EFFECTIVENESS OF THE WORLD WIDE WEB (WWW)
AS AN ADVERTISING MEDIA

A PROJECT REPORT

By. SAMORY A. OKWIYA

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EFFECTIVENESS OF THE WORLD WIDE WEB (WWW) AS AN ADVERTISING MEDIA

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by
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UNITED STATES INTERNATIONAL UNIVERSITY - AFRICA
STUDENT'S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, Institution or University other than United States International University – Africa for academic credit.

Signed........................................... Date 15/06/1999
Mr. Samory Ang’wa Okwiya

This project has been presented for examination with my approval as the appointed supervisor.

Signed........................................... Date 15/06/1999
M/s Margaret Ombok - Project Supervisor

Signed........................................... Date 16/06/1999
Professor Isaac Riak,
Chair, Division of Business Administration

Signed........................................... Date 16 June 1999
Dean, Academic Affairs
Acknowledgements

I wish to acknowledge all the help I received in writing this research project. First and foremost, special mention and thanks goes to my entire family for providing a great framework for motivation academically, my research project supervisor, M/s Margaret Ombok for her professional guidance and Dr. P. Owino for all his technical advice. I would also like to thank all my colleagues and friends in my graduate class for all the constructive criticism that helped me complete this project report.

All your contribution have been outstanding to the success of this study.
Dedication

I would like to dedicate this Project Report to:

My parents Mr. and Mrs. G. M Okwiya for the opportunity and the continuous inspiration and support they have offered me to be able to reach this height of academic performance.

Thank you for all the prayers.
ABSTRACT

The purpose of this study was to find out how effective the world wide web is as an advertising media.

The objective of the study was to gain an in-depth understanding of the medium and how it has and may effectively promote various products and services offered by different companies, to determine the possible outcomes in adopting this newly technological marketing strategy, to examine the considerations a company should make before integrating the Web in its media mix, and which models may be developed for successful advertising, to examine the main differences between the world web and traditional mass media from an advertising perspective, to determine the characteristics of web users and how have they benefited from the web as far as advertising is concerned and to determine which companies should use the World Wide Web for advertising.

To facilitate this study, a sample of 35 respondents was selected using the population of interest (consisted of all home users) generated from a given list. Convenience sampling technique was used to determine the respondents from the user groups.

Both secondary and primary data was used. Personal interviews using a semi-structured and structured questionnaires were used to collect primary data. Secondary data was collected from a few on-line marketing books, journals, theoretical articles on advertising strategies and magazines were used.

Data analysis was carried out using cross tabulation, percentages and correlation analysis as well as presentation that was obtained from the Internet and the World Wide Web to show how they affect the respondents. The research findings were able to help identify the critical factors that
affect advertising and how effective the world wide web is as an advertising media, these factors include the reach, selectivity, feedback, cost and the information capacity, other critical factors are the audience fit, product fit and the general benefits to the company.

The conclusion derived from this research is that the reach of the World Wide Web is still very limited. The web is slowly becoming a mainstream medium, and the profile of the users is generally becoming more similar to that of the general population.

Among the recommendations identified, the findings of the study suggest that advertisers should proceed with extreme caution if attempting any form of highly intrusive advertising, such as sending unsolicited e-mails to users. This report does point to interactive marketing as a future standard, decreasing the role of traditional mass advertising. Therefore, the interactive WWW could be the solution to advertisers requirements.
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CHAPTER I:

INTRODUCTION

1.1: Background

Technological breakthroughs have created fundamental changes in the way we communicate and relate to each other. A new forms of communication that have surfaced with the passage of time have, each in their own way, influenced society dramatically. Gutenberg's invention of the printing press in the 15th century made it possible to mass produce text and triggered a wave of knowledge dissemination which eventually provided the foundations for the Lutheran reformation and other radical changes in the society of that time.

In the 20th century, radio and television have brought sound and pictures directly to the individual households. This first generation of electronic mass media expanded the individual's access to information and exercised a homogenizing influence on large parts of the population. This development has played an important part in shaping the mass society which is a defining characteristic of our century.

