Marketing Communication Studies

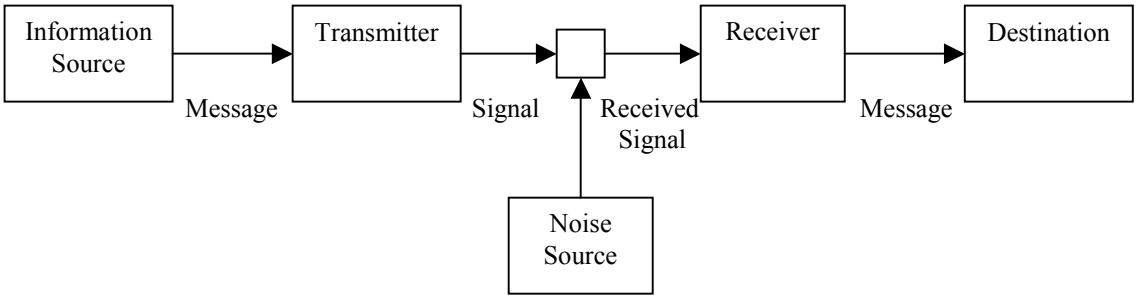
Although most marketing and advertising scholars acknowledge the importance of a corporate Web site as a marketing communication tool, to date little systematic research has been carried out into the nature of WMC and the means of assessing WMC effectiveness. Furthermore, most WMC research has been undertaken using traditional marketing communication models. Hence, there is a need to examine existing marketing communication models and the study of marketing communication effectiveness. This will provide a basis for developing a new marketing communication model for application to corporate Web sites.

2.3.1 The Traditional Marketing Communication Model

Marketing communication consists of advertising, public relations (PR), sales promotion, and personal selling. Marketing communication studies have mainly focused on advertising through traditional mass media such as television, newspaper, radio, and magazine (Watson, Zinkhan, and Pitt, 2000). Accordingly, in this study traditional marketing communication means traditional advertising.

The information processing model is the most dominant approach in marketing communication (Cohen, 1981; Duncan and Moriarty, 1998; Penrice, 1995; Riva and Galimberti, 1998). The information processing model is based on Shannon and Weaver's (1949) model of communication (see Figure 2.2). Shannon and Weaver's model is composed of a sender (transmitter), a receiver, and a message (which is transformed into the signal). In this model message and signal have been regarded as the most important factors. Based on this communication model, a traditional advertising model has been conceptualised as one-way communication from an advertiser to a consumer (Stewart *et al*., 2002).

Figure 2.2 Shannon and Weaver's Model of Communication



Source: Shannon and Weaver (1949, p. 5)

The traditional advertising model has mainly focused on advertising messages rather than on consumers. The goal of advertising is to deliver messages precisely to consumers. The first interest of advertisers is how to manipulate messages to persuade consumers. The second interest is to measure the advertising effects. This model has been supported by cognitive psychology, which has developed persuasion and communication effect paradigms (Radford, 1994). Persuasion simply means attempting

to change consumer attitude and behaviour. Effective measures involve concepts such as perception, thinking, beliefs, meanings, or intention (Losee, 1999).

Although scholars insist that feedback is important, in the traditional linear model of advertising, feedback functions are very limited. For instance, in the marketing setting, the only way to get consumer information is to ask consumers through a survey questionnaire or telephone "hotline"(e.g., customer service 1-800). The shortcomings of these types of feedback are a lack of interaction between consumers and firms, and substantial time gaps between advertising implementation and consumer response. For this reason a reciprocal relationship between consumers and firms has been largely ignored. However, it is argued here that reciprocity of WMC should be considered (Stewart *et al*., 2002).

Furthermore, many scholars (e.g., Peter and Olson, 1990; Rogers, 1986) have argued that the traditional advertising model has long neglected the emotional aspects and experiences of consumers. Recently many researchers (Gunawardena and Zittle, 1997; Kuehn, 1993; Mantovani, 2001; Choi, 2000; Choi *et al*., 2001) have found that a Web site can generate rich emotional interaction. To fully understand the nature of the new phenomenon, new marketing communication models should be developed.

2.3.2 Effectiveness Studies

The study of advertising effectiveness has been conducted in consumer behaviour, which focuses on "the processes involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires"

(Solomon, 1994, p.7). In other words, consumer behaviour involves the study of interaction amongst consumers and firms in the marketing environment. While consumer behaviour utilises concepts and models from other scientific disciplines such as psychology, sociology, anthropology and economics, most consumer behaviour theories have been modeled on cognitive psychology (Liefield, 2003; Stewart *et al*., 2002). Accordingly, the study of advertising effectiveness has been heavily influenced by cognitive psychology.

The basic premise of advertising effectiveness is that consumers are passively exposed to advertisements, then, they process advertising messages. As a result, brand beliefs are formed, which lead to brand attitudes and intentions to purchase the brand. These psychological responses finally influence the consumer's decision to choose a particular brand. Thus, the information about consumer beliefs, perceptions, attitudes, and intentions are very important for assessing traditional advertising effects because these measures predict a consumer's final choice of a particular brand (Liefield, 2003).

(1) Attitude Measures

Typically, the effectiveness of advertising has been assessed by an approach called "communication effects" (e.g., Olson, Toy, and Dover, 1982; Shimp, 1997; Sirgy, 1998). The most widely used measures of advertising effects are attitude toward the advertisement (Aad), attitude toward the brand (Ab), and purchase intention (PI) (Goldsmith, Lafferty, and Newell, 2000). In accordance with Gordon Allport's (1935) classical definition of attitude, attitude toward the advertisement (Aad) is defined as a general predisposition to respond to a particular advertisement in a favourable or

unfavourable way (e.g., Belch and Belch, 1999; Cacioppo, Harkins, and Petty, 1981; Lutz, 1985; Mitchell and Olson, 1981; Solomon, 1994). Similarly, attitude toward the brand (Ab) is defined as a general predisposition to respond to a particular brand in a favourable or unfavourable way. Purchase intention (PI) refers to a consumer's expressed propensity to buy a particular product. Previous studies on advertising effectiveness have demonstrated a consistent causal relationship amongst the three measures. Attitude toward the advertisement can have an effect on attitude toward the brand, which in turn determines purchase intention (Brown and Stayman, 1992; Heath and Gaeth, 1994; Kalwani and Silk, 1982; MacKenzie, Lutz, and Belch, 1986). The framework is still dominantly used for the study of Web site effectiveness (e.g., Bruner and Kumar, 2000; Choi, 2000; Choi *et al*, 2002; Hamilton and Luo, 1999; Pho and Adam, 2002; Stevenson, Bruner, and Kumar, 2000).

However, the advent of Web sites as an interactive marketing communication brings new challenges with regard to measures of effectiveness. The traditional communication effect measures have flaws in that they do not reflect two important features of WMC: emotional aspects of interaction and multi-functionality (e.g., advertising, PR, sales promotion, online selling, and customer service) of Web sites (e.g., Pavlou and Stewart, 2000; Suh, Couchman, and Lee, 2002a; Suh, Couchman, and Hasan, 2003).