In these years, a new communication technology is beginning to break through: interactive networks, which make it possible for the individual to retrieve and deliver large amounts of information to one or more recipients. As the information processed in this network is digital, it can be replicated, manipulated and distributed with an unprecedented ease. And unlike the unidirectional communications of traditional mass media, the interactive networks are based on a two-way communication which gives you a more active role to the user. Many observers argue that interactive networks hold the potential to revolutionize the way we communicate work, shop and entertain ourselves. Revolution or not, there is little doubt that their long term Impact on our live will be significant (Resnick 1995).
The largest and fastest growing interactive network is the Internet (Hoffman & Novak 1995), ‘the network of networks’, which is emerging as today’s de facto information superhighway. Until a few years ago, the use of the Internet was limited to scientists and techno freaks, but now it is gaining popularity with a growth rate unparalled by earlier media, the number of the current users being estimated at 40 – 50 million (Hoffman & Novak 1995). The growth of the internet is driven by increasing ease-of-use, lower access and telecommunication costs, cheaper and faster computers, and perhaps most important, by an increasing amount of entertainment and information. As our society continues the transition from an industrial to an information society, the internet may also emerge as an important distribution channel.

1.2: Statement of the Problem

With a growing number of users spending an increasing amount of time on the Internet, advertisers, who annually spent billions of dollars courting potential customers, are beginning to show great interest in the new medium. The fastest growing part of the internet, the world wide web, is increasingly being used for commercial purposes by companies who are attracted by the low costs of making information available, the possibilities of reaching a global audience, and the opportunity to use the medium’s interactivity to create a dialogue with the audience.

Although there are several success stories of commercial use of the World Wide Web, anecdotal evidence indicates that many companies have not yet reaped the expected economic benefits of using this new medium. One of the main reasons for this seems to be that the form and content of advertisements have not yet been adopted fully to the medium. This situation is characteristic of new forms of communication: in the medium’s early fase, experiences from other media are transferred before users start adopting content to the new medium. The World Wide Web is inherently different from the mass media traditionally used as advertising channel, and an understanding of the differences is essential to optimizing advertising efforts.
in this new medium. Advertisers who do not understand and acknowledge these differences and who attempt to apply traditional advertising concepts and approaches indiscriminately to this new medium are likely to fail miserably. Therefore, new advertising approaches and models which exploit the unique properties of this medium must be established.

Because of the explosive development in this area, research on the effectiveness of the world wide web as an advertising media has lagged behind in practice. Despite the great attention given to the development of the world wide web, very little research has been undertaken about how the world wide web is actually used for advertising purposes today and how it has brought about a great deal of development in the advertising sector, and even less about how it should be used. While most observers agree that the web has an enormous potential as a commercial medium, there is widespread disagreement about how the medium is developing and what advertisers should do to exploit this development, and also how the final result which is it’s impact on the returns of companies who have or will eventually turn to advertise in the web. This study therefore seeks to determine the effectiveness of the world wide web as an advertising media.

1.3: Objective of the Study

The objective of the study was to determine the effectiveness of the World Wide Web as an advertising media. More specifically, the study sought to:

i. Determine the main differences between the world web and traditional mass media from an advertising perspective.

ii. Determine the characteristics of web users and how have they benefited from the web as far as advertising is concerned.

iii. Identify the strengths and weaknesses of the web compared to the other advertising media.

iv. Determine which companies should use the World Wide Web for advertising.
v. Gain an in-depth understanding of the medium and how it has and will effectively promote various products and services offered by different companies.

1.4: Importance of the Study

This study may benefit different groups which include advertising firms, manufacturing firms, service industries, academic institutions, and other individual users.

Manufacturing firms and service industries should find this study quite useful is that they may be able to promote their goods and services to a much larger market that can be easily found in the world wide web. They may also give adequate updates of their goods and services, new product lines and improved quality of goods and services that are been released into the market, ranging from automobile products to delivery of fastfoods such as pizza.

Academic institutions will find the study important since institutions of higher education such as colleges and universities can be able to adequately inform prospective students on academic programs they offer.

Advertising firms may find the study useful especially in that they will be able to identify and promote their various advertising techniques that will be able to reach and impact a certain group of organizations opting to advertise in the world wide web.

This study may not only be useful to firms and organizations but also individual users who are aspiring to acquire a lot of advertising information from the web. This will be useful for sole proprietors as well as small scale business organizations locally. It will open the eyes of many business people in Kenyan in this network of advertising knowledge found in the World Wide Web.
1.5: Research questions

The study aimed at addressing the following questions:

1. What are the main differences between the world web and traditional mass media from an advertising perspective?

2. How effectively should the World Wide Web be used for advertising purposes?

3. What are the characteristics of web users and how have they benefited from the web as far as advertising is concerned?

4. Which companies should use the World Wide Web for advertising?

5. What are the strengths and weaknesses of the web compared to other advertising media and how it has effectively promoted goods and services offered by various companies and organizations?

6. How effectively has the World Wide Web promoted various products and services offered by different companies?

1.6: Information Needs

In response to the given questions, the following information was sought:

How effective the world wide web promoted products and services based on the reach to its users was determined by the response from the questionnaire.

The difference between the traditional mass media and the world wide web was determined by the level of existing communication and cost between the advertiser and the target group/market. This enabled the researcher to distinguish the two media types and be able to come up with the solution for advertisers.

The characteristics of the web users were required to establish the usage and how beneficial the world wide web is to them, this was acquired through feedback based on the information
capacity as well as the selectivity of the WWW compared to the traditional mass medium. To be able to evaluate the world wide web, it was necessary to acquire information on the strengths and weaknesses of the web compared to the other advertising media. This would provide information on which companies will/should use the world wide web as an advertising media.
CHAPTER 2:

LITERATURE REVIEW

This chapter clearly focuses on the findings of other researchers that have carried out investigation concerning the internet. The literature is reviewed on the basis of what there conclusion on the subject was.

2.1: Introduction to the World Wide Web

Definitions:
The World Wide Web is the part of the global internet which follows the HTML standard. Although e-mail and file transfers strictly speaking follow different protocols, we will consider them part of the web as they can be easily accessed through most web browsers and thus appear to be an integrated part of the web from a user perspective (Bornman and von Solmes, 1993).

Evolution
The WWW was founded in 1989 and was introduced commercially in 1993. By 1994 3 Million WebPages of information, entertainment and advertising existed. The internet changed from an individual communication site to a commercial environment. The Internet can be used for different purposes. By far the most important, the fastest growing, uses of the Internet are the world wide web and the e-mail. The world wide web was defined at CERN in 1992, but the development of the web really started accelerating when American NCSA (National Center for Supercomputing Applications) in 1992 introduced the first graphical web browser, mosaic (Christensen 1995). The inventor of mosaic, Marc Andreessen, then an undergraduate students at the university of Illinois, later confounded the company Netscape with the intention of making a better web browser. Today, Netscape is the browser used by more than 80% of web users.
Establishing an advertising presence on the web refers to creating a web site with advertising content. However, the advertising presence may also include the purchase of 'banner ads'. Banner ads are small banners containing hyperlink to the advertiser's Web site which are placed on other web sites.

2.2: Effectiveness Vs Ineffectiveness of the WWW

Effectiveness

The effectiveness of the WWW can be looked at in the following ways:

Security – As afar as security is concerned Microsoft, Visa and Master Card work on securing credit transactions, which might include digital signatures (Wheeler 1996). Control – There is no central authority, no governing body and no official policies in the WWW. Every one is free to publish what ever they like. Property Rights – Digital transaction make it easy to copy and alter all sorts of information and art, from music to database to computer software. “The WWW is one gigantic copying machine. All copyrighted works can now be digitized and once on the net, copyrighting is effortless, costless, widespread and immediate” says David Nimmer, a Los Angeles lawyer in intellectual property rights. The WWW has made the internet user-friendly and customized, homepages can contain creative graphics, video clips for people to view and audio visual clips. The is no software that has been provided to make the surfer aware of how long a web site will take to download, thus this reduces their impatience. Both the More developed countries have invested in fibre-optic cable which in the near future should increase the speed to download from the WWW significantly (Gleason 1995).