Firstly, as the measures of conventional advertising effects are premised on the concepts of a passive audience and the linear communication model, a consumer's cognitive attitude is the main concern. Although attitude toward the advertisement has frequently utilised affective responses (e.g., like/dislike, good/bad, etc), the general feelings about the advertisement do not fully illustrate consumer attitude nor do they reflect the

concept of active participants. These measures, while useful, are only parts of the potential measures of WMC (Pavlou and Stewart, 2000). To overcome these shortcomings, new measures for identifying consumer interaction should be explored. Alternative models should include affect, experiences, individual characteristics, and so forth (Stewart *et al*., 2002; Warden, Lai, and Wu, 2002).

Furthermore, as Lavidge and Steiner (1961) emphasised, measures of Web site effectiveness should be linked to the functions of a corporate Web site. Different from traditional advertising, corporate Web sites perform several functions including advertising, public relations, sales promotion, customer service, and online selling for broader target audiences (Suh, Couchman, and Lee, 2002a). In other words, corporate Web sites focus more on building relationships with a wide range of consumer groups rather than short-term transactions (Hoffman, Novak, and Chatterjee, 1995; Wen, Chen, and Hwang, 2001). Accordingly, typical measures of brand advertising such as attitude toward the brand and purchase intention do not seem to be adequate measures of Web site effectiveness. Reflecting this fact, many marketing communication scholars have developed new communication measures such as attitude toward the Web site (Aws) and revisit intention (RI) for Web site effectiveness (e.g., Bruner and Kumar, 2000; Chen and Wells, 1999; Choi, 2000; Choi *et al*., 2001; Davis, 1999; Loiacono, Chen, and Goodhue, 2002; Luo, 2002; O'Neill, Palmer, Charters, and Fitz, 2001; Stevenson *et al*., 2000; Suh and Couchman, 2003; Suh, Couchman, and Hasan, 2003; Yoo and Donthu, 2001).

(2) Attention Measures

New measures of Web site effectiveness have been proposed by many researchers (e.g., Hofacker and Murphy, 1998; Hoffman and Novak, 2000; Raman and Leckenby, 1998). Some of the most commonly-used methods of assessing Web site effectiveness are the "click-through rate" (or "click-through ratio", "hit rate", "hit ratio") and "duration of visit" (or "visit duration", "duration time"), which reflect the level of attention given to a Web site or a banner ad. A click-through rate is simply calculated by counting the number of times a Web site is clicked within a given period time. On the other hand, duration of visit refers to the amount of time each visitor spent navigating a specific Web site. Even though these measures have an advantage in that they are easy to obtain, there are a few potential shortcomings.

First of all, it is frequently argued that the click-through rate can be inflated or deflated because of technological limitations (e.g., Berthon, Pitt, and Prendergast, 1997; Zeff and Aronson, 1999). For instance, when several users access a Web site through the same proxy server, a Web publisher may recognise them as only one user due to the same address. The same problem may happen when several people share a computer or the same IP address.

Secondly, proponents of "duration of visit" argue that a user who spends more time on a Web page gets more involved in information processing, which in turn leads to a positive attitude toward the Web site (cf. Olney, Holbrook, and Batra, 1991; Thorson, Chi, and Leavitt, 1992). However, recent studies on the Web have yielded contradictory results (e.g., Balabanis and Reynolds, 2001). One possible explanation is that the

relationship between them is influenced by other factors, such as Web experiences, user characteristics, and types of Web sites (e.g., Raman and Leckenby, 1998; Bezjian-Avery, Calder, and Iacobucci, 1998).

Furthermore, many researchers have raised an objection to adopting an attention measure such as the click-through rate and duration of visit as a sole measure of Web site effectiveness. While information about how many users come and how long they stay on a Web site is easy to check, it does not give any further information about consumer attitudes (Briggs and Hollis, 1997; Day, 1997; Tierney, 2000). Alternatively, many researchers have suggested and adopted attitude measures such as "attitude toward the Web site" and "revisit intention" (e.g., Chen, Clifford, and Wells, 2002; Chen and Wells, 1999; Li and Bukovac, 1999; Luo, 2002; Wu, 1999; Yoo and Donthu, 2001).

2.4 Computer–Mediated Communication (CMC) Studies

Long before the advent of the Internet, research on mediated communication has been conducted in the field of CMC studies. Generally the term computer-mediated communication (CMC) is defined as the process of human communication through computers, both stand-alone computers and networked system (Suh, Hasan, and Couchman, 2003). Here mediated communication emphasises human communication that uses media such as computers, email, video conferencing, a Web site, etc. rather than direct face-to-face contacts (Richards and Curran, 2002). Recently, CMC research has influenced the marketing communication field, and many scholars (e.g., Choi *et al*., 2001; Hoffman and Novak, 1996; Hoey, 2000; Rafaeli and Sudweeks, 1997; Rafaeli

and Noy, 2002) have developed and tested new models. Accordingly, CMC research provides useful insights into WMC.

CMC studies began in the 1970's, mainly focusing on personal interaction in group work situations (Rice and Love, 1987). However, after the 1990's CMC research has focused on social interaction in an Internet environment and has been pursued by various disciplines including information systems, education, library sciences, and marketing. Social Presence Theory (e.g., Short, Williams, and Christie, 1976) and Media Richness Theory (e.g., Daft and Lengel, 1986) have been the most frequently adopted approaches by CMC researchers.

CMC researchers have argued that the effects of communication are dependent upon the specific characteristics of the communication media. They have insisted that communication media vary in their capacities to deliver social cues in human communication, and CMC media are less likely to convey social interaction (Huang, 1999). Their assumption is that face-to-face is the ideal communication in group situations (Siegel, Dubrovsky, Kiesler, and McGuire, 1986; Sproull and Kiesler, 1986). Accordingly, CMC media are substitutes for face-to-face communication. However, many other researchers have shown that there are social, emotional aspects in CMC communication such as a sense of online community or friendship (e.g., Boudourides, 1995; Hiltz and Turoff, 1978; Steinfield, 1986; Williams, Strover, and Grant, 1994).

Regardless of these contradictory arguments, CMC research has developed many useful concepts including "interactivity", "social interaction", "social presence", "a virtual community", which are utilised in this study. In the marketing context, Hoffman and

Novak (1996) identify unique characteristics of CMC media and propose a useful research framework for computer-mediated environments (CMEs), which encompasses important concepts such as mediated-communication, interactivity, a sense of presence, etc. While Hoffman and Novak's conceptual model provides guidelines for CMC in general, it cannot speculate on unique influences of different media on human behaviour. Hence, more elaborate models for WMC should further be explored. Furthermore, Hoey (2000) applies CMC concepts for testing the marketing communication effectiveness of electronic publishing. He emphasised that interpersonal interaction facilitated by online conferencing and forums, is an important factor for Web site success.