The Ineffectiveness of the WWW can be looked at in the following ways:

Not all the computers have the capability to play the video and audio files that are found in the WWW. Consumers find the WWW too complicated, confusing and cold or simply prefer
to be passively entertained. Most users surf at expensive day time rate, during peak hours it takes longer to download files from the internet and hence to watch an advert that plays for 10 seconds would take 20-50 minutes especially using a basic modem. The is no software that has been provided to make the surfer aware of how long a website will take to download, thus this increases their impatience. Legal issues in one country are different from another as far as the WWW is concerned, therefore what might be legal in one country is illegal in another. Digital transmission make it easy to copy and alter all sorts of information and art, from music to database to computer software. Therefore in the WWW all copyrighted works can now be digitized, this id dire news to the commercial industry, which become very vulnerable to piracy to a vast number of people.

Though there is copyright laws as a set of international standards concerning the WWW and the net, tracking down piracy is difficult as people put it anonymously on the net, Secondly, who is liable? Limited number of computers can be looked as a constraint towards the enhancement of the WWW especially in Less Developed Countries. Poor information and awareness of the effectiveness of the Web is also a constraint towards the popularity of the WWW in LDC’s organizations(Gotfredson, 1995).

*Traditional mass media*

The traditional mass media considered are television, newspaper, magazines and radio. Furthermore, considerations about direct mail (which is becoming increasingly important for advertisers) are included.

There are several groups of stakeholders that are influenced by advertising on the Web: advertisers, advertising agencies content providers wishing to attract advertisements to their Web site, and, of course, the audience. The point of view taken is that of the advertiser considering whether to advertise on the Web, and wondering how it should be done.
2.3: ADVERTISING

Introduction

The word advertising originates from the Latin *ad venterre* which means to ‘turn the mind toward’ (Russle and Lane, 1993). Advertising represents one of the most important ways that companies convey messages about their products and ideas to potential customers and stakeholders, and advertising revenues constitutes the financial basis for thousands of TV stations, newspapers and magazines.

Without advertising, it would be difficult for companies to communicate the existence of new products or services to a larger audience quickly enough to make the investments in developing the product or service viable. The increased importance of advertising in the most economically developed markets is to some extent driven by the falling barriers to imitation which have reduced the differences between the core products in many product categories. Competition has gradually become more and more focused on creating strong brand images and associating positive values with the product and advertising is one of the most effective ways to achieve these goals. Overall, advertising has many different purposes, such as long term build up of the organization’s corporate image, long term build up of a particular brand, or information dissemination about a sale, service or event.

2.4: Significance Of the Advertising Media

In general, current advertising is a one-way communication where-by standardized messages are dispersed to large audiences. Advertisements have become bundled in the general “information push” of the mass media (Negroponte 1995), which “pushes” the advertisements into the consumer’s minds. The bundling of advertisements with TV programs has made it possible for the advertisers to develop efficient forms of intrusive advertisements, which have an effect on the audience even though they do not take any significant interest in (at least some of) the advertisements as such. As the classical purposes of traditional advertising is to
inform, persuade, and remind, the actual sale normally does not take place in direct connection with the exposure to the advertisement. Since exposure and transaction are usually separated in time and space, advertising is functionally separated from sales (Wells, Burnett, and Moriarty 1992).