Although CMC studies have provided useful insights into mediated communication, they have inherent shortcomings. Firstly, as most research has been conducted at the very early stage of the Internet era (e.g., Miltenoff, 1999), they have focused on a very narrow range of communication media such as email and computer conferencing, and have neglected differences among communication media such as email, Multiple User Dimension (MUD), Internet Relay Chat (IRC), Newsgroups, and the World Wide Web (the Web). As a result, CMC media have been regarded as just text-based media (Boudourides, 1995; Kreijns and Gerrissen, 1999; Walther, 1992). Secondly, the study of CMC has focused on the medium itself rather than on the user. Both Social Presence Theory (e.g., Short *et al*., 1976) and Media Richness Theory (e.g., Daft and Lengel, 1986) have emphasised the importance of the inherent characteristics of communication media. In these areas of study, researchers have argued that the use of communication media is dependent upon the different characteristics of the communication media

regardless of user-related factors (e.g., motives, education, and usage) and the social context at use (Dennis and Valacich, 1999). Finally, CMC researchers do not consider the diverse purposes of communication. Most CMC researchers to date typically have focused on task-related communication in the work situation. Hence, it is questionable whether the results of studies on CMC can be applied to WMC.

The shortcomings of CMC studies provide some useful guidelines for the study of WMC. To begin with, the differences of the media should be considered because the types of CMC vary widely according to media characteristics and purposes of communication. For example, email is text-based, whereas the Web is a hypermedia-based medium encompassing links, text, audio, video, images, etc. It can be generally assumed that user responses to the Web will be different from those to email. Accordingly, the result of studies on email research cannot be generalised to all CMC media.

In addition, theories of human behaviour such as Activity Theory (e.g., Vygotsky, 1962, 1981) have insisted that human activities involve tool mediation and human interaction (Suh, Couchman, and Park, 2003). Communication media are only mediating artefacts through which human beings interact with other human beings. Researchers have begun to investigate the human side of CMC and the resulting studies have suggested that a computer can create social responses such as a sense of presence or interpersonal feelings (e.g., Boudourides, 1995; Hiltz and Turoff, 1978; Steinfield, 1986; Williams *et al*., 1994). Thus, WMC, as a form of CMC, should not be treated simply as a process of human-computer interaction. Rather, it should be seen as mediated human-human communication (e.g., Riva and Galimberti, 1997; Tourangeau, Couper, and Steiger,

2001). For this reason, theories derived from the social psychology of communication can help us better understand the nature and dynamics of WMC.

2.5 Theoretical Framework of the Study

On the basis of the literature review it was concluded that conventional approaches to the evaluation of marketing communication media are not appropriate to WMC given the distinctive characteristics of this new medium. Particularly, in the marketing context the role of the consumer, and the communication concept have been questioned. Nevertheless, to date little systematic, empirical research has been carried out. The lack of an appropriate framework, which can be applied to WMC, gives rise to the need for a new approach (Hoffman and Novak, 1996; McDowell and Sutherland, 2000; Stewart *et al*., 2002). This chapter suggests a new approach for WMC and introduces Activity Theory. Then the WMC model and the important features of the model are discussed.

2.5.1 A New Approach in WMC

Drawing on existing literature and research findings, three shifts in focus for WMC studies have been identified:

(1) The focus of research: from the medium (message) to the consumer

(2) The concept of communication: from information to interaction

(3) Theories derived: from cognitive psychology to social psychology

First of all, the focus of research needs to shift from the media (messages) to the consumer. This also means a shift from the firm (marketer) to the consumer (Ray, 1982). In traditional advertising model, the mass media or the advertising message is the focus. Consumers are simply recipients of messages, which are highly manipulated by advertisers. Hence, the effectiveness of advertising depends solely upon the advertiser's skills to manipulate advertising messages (e.g., advertising creativity). The interest of advertisers is to know whether the message is delivered to the consumer accurately or not. On the contrary, in WMC consumers are at the centre of the communication process. Consumers and firms are participants in communication mediated by a Web site. Consumers actively access the Web and interact with firms. While consumers are surfing a corporate Web site, they feel that they are interacting with someone from firms. The level of interaction depends on both the characteristics of a Web site and consumer characteristics such as experience, motives, etc (e.g., Jackson, 1997).

Secondly, the concept of communication should shift from information to interaction. In traditional advertising models communication is defined as the process of transmission of information (e.g., Schramm, 1954; Ross, 1973; Shannon and Weaver, 1949). This view has been radically challenged because it does not take into account reciprocal interaction (Riva and Galimberti, 1998). In WMC, communication refers to a process of exchanging both information and emotions between firms and consumers, which is conceptualised as interaction (Craig, 1999; Suh, Hasan, and Couchman, 2003). Rich interaction on a corporate Web site is provided by reciprocal communication via various feedback functions and hyperlinks (Riva and Galimberti, 1998). It is worth noting that it is mediated human-human interaction (e.g., Riva and Galimberti, 1997; Tourangeau *et*

al., 2001). This implies that consumer interaction is the determinant of assessing WMC effectiveness.

Finally, there is a need to shift from theories derived from cognitive psychology to those derived from social psychology. Traditional advertising effect measures have focused on consumer's reactive responses to advertising stimuli. As advertisers' interests have been accurate message delivery, cognitive psychology has been very helpful in assessing consumer attitudes and behaviour. However, existing consumer behavioural models are not well suited for assessing the social aspects of human interaction. Traditional behavioural models based on cognitive psychology have been challenged and criticised by many marketing communication scholars (e.g., Craig, 1999; Stewart *et al*., 2002; Peter and Olson, 1990). For this reason, theories derived from the social psychology of communication can help us better understand the nature and dynamics of WMC.

In conclusion, a new WMC model should integrate three major shifts and it should also focus on both outcomes and process of marketing communication.

2.5.2 Activity Theory

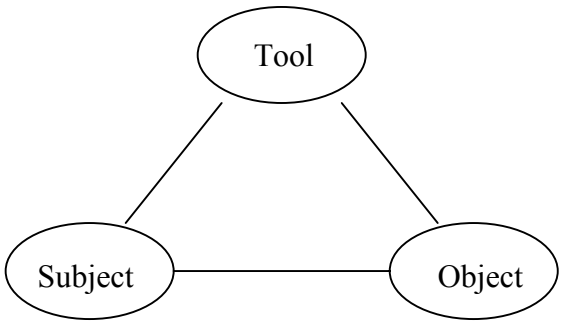
Activity Theory has been built on the premise that a human being interacts with others through tools. Mediated interaction provides a basis for investigating human activity (Vygotsky, 1981). Activity Theory incorporates concepts of mediation, interaction, community, etc. and these aspects have drawn attention amongst scholars in the field (Uden and Willis, 2001). Accordingly, Activity Theory provides a solid theoretical basis

for understanding mediation and interaction of Web-mediated communication (e.g., Hasan, 1998; Mwanza, 2000; Ryder, 1998).

Activity Theory originated from a Russian psychologist Les Vygotsky in the 1920's, and was introduced to the West in the 1980's. Activity Theory has well-established theoretical foundations and has been applied in various disciplines such as Social Psychology, Education, Human-Computer Interaction (HCI), Information System (IS), and so forth (Hasan, 1999). Recently Activity Theory has been applied to the marketing communication area (e.g., Chaudhury *et al*., 2001; Suh, Couchman, and Park, 2003; Suh, Hasan, and Couchman, 2003).

Activity Theory investigates human interaction with others through an "activity", which is a basic unit of analysis for understanding human behaviour. Activity theorists have argued that human activity is not an isolated entity (Bannon, 1997). Rather it is structure composed of three basic elements: a subject, an object, and a tool. An agent who engages in an activity is called a "subject". A subject can be an individual or a group of people. More than one subject constitutes a community when they share an object. All human activities are driven by a certain purpose or motive, which is called an "object". Vygotsky (1978) has emphasised that a human being does not directly react to others, but interacts with others through the use of tools and signs. An activity is usually mediated by one or more artefacts (a tool). The basic mediation model (Figure 2.3) illustrates the simplest form of Activity Theory.

Figure 2.3 Basic Mediation Model



In relation to WMC, Activity Theory encompasses three important principles, which distinguish human beings from animals, (1) object-orientedness, (2) mediation, and (3) social interaction through higher mental functions (e.g., cognition and affect). In the first place, Activity Theory has emphasised that all human activities are always purposeful (Hasan, 1999). In other words, a human being undertakes an activity to accomplish a certain purpose. Then the object motivates and gives direction to an agent (Mappin, 2000). An object is also understood as a motive.

Secondly, a human being always interacts with others through mediation. In other words, a human activity is mediated by a variety of tools and artefacts (Bannon and Bodker, 1991; Kaptelinin, 1996). Mediation is a unique concept in Activity Theory. Tools can be classified into two basic categories: physical and psychological tools. Physical tools usually facilitate or restrict conditions for physical activities. On the other hand, psychological tools boost and activate cognitive and affective functions. However, the distinction between physical and psychological tools is not always clear, and sometimes both reside in the same tool. For example, a corporate Web site as a communication medium can be regarded as a physical tool. As a symbolic system, which consists of various signs such as text, audio, video, and images, it can also be

considered as a psychological tool. Tools shape human interaction with others and reflect human experiences and knowledge (Ryder, 2001). In that respect, tools are embedded in a social-historical context.

Finally, Vygotsky classified human beings' mental processes into two categories: lower (natural) and higher (cultural) mental functions. Lower mental functions are biological mechanisms like instincts (Gindis, 1995; Ratner, 1998). Higher mental functions distinguish human beings from animals. Through higher mental functions (e.g., cognitive and affective functions) a human being engages in an activity and interacts with others. In turn, social interaction develops higher mental functions (Nicholl, 1998). Without higher mental functions human beings cannot have objects, and cannot create or develop tools.

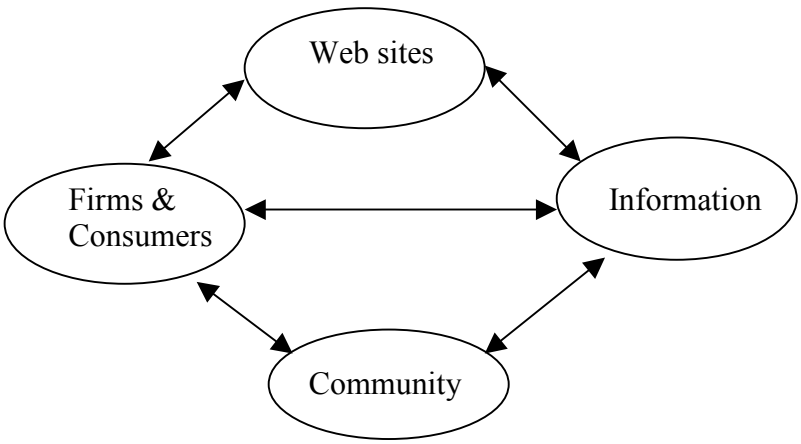
It is worth noting that Activity Theory is a general conceptual framework rather than a fully predictive theory (Ryder, 2001). As Activity Theory does not have a standard format, it allows flexibility in its application. Based on its principles a variety of models can be developed according to different contexts.

2.5.3 The WMC Model

According to Activity Theory, WMC is a human communication activity which involves subjects, objects, tools, and communities in a marketing environment (see Figure 2.4). Subjects are individual consumers or a group of consumers who perform communication activities. A community, here, is a group of people who share the same goals or purposes (Ellison and McGrath, 1998; Hasan, 1999). Objects are goals or

motives that drive consumers to act. And tools are Web sites that mediate the communication activity. More specifically, WMC is a communication activity undertaken between firms and consumers, which is oriented by particular objectives and mediated by corporate Web sites, towards a certain object and mediated by a corporate Web site and a community. In a marketing situation, subjects are firms and consumers. Consumers include a wide variety of target audiences ranging from dealers to stockholders, government, and general publics. Firms and consumers share similar interests and common goals, and therefore they constitute a community.

Figure 2.4 Basic Elements of WMC



Through a survey of 279 college students, Papacharissi and Rubin (2000) have found that browsing a Web site to obtain information has been the most conspicuous predictor of Web use. This result has been supported by a Web user survey (GVU, 1998). From a firm's point of view, informing is a universal purpose of marketing communication (e.g., Kotler, 2000; Shimp, 1997), and a corporate Web site seeks to perform this function (Suh, Couchman, and Lee, 2002a). In other words, firms try to deliver a wide range of marketing information to consumers via their Web sites. On the other hand,

consumers access corporate Web sites to collect product information (see Figure 2.5). Thus, it can be concluded that the exchange of information is a common motive of the Web community.

In the WMC model social interaction plays an important role. Social interaction is defined as a "process or outcome of continuous interchange between people in a social context such as conversation, attending a lecture, conducting an interview, etc (Cairns, 1979; Vygotsky, 1978). Human interaction in mediated communication has two conspicuous characteristics, that is, it is social and reciprocal. Many researchers suggest that people respond to computers just as they are interacting with other humans (e.g., Picard, 1997, Cassell and Bickmore, 2002; Nass, Moon, Fogg, Reeves, and Dryer, 1995; Nass, Steuer, and Tauber, 1994; Reeves and Nass, 1996). This notion implies that communication interaction is social. Another characteristic of interaction in mediated communication is reciprocity. Reciprocity refers to mutual understanding, exchanging information. Reciprocity or mutual interchange is a critical element of community because humans cannot share social rules and reality without reciprocity (Fernyhough, 1996; Gouldner, 1960; Riva and Galimberti, 1998; Saito, 1996).

Another important concept here is that of virtual community. Basically, a community is a group of people who have common interests and goals. A corporate Web site, utilising reciprocal communication facilities (e.g., feedback and email), creates a sense of space where subjects can communicate. This is a social phenomenon, arising from interaction among people (e.g., Fernyhough, 1996; Riva and Galimberti, 1998; Saito, 1996). Generally, it is assumed that the higher the degree of social interaction involved in accessing a Web site, the more the Web site is perceived as a constituting a community

(e.g., Benschop, 1997; Williams *et al*., 1994). As a result, the Web site and the community merge into one domain (see Figure 2.2). Therefore, a virtual community can be defined as a sense of space where consumers and firms exchange information and emotional states. In WMC, the virtual community can be called a "marketspace" to differentiate it from a "marketplace," which is a physical community (Rayport and Sviokla, 1994).