It is argue that the traditional understanding of what advertising is should be reconsidered and expanded in connection with interactive media because of the different characteristics of these new media (Quelch & Klein, 1996). While it can be argued that the world wide web holds a significant potential for business advertising as well as for consumer advertising, the main focus here is on consumer advertising. This is because advertising has always been more important in consumer markets than in business markets where marketing efforts are normally focused on personal selling and relationship marketing. Further, most of the large-scale advertising efforts implemented to date on the Web target the consumer market rather than the business market (Potter 1994). This is not to imply however that there is not an important potential for business advertising on the World Wide Web.

The current attitude toward what advertising is, the functions it includes, and how advertisements are designed, has been shaped by the technological possibilities and constraints of traditional mass media. Because of the many forms and uses of advertising, it is difficult to make all-embracing generalizations about what advertising is, but still a number of defining characteristics of advertising can be observed:

2.5: Characteristics of Traditional Advertising Media

- One-way communication flow. Because of the one-way communication flow of the mass media, advertising is basically a monologue, not a dialogue. Therefore, mass media
advertising usually precludes feedback from the audience, such as transactions or requests for further information (Bornman & Von Solmes, 1993, pg 259).

- Standardized messages. Due to the inherent standardization of mass-media communication, all of the audience normally receives the same messages in the same form, regardless of their specific desires and information needs (Bornman & Von Solmes, 1993, page 259).

- Brief exposures. The high advertising costs mean that exposures in broadcast media are usually of a limited length, typically 15-20 seconds on TV or shorter in radio spots. In print media, the reader decides how much time to spend on an advertisement, but the time spent on the individual advertisement averages less than two seconds (Wells, Burnett, and Moriarty 1992, page 150).

- Simple messages. Advertising (especially in broadcast media) tends to concentrate on very simple messages with a rather low information content. This is in part because of the brief exposure, which restricts the complexity of the message that can be communicated, and in part because of limited audience involvement in the advertisements. In the words of Krugman (1994), "...people do not watch TV in order to make decisions about which brand of dog food to buy next," page 112.

- Captive audiences. (Jones, 1996) In the article "Marketing on the internet" written by Nick Jones, it can be argued that the audience in traditional mass media is to a certain extent "captive", in the sense that it must do something actively to avoid being exposed to the advertisements in their full length (for instance, change to a different channel on TV).

The characteristics listed above, which
have come to be defining features of advertising, have not emerged because they represented an ideal form of communication but rather as a consequence of the technological and economical possibilities and constraints dictated by the mass media of our century.

In accordance with Marshall McLuhan's assertion that "the medium is the message", current advertising practices can be explained from the processes and structure of the media landscape. Therefore, as the media structure is gradually transformed through the emergence of interactive media such as the Web, advertising principles must also be adapted and transformed in order to remain efficient.

Interactive media are likely to challenge the traditional approach to advertising with their increasing user control of what information is to be received, when it is to be received, and how it is to be received. Therefore, a new advertising paradigm is needed, a paradigm which puts the needs and wants of the consumer in focus to a greater extent than has traditionally been the case.

2.6: What are the differences between WWW advertising compared to traditional mass advertising strategies?

The performance levels of existing standardised mass communication are insufficient in fulfilling today's advertisers high requirements of efficient and accurate targeting which encourage a dialogue with the customers. This report point to interactive marketing as a future standard, decreasing the role of traditional mass advertising. (Jones, 1996)

The interactive WWW could be the solution to advertisers requirements. But new advertising strategies are needed in this medium. The www is a two-way interpersonal communication flow. The key distinguishing features are the interpersonal feedback and interaction process in real time, which traditional advertising cannot provide.
This interaction process provides relevant customer information in order to serve them more effectively in the future. Users can also interact with the www medium itself through machine interactivity. Compared to traditional media the user is fully in charge of the information pull (Our New World, 1995). www is a hybrid medium which can combine all three identified communication strategies including mass communication, interpersonal communication and machine interactivity communication.

2.7: The WWW has been found to have certain advantages over the Traditional Advertising Media. This includes the reach, selectivity, feedback, information capacity and cost. (Dal Thomsen 1996, Kling 1995, NPC Publications 1995 and Wells, Burnett & Moriarty 1992)

1. Reach

The web is currently increasing its reach to its users, with the explosive growth of the web the figures have changed dramatically in favor of the web more than the traditional Advertising media. It has a high reach to important segments, most notably intensive computer users and researchers.