Figure 2.5 The WMC Model

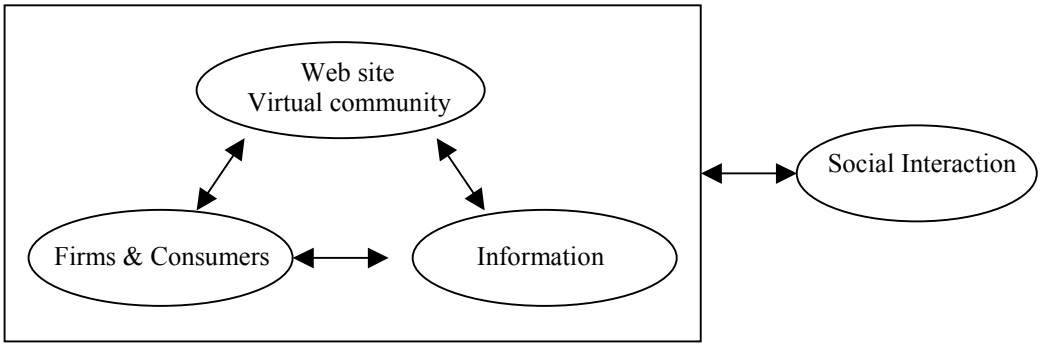


Figure 2.5 illustrates the overall process of WMC. From this model WMC can finally be defined as an "exchange process of social interaction between firms and customers mediated by a Web site and a virtual community for the exchange of information". This definition implies that communication is not a single exchange of information but also involves social interaction, potentially ongoing form of relationship.

2.5.4 Implications of the WMC Model

The conceptual model this study proposes aims at complementing the conventional marketing communication model by filling gaps in our knowledge in relation to the evaluation of WMC effectiveness. This model has significant implications for the study of the Web.

Firstly, the WMC model contrasts with traditional communication models, which defines communication as a message transmission process (e.g., Shannon and Weaver, 1949; Schramm, 1954). In traditional communication models, the direction of transmission is always from the sender (firms) to the receiver (consumers). Furthermore, although there is a feedback loop, it is asynchronous and performed through other media like telephone and consumer surveys. On the contrary, the WMC model suggests that communication is the process of social interaction between firms and consumers. Consumers are not simply passive recipients but are "participants" in a communication process.

Secondly, the Web design process is not a simple allocation of hypermedia elements but an activity informed by particular objectives. The comparison between a simple allocation and an activity can be described by the term "informative" and "communicative" (Gahagan, 1975). The former refers to a simple allocation of information without intention. On the contrary, the communicative design of a Web site is an intended and planned behaviour of firms aimed at influencing consumers. The contrast with conventional media (e.g., TV) a Web site delivers multi-functions (e.g., advertising, PR, sales promotion, online selling, and customer service) and involves a

hypermedia structure. Hence, Web site design requires well-prepared communicative plans for selecting and combining various design elements and modes of presentation.

Television commercials are of thirty-second duration or fifteen-second and can only tell one thing about a product or service (Leiss *et al*., 1986). Once TV commercials are broadcast, consumers cannot access them again. By contrast, a corporate Web site is able to deliver high volumes of information with unlimited storage. In this sense, Web design is much more complex than traditional advertising.

Thirdly, the model indicates the important role of individual differences. As Activity Theory has argued, different objects drive different activities and people have different capabilities (Vygotsky, 1978). As a result, different motives for accessing Web sites and different capabilities (e.g., Web literacy) should be considered in the study of WMC. The Web is a new medium, and use of the Web can be seen as a learning situation. It is undoubted that individual differences have an effect on consumers' activities and social interaction. Accordingly, individual factors, such as motivation and Web literacy should be included in any study of WMC.

Finally, the model emphasises that a corporate Web site creates a virtual community, where firms and consumers interact. Many studies have shown that CMC media can generate emotional relations with an online community (e.g., Ogan, 1993; Rheingold, 1993). However, the affective side of human interaction has long been neglected in communication studies (e.g., Aboulafia, Gould, and Spyrou, 1995; Craig, 1999; Peter and Olson, 1990). To address this shortcoming, Activity theorists have postulated that human cognition cannot be understood without considering human affect or emotion.

As a critical feature of any human activity, the emotional aspects of social interaction should be included (Suh, Couchman, and Park, 2003).

2.5.5 The Key Constructs of the WMC

This section discusses about the important constructs of the WMC derived from the literature, which leads in to the research model and hypotheses in Chapter 4. Web site typology, social interaction, individual differences (e.g., Web literacy, motives, and gender), and attitude and behavioural measures (e.g., attitude toward the Web site and revisit intention) are included. Web site typology will be a predictor, social interaction as a mediator, and individual difference as a moderator, while attitude and behavioural measures will be used as criterion variables. Each construct is defined and the marketing application of these constructs is discussed.

(1) Web Site Typology

Content and structure are two basic elements that determine the type of Web site (e.g., Huizingh, 2000; McCready, 1997). In a marketing communication context, it is frequently said that content is "what is said" and structure is "how it is said". In other words, content refers to the communication message and structure means a manner of organisation of a Web site. As a Web site utilises a wider range of content and structural elements than traditional advertising, a typical advertising typology (e.g., slice-of-life, comparison, and demonstration) cannot be applied to a Web site. In this section, the traditional advertising literature as well as the WMC literature will be drawn on to develop a systematic basis for formulating a Web site typology.

It is argued that different types of Web site content (i.e., what is said) and Web site structure (i.e., how it is said) will create different effects on consumer's interaction with a corporate Web site (e.g., Escalas, Jain, and Strebel, 1994). Thus, several WMC scholars have focused on the effectiveness of a Web site type (e.g., Bruner and Kumar, 2000; Choi, 2000; Choi *et al*., 2001; Dalal, Quible, and Wyatt, 2000; Escalas *et al*., 1994; Huizing, 2000; Li and Bukovac, 1999). Generally different Web site types have yielded different effects on consumer attitudes. For example, Escalas *et al*. (1994) have reported that a well-organised Web site increased consumer satisfaction. Dalal *et al*. (2000) overall regardless of a Web site is graphic-based vs. text-based design. Choi (2000) has found that a Web site with an animated human character generated higher social presence than a Web site without an animated character.

For the last two decades, the effect of advertisement types has been the main interest of marketing scholars. Traditional advertising effectiveness studies have dominantly focused on whether a specific element is present or absent in advertisements (e.g., McQuarrie and Mick, 1999; Scott, 1994; Stewart and Koslow, 1989). However, previous research on traditional advertising often has yielded different conclusions about the effectiveness of a particular element (Laskey, Fox, and Crask, 1994). Accordingly, many researchers (e.g., Dyer, 1982; Laskey *et al*., 1994) have argued that the traditional approach (i.e., atomistic) is problematic and have suggested adopting a holist approach for classifying advertising types. Here it would be beneficial to examine the difference between two approaches.

There are two competing approaches to investigate a typology of Web sites: atomistic (or mechanistic) and holistic approaches (e.g., Schutt, 1996). First of all, an atomistic approach has emphasised the presence or absence of a particular element of a Web site (such as text, sound, images, etc.). Many of the advertising effectiveness studies to date have been based on the atomistic approach, and verbal (or text-based) versus visual (or graphic-based) message types have been very popular. Using this approach, traditional advertising studies have generally found that a visual type is more effective than a verbal type (e.g., Landoni and Gibb, 2000; McQuarrie and Mick, 1999; Scott, 1994; Stewart and Koslow, 1989), although there have been some controversies. This approach has recently been applied to a Web site typology study (e.g., Choi, 2000; Li and Bukovac, 1999).