2. Selectivity

The selectivity of the WWW is much higher than in any traditional mass medium, with the exception of direct mail. This is because the Web users expose themselves to the advertisements rather than being passively exposed to them. This means that the selectivity is high, since only interested customers expose themselves to the advertisements for extended period of time. The selectivity is further increasing as the individual user sovereignly decides how long time to spend on the advertisements, which parts of it to see, and how to structure his navigation in the advertising Web site through the machine interactivity.
3. Feedback

The WWW is the only mass Medium with feedback symmetry, meaning that the customer can respond immediately through the medium. Feedback through the traditional advertising media is much more difficult for the customers, since it has to be channeled through other media than the advertising medium. When navigating in a well-made advertising Web site, the customer can easily send an e-mail to the company in order to get further information. The possibility of customer feedback through the medium can be exploited in many ways: to give customer service, process transactions, make online quizzes and contests (Bormman and Von Solmes, 1993).

4. Information Capacity

The Web's information capacity is extremely high, as far as textual information is concerned. In TV advertisements, the information capacity is highly limited by the short duration of the advertising spots. More textual information can be conveyed in print media, but it is still limited how much information can be conveyed in a magazine ad. On the Web the marginal cost of making extra information available to the customer is close to zero. 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/she finds interesting (Bormman and Von Solmes, 1993).

5. Costs

It is very cheap to make content available to users on the Web. At present, Web advertising has a different cost structure compared to advertising in traditional mass media and cost of content production can be expected to constitute a larger part of the cost structure, because quality content is the best way to ensure lasting exposures in the user-controlled environment on the WWW (Bormman and Von Solmes, 1993).

Note:
When compared to traditional mass media using the dimensions of reach, selectivity, feedback, information capacity and cost, the Web is clearly a superior medium with respect to feedback and information capacity. It can be argued that the Web also has a very high selectivity in the sense that the users actively selects to access an advertising Web Sites, and also have a high degree of selectivity.
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CHAPTER 3

RESEARCH DESIGN

3.1: The Population

In this study, the population of interest consisted of all current internet users as well as internet service companies, which included:

- Africa On-line
- Form-net Africa
- Swift global Kenyan Limited
- Nairobi net
- Net 2000
- College and University Students
- Individual Home users

The current population of interest would be able to produce the required responses impacted by the world wide web advertising areas.

3.2: The Sample Frame

Obtaining a list of home users was not easy to achieve, but various interviews were be carried out to the population of interest groups that included the above stated company as well as the internet home users. This restricted the research to comprehensively deal with the research objective.
3.3: Sample Size

A sample size of 35 persons was chosen from the study. This sample size was then selected from the population of interest.

3.4: Sample Design

The non-probability sampling technique was used to determine the 35 respondents from the seven internet firms and user groups. The convenience sampling technique was also used to select 30 respondents from among university/college students and 5 respondents from the given internet firms.

3.5: Data Collection Methods

Primary Research

A more analytical approach was required. Furthermore Internet development is so tremendous, that relying only on historic data would have left the research with bias. The primary data was gathered through a combination of observation, and a survey. Many hours were spent surfing the net to get understanding of the type of advertising information is available in the WWW. The effectiveness of the WWW as an advertising media vis-à-vis the traditional advertising media which include Newspapers, Television, Direct mail, Radio and Magazines. Advertisements and company homepages were investigated and analyzed. Several companies which include the very local ones like the Africa On-line, Nairobi Net, Form-net africa, Net 2000 and Swift Global which all offer internet services were interviewed through E-mail about their communication strategies.

In-depth interviews were carried out with companies with the Internet. At least five Account executives and media planners in big advertising agencies- well known for their new media expertise, were contacted along with internet consultants from multimedia agencies.
They were asked to predict the future for the Internet as advertising medium and what effect it will have on media habits and communication strategies. The differences between this medium and traditional media has been discussed along with what the critical success factors are. Companies present on the Internet were interviewed about their reasons for being there, what their strategies are and how successful they have been.