By contrast, the holistic approach has been based on the Gestalt psychology, which has asserted that people understand the universe as an organised whole, not an elementary part (Gray, 1991). This approach, therefore, seeks to identify the pattern of a Web site, which is a group of elements as a whole (e.g., Mardrazo, 1996). Laskey *et al*. (1994, p.9) explain that

> "Rather than focusing on individual elements of a commercial, one could examine types of commercials identified by their dominant executional focus. The distinction between studying these basic executional styles, instead of executional elements, is an analogous to examining personality types rather than personal traits. Focusing on executional styles would allow advertisers to assess the effectiveness of a small number of basic executional types, defined by a commercial's dominant executional focus, instead of being concerned about the

individual building blocks of a commercial".

Recently many researchers have adopted this approach in classifying advertising types (e.g., Laskey *et al*., 1994; Suh, 1995). Based on this approach they have classified televisional commercials into many different categories such as narration, demonstration, fantasy, and so forth. While several researchers (e.g., Berners-Lee, 1989; Jackson, 1997) have suggested adopting a holistic approach in WMC, there are only few studies which have applied a holistic approach (e.g., Cappel and Myerscough, 1997; Huizing, 2000; Koehler, 1999). Regarding Web site structure, Koehler (1999) has classified a Web site into five types: text dominant, graphic dominant, multimedia dominant, file retrieval dominant, and E-mail dominant. Huizing (2000) has classified Web site content, based on the functions of a Web site, into information (e.g., background company, specific products, and non-commercial), transaction (e.g., request for proposals, and ordering feature), and entertainment types. Cappel and Myerscough (1997) have suggested five Web site content types such as marketplace awareness, customer support, sales, advertising, and electronic information services. However, these studies generally have lacked systematic investigation of Web sites. Furthermore, the hybrid nature of Web sites (i.e., a Web site can include various hypermedia elements and functions at the same time) has been neglected (Cappel and Myerscough, 1997).

(2) Classification Schemes for a Web Site Typology

Unlike traditional mass media advertising, a Web site delivers hypermedia (e.g., hyperlinks and multimedia) and multi-functions (e.g., advertising, PR, sales promotion, online selling, and customer service), which are potential capabilities of a corporate

Web site as a marketing communication tool (Palmer and Griffith, 1998). Therefore, the way in which to organise a Web site is one of the important marketing activities for firms (e.g., Berthon, Pitt, Katsikeas, and Berthon, 1999).

Based on the distinctive characteristics of a Web site, as discussed in Section 2.1.1, this study proposes a Web site typology in terms of structure and content (Table 2.1). The items of a Web site structure include five elements of hypermedia: text, images, audio, video, and hyperlinks. Each element has included items. For instance, items for text are headline and descriptive text, while images include company logos and photographs. Web site content contains five elements of the Web function: advertising, PR, sales promotion, online selling, and customer service. Each element includes specific items.

This study attempts to adopt a holistic approach to classify Web sites. Based on classification schemes the researcher can identify the dominant focus of Web site structure and content. For instance, this classification scheme can be used as a basis of Content Analysis, which is discussed in Chapter 3 of this thesis. The study of Web site typology is still in its infancy. Many scholars have argued that one hindrance is a lack of any guidelines to manage effective Web sites (e.g., Bieber and Isakowski, 1995). This classification scheme could provide a strong basis for the study of Web site effectiveness.

Table 2.1 Classification Schemes for a Web Site Typology

	Elements	Items
Web Site Structure	Text	Headline, Description
	Image	Company logos, Photographs
	Video	Moving text, Moving images, Video, Video icons
	Audio	Music, Sound, Audio icons
	Links	Internal links, External links
Web Site Content	Advertising	Product/service description, Product catalogue, Product/service news, Product package
	Public Relations	Company news, Company history, Mission statement, Company organisation, Financial information, Affiliated company, Human resources, Recruiting, CEOs, Social activity, Company profile
	Sales Promotion	Contest, Financial incentives, Sampling, Product demonstration
	Online Selling	Transaction process, Online payment
	Customer Service	Branch locations, After sales service, FAQs, Technical information, Customer feedback, Contact, Links to affiliated company, Links to other organisation

(3) Social Interaction

As argued previously, communication essentially involves social interaction and so an understanding of this is central to an understanding of WMC. However, despite many studies of this phenomenon, the domain and measures of social interaction remain under-developed and somewhat controversial. In order to provide a sound basis for measurement, the following review synthesises the literature on social interaction.

From the 1950's, many researchers have developed classification schemes of social interaction in communication. Commonly there have been two key aspects of social interaction: the task and affective dimension (e.g., Andres, 1996; Bales, 1950, Hare, 1960, Champness, 1973b; Hiltz and Johnson, 1990; McGrath, 1991; Van Dulmen, 1998; Walls, 1993). Particularly, as these dimensions have been developed and applied to mediated communication situations, they will also serve as rigorous measures for WMC.

The task dimension of social interaction refers to the achievement of the communication task. The task domain is regarded as a cognitive function of human interaction. Therefore, it is measured by a subjective perception in relation to communication quality (e.g., Hiltz and Turoff, 1978; Olaniran, 1993; Rice and Love, 1987). The most frequently utilised measures for communication quality are perceived usefulness and perceived ease of use (Davis, 1989). Perceived usefulness refers to the extent to which a user believes that using the communication medium will enhance task performance (Davis, 1989). Perceived ease of use of a medium refers to the extent to which users believe that using the communicating medium will be free of effort (Davis, 1989).

Many researchers argue that task-related interaction measures are strongly relate to the acceptance and use of communication media (e.g., El-Shinnawy and Markus, 1998, Davis, 1989; Swanson, 1987). Many studies have applied these measures in assessing Web site effectiveness. These studies have found that both perceived usefulness and perceived ease of use are strong predictors of attitude and behavioural intention. For instance, Gefen and Straub (2000) have identified that the more users perceived a Web

site as useful, the higher their purchase intention is. Such measures can be will be applied in this study as cognitive measures of social interaction.

The affective dimension of social interaction refers to the emotional aspects including positive and negative feelings. This domain is an affective function of social interaction. Accordingly, it is assessed by consumers' feelings in relation to communication (e.g., Biocca, 1997; Burgoon and Hale, 1987; Champness, 1973a and b; Culter, 1995; Garrison, Anderson, and Archer, 2001; Mason, 1994; Mclassac and Gunawardena, 1996; McLellan, 1996; Nowak, 2001; Rourke, Anderson, Garrison, and Archer, 1999; Spears and Lea, 1992; Sproull and Kiesler, 1986; Storck and Sproll, 1995; Walther, 1992). Social presence is one of the commonly-used measures for the affective domain of social interaction. Social presence is defined as "the user's feeling that she or he is interacting with others (e.g., Biocca, 1997; Champness, 19731, Short *et al*., 1976; Suh, Hasan, and Couchman, 2003; Suh, Hasan, Couchman, and Lee, in press). Recently social presence has been applied to marketing communication (e.g., Choi, 2000; Choi *et al*., 2001; De Greef and Ijsselsteijn, 2000). Choi (2000) found that there were positive relationships between social presence and communication effect measures (e.g., attitude toward the advertisement, revisit intention, and attitude toward the brand). De Greef and Ijsselsteijn (2000) also identified that both measures are correlated. Social presence can be regarded as a precedent of the attitude toward the Web site. This measure will be utilised in this study as an affective measure of social interaction.