Net surfers and advertising experts which compose of ten students and another five who work for internet service firms were questioned through E-mail and newsgroups about their opinion of advertising on the World Wide Web and what their requirements are. Five On-line suppliers were interviewed about the development of the net, security and control problems and Internet forecasting statistics. Another Five On-line trademark lawyers were questioned about brand and trademark registration problems.

i. Observation were be carried out among different groups of users of a sample size 20 each which include students and professionals to determine the popularity of the WWW to them and how often they use it and the characteristics of the Web users and their usage patterns. This was done through visits to the different sites e.g. Cyber cafés, Colleges etc.

ii. Questionnaires were formulated and then issued to sample groups of students and professionals, regular surfers, advertising firms to be able to analyze the effectiveness of the WWW to them in relation to information awareness concerning products made available to the consumers, increase in orders, sales and production output to companies that result from advertising in the Web.

iii. Interviews were carried out to both product and service companies personnel, advertising agencies personnel, Internet service firms personnel to obtain the general benefits of advertising in the Web, how the Web has been incorporated into the company’s media mix, consumer trends, on-line shopping activities, the kind of communication strategies they use.
Secondary Data

External desk research was used. Secondary data did provide a context within which to set the work. The secondary research was mainly based on articles from journals, newspapers and magazines because only few on-line marketing books have been published. None contain any academic/theoretical research. The information that I obtained from the secondary sources did entail how the Web is viewed in terms of strengths and weaknesses as an advertising media, the type of companies that are using the WWW as their advertising media and how their business operations have been affected in terms of Sales, orders production output and customer queries.

Through various contacts in the advertising industry it has been possible to get access to confidential Internet material, surveys and briefings. New technology driven research methods like CD-ROM databases and library computer networking were both time saving, cost effective and efficient. When carrying out the Internet research good theoretical articles on advertising strategies contributed a lot and hence were useful.

3.6: Operational definitions

In determining the effectiveness of the World Wide Web as an advertising media, the researcher operationalized the same variables using Burnett & Moriarty (1992). The eight variables include reach, selectivity, feedback, costs, capacity, communication, exposures and messages (simple and standardized)

The respondents were asked to specify the importance of the five variables and were assessed as follows:

- 0-50% response rate was be considered poor
- 51-60% response rate was be considered average
- 61-100% response rate was be considered Good
An overall average rating was derived to an extent where a response rate of 61-100% was required to conclude that the World Wide Web as an advertising media is very effective and thus an important determinant.

3.7: Data analysis techniques

Data analysis was carried out using cross tabulation, correlation analysis, percentages as well as mean, median and mode. To ease understanding, print screens from available advertising presentations were also obtained from the internet and the World Wide Web to show how they affect the respondents.
CHAPTER 4:

DATA ANALYSIS AND INTERPRETATION

This chapter contains summaries of detailed discussions of the findings and interpretations for each issue. The analysis is presented in six parts. The first part of the chapter attempts to differentiate between the World Wide Web and the traditional mass media form an advertising perspective. The second part describes how effectively the World Wide Web is as an advertising medium. The third part describes the differences characteristics of web users and how they have benefited from the web as far as advertising is concerned. The fourth part highlights the strengths and weaknesses of the web compared to other advertising media. The aim of the fifth part is to determine which companies should incorporate advertising in the web in their media mix and how this should be done. The last part summarizes the findings that show how effectively the World Wide Web has promoted products and services offered by different companies.
4.1: Differences between the World Wide Web and the Traditional Advertising Media

*From a theoretical perspective, what are the differences between the communication process on the World Wide Web and the traditional mass media?*

World Wide Web - neither interpersonal nor mass communication. The communication processes on the World Wide Web can neither be categorized as interpersonal, nor as mass communication processes. The study found out that the Web creates a hybrid