(4) Individual Differences

The Web is premised on the non-linear nature of hypermedia so it allows the users a great deal of control (Jonassen and Grabinger, 1990; Reed and Oughton, 1997). However, the level of control is dependent upon the users' navigation ability. In other words, while experienced users would fully utilise the hypermedia capability of a Web site, those with little experience would not fully navigate a Web site. The user's ability is a very important concept in that it ultimately shapes the nature of the consumer-marketer interaction (Stewart and Pavlou, 2002). Accordingly, it is crucial for Web designers and marketers to understand consumer ability and cultural factors. Unfortunately, although many researchers (e.g., Jonassen, 1988) have advocated the necessity of studies of individual differences, only a handful of researchers to date have explored the effect of individual differences in WMC (Chen and Ford, 1999).

Here individual differences refer to the dissimilarities in individual characteristics of consumers, which affect communication process and outcomes (e.g., Agarwal and Prasad, 1999; Zahedi, van Pelt, and Song, 2001). Consumers differ in their abilities, skills, culture and they interpret marketing information in different ways based on these differences. Individual differences have a diverse range of factors including demographic, behavioural, psychological and cultural. For instance, some researchers (e.g., Abdul-Gader, 1996; Schumitz and Fulk, 1991) have identified that usage, experience and skills influence the use of new media.

Other researchers (e.g., Gilroy and Desai, 1986; Thorson, 1990) suggest that motivation is also an important factor as well as skills and ability. The most frequently investigated

individual differences in terms of mediated communication situations are sex, usage (length of time using a specific medium), prior experience, learning, knowledge, skills, self-efficacy, motives (or motivations) and culture (e.g., Agarwal and Prasad, 1999; Canary and Hause, 1993; Chu, 1999; Compeau, Higgins, and Huff, 1999; Escalas *et al*., 2001; Huizingh, 2000; Ju-Pak, 1999; Kayany and Yelsma, 2000; Papacharissi and Rubin, 2000; Stewart *et al*., 2001; Tripp, 2001; Zahedi *et al*., 2001; Zhang and Gelb, 1996).

This study focuses on three distinctive individual characteristics of consumers: Web literacy, and motives. This section reviews what is known about each of the individual characteristics with respect to WMC.

(5) Web Literacy

Web literacy can be defined as an ability to actively explore and obtain information from a Web site (Suh and Couchman, 2003), which encompasses a complex set of factors including experience, knowledge, and skills that determine an individual ability to navigate the Web and manage their interaction with Web sites. Web literacy reflects a users ability to manage the distinctive features of the Web, including hypermedia and interactivity. The results of many studies indicate that Web literacy is closely related to experience, usage levels, and self-efficacy (Abdul-Gader, 1996; Cassidy and Eachus, 2001; Schmitz and Fulk, 1991). For example, Lazonder, Biemans, and Wopereis (2000) demonstrated that people who have more Web experience were better able to search the Web. Many other studies supported this finding (e.g., Carlson and Zmud, 1999;

Fenichel, 1981; Hirsch, 1997; Jacobson and Fusani, 1992; McDonald and Stevenson, 1998; Patel, Drury, and Shalin, 1998; Reed and Oughton, 1997).

In addition, prior usage of and familiarity with the medium, which include not only the specific medium (e.g., a Web site) but also other related technologies such as personal computers, or their peripherals is also positively related to the ability (e.g., Agarwal and Prasad, 1999; Escalas *et al*, 2001). Finally, self-efficacy, a person's belief or confidence about their ability to manage the Web (e.g., Bandura, 1977, 1982, and 1994), is closely related to Web literacy. For example, Staples, Hulland, and Higgins (1998) have proved that self-efficacy is positively related to online performance, a finding has been supported by several studies (e.g., Nahl, 1996 and 1997; Ren, 1999).

Many studies have shown that various constructs such as literacy, experience, skills, self-efficacy, familiarity, training, and knowledge are positively related to each other and they represent the same construct which is "individual ability" (e.g., Agarwal, Sambamurthy, and Stair, 2000; Cassidy and Eachus, 2001; Compeau and Higgins, 1995; Dishaw, Strong, and Bandy, 2002; Eastin and LaRose, 2000; Marcolin, Compeau, Munro, and Huff, 2000). Accordingly, it can be concluded that Web literacy encompasses a complex set of factors including experience, confidence, and familiarity that determines a person's ability to interact with Web sites.

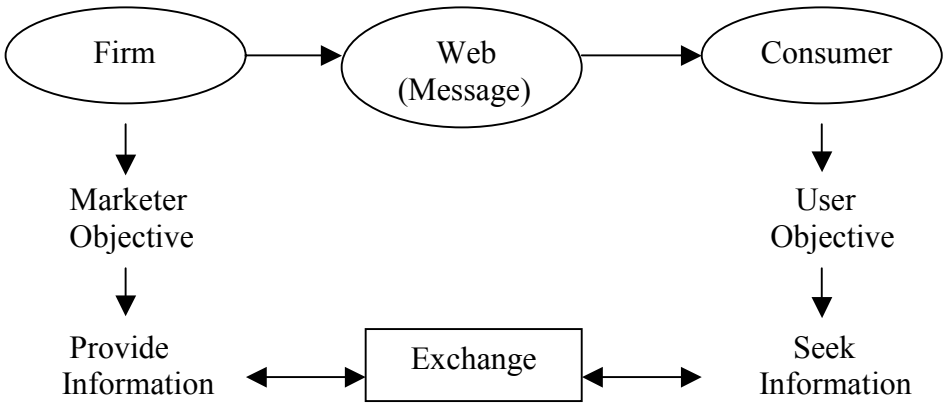
(6) Motive

In a marketing communication context, "Uses and Gratifications Theory" is one useful approach to study consumers' media use. "Uses and Gratifications" scholars have

argued that users' media use is a purposive or goal-driven activity, hence their media consumption behaviour differs according to their different motives and goals. They further have emphasised that users' social psychological factors are more important than media characteristics in the study of responses to media (e.g., Blumler, 1979; Papacharissi and Rubin, 2000; Rubin, 1993).

According to uses and gratifications scholars, Web users are at least as active as marketers. Web users do not just visit Web sites but utilise them to fulfil their specific purposes. When users respond to other's communication initiatives, they are not simply passive recipients of message but are active participants in the process (Figure 2.6). As consumers are actively involved, their activities (such as the amount of time they spend on the specific Web site and page) and attitudes vary according to their motives. For example, Kaye (1998) identified that there is a relationship between Web use motivation and attitude toward a Web site. More specifically, Web users looking for information have showed a more positive attitude toward a Web site than those who surfed a Web site for a pastime. Steinfield (1986) also found that the different motives of email use yielded different attitudes. Thus, it can be said that a study of motives is crucial to understand active consumer behaviour.

Figure 2.6 Process of Mediated Communication



An extensive review of the uses and gratifications literature has suggested that the most robust dimensions of mass media use include entertainment, information, and irritation (Luo, 2002). This classification is based on studies of traditional communication media. As the Web is different from traditional mass media, motives for media use are also likely to be different. Recently, many researchers have investigated the motivations of Web use. For instance, December (1996) identified communication, interaction, and information-seeking as three motives for Internet use. Similarly, Charney (1996) found that information, entertainment, and communication were most conspicuous motives of Web use through a study of university students. A user survey (GVU, 1998) also found that three most important categories were information, entertainment, and shopping. On the contrary, Kaye (1998) and Ebersole (2000) suggested more broad categories including information, communication, entertainment, etc. Although definitions and categories are somewhat different, it can be concluded that two most prominent categories are gaining access to information and entertainment, which are common to both the Web and traditional media. In a marketing communication setting, as discussed before (see Section 2.4.3), a common motive of consumers and forms are the exchange of information. Thus, this study will be conducted in an information-seeking setting.

(7) Gender

Over the past several decades, numerous studies have focused on gender differences in many areas including marketing, psychology, and communication. However, the majority of the studies have found no significant gender differences. For instance, through a meta-analysis of hundreds of studies, Canary and Hause (1993) concluded

that fifty years of research have yielded no significant differences between males and females on communication effects. Several studies on email and the Web use also have reported similar results (Li, Kuo, and Russell, 1999; Steinfield, 1986). Usually, the presence of small gender differences can be explained by other socio-cultural factors such as experience and education (e.g., Canary and Hause, 1993; Hamilton, 1995; Kayany and Yelsma, 2000). On the basis of these findings, it was decided not to use gender as an independent variable in the study (e.g., Canary and Hause, 1993; Tannen, 1990; Tripp, 2001).

(8) Attitude and Behavioural Measures

The ultimate goal of traditional advertising is usually to enhance transactions between firms and consumers (e.g., selling products and services). Accordingly, marketers are interested in sales volume or market share, which are frequently called "sales effects". However, these outcomes are often not accurate enough to measure the results of marketing communication activities because they are influenced not only by marketing communication variables but also by other marketing mix variables such as price or product quality. Therefore, the use of sales effect measures has been little used for assessing special marketing communication activities such as sales promotion, direct-response advertising, or retail advertising (e.g., Belch and Belch, 1999; McDonald, 1993; Simon, 2001). Besides, they do not explain the underlying meanings behind transactions. In other words, sales volume or market share do not tell why consumers purchase certain products or services. However, the measurement of consumer attitudes does. Different measures of consumer attitudes can explore various aspects of consumer responses to marketing communication (McDonald, 1993). Traditionally, consumer

attitudes have been used to assess marketing communication effectiveness, an approach which is called "communication effects" (e.g., Olson *et al*., 1982; Shimp, 1997).

However, the advent of Web sites as interactive marketing communication tools bring new challenges with regard to measures of effectiveness. As Lavidge and Steiner (1961) emphasised, measures of Web site effectiveness should be linked to the functions of a corporate Web site. Different from traditional advertising, most corporate Web sites perform multi-functions including advertising, public relations, sales promotion, customer service, and online selling for broader target audiences (Suh, Couchman, and Lee, 2002a). Accordingly, typical measures of brand advertising such as attitude toward the brand (Ab) and purchase intention (PI) do not seem to be proper measures of Web site effectiveness. Reflecting this trend, many researchers recommend attitude toward the Web site (Aws) and revisit intention (RI) as new measures of Web site effectiveness (e.g., Bruner and Kumar, 2000; Chen and Wells, 1999; Choi, 2000; Choi *et al*., 2001; Davis, 1999; Loiacono, Chen, and Goodhue, 2002; Luo, 2002; O'Neill *et al*., 2001; Stevenson *et al*., 2000; Suh and Couchman, 2003; Suh, Couchman, and Hasan, 2003; Yoo and Donthu, 2001).

Attitude Toward the Web Site (Aws)

The basic logic of attitude toward the Web site (Aws) is analogous to attitude toward the advertisement. Attitude has been a key construct in marketing communication and consumer behaviour over the past 40 years. The most popularly cited definition of attitude is as a "learned predisposition to respond to an object" (Allport, 1935, p. 810). An attitude has been widely regarded as a "relatively stable and enduring predisposition

to behave," hence it can be a "useful predictor of consumer behaviour toward a product and service" (Mitchell and Olson, 1981, p. 318). Based on a widely-used definition of attitude, attitude toward the Web site can be defined as "a predisposition to respond to a Web site as a communication medium or partner".

In a marketing context, it is generally agreed that attitude toward the object (e.g., attitude toward the advertisement, attitude toward the brand, and attitude toward the Web site) have been treated as consumers' overall feelings (e.g., Holbrook, 1978; Batra and Ray, 1986; Mitchell and Olson, 1981). Thus, attitude toward the Web site can be broadly defined as a multidimensional construct including affective and cognitive dimensions. It is worth noting that attitude toward the Web site should be interpreted as consumers' overall evaluation of the Web site, but not as an objective quality of a Web site (Arnold, 1960; Batra and Ray, 1986; Derbaix, 1995; Lutz, 1985; Mitchell and Olson, 1981; Suh, Hasan, and Couchman, 2003). Many marketing communication scholars (e.g., Bruner and Kumar, 2000; Chen and Wells, 1999; Choi, 2000; Choi *et al*., 2001; Stevenson *et al*., 2000) have adopted this measure for assessing a Web site. Choi (2000) found that there is a positive relationship between attitude toward the Web site and revisit intention. This measure will be utilised as a criterion variable in this study.

Revisit Intention (RI)

Basically, behavioural intention measures a consumer's expressed propensity to take further action such as purchase, use, visit, consumption, inquiry, etc. (e.g., Aaker, Batra, and Myers, 1992; Mowen, 1990). The most frequently used measure of behavioural intention is purchase intention (PI). As mentioned before, whilst purchase intention is

appropriate when the main goal of a Web site is to encourage transaction (e.g., shopping mall sites), this measure is less appropriate for corporate Web sites (Wansink and Ray, 1992). Recently many researchers argue that a universal goal of a corporate Web site is building relationships with consumers, and to maintain good relationships and consumer loyalty by attracting consumers to the Web site is essential (e.g., Brassington and Pettitt, 1997; Choi, 2000; Choi *et al.*, 2001; Novak, Hoffman, and Yung, 2000; Suh, Couchman, and Park, 2003; Suh, Hasan, and Couchman, 2003; Suh Hasan, Couchman, and Park, in press). Therefore, attracting users to revisit the Web site seems to be a critical factor in Web site effectiveness. Here revisit intention can be defined as a consumer's propensity to revisit a particular Web site.

Moreover, many advertising researchers have found that attitude toward the advertisement has a positive effect on purchase intention (Batra and Ray, 1986; Chaiken, 1980; Petty, Cacioppo, and Goldman, 1981; Cox and Locander, 1987; Mehta and Purvis, 1997). Similarly, it has been found that attitude toward the Web site will positively influence revisit intension (Bruner and Kumar, 2000, Choi, 2000, Choi *et al*. 2001). Thus, it is expected that attitude toward the Web site (A_{ws}) would precede revisit intention (RI). This measure will serve as a criterion variable in this study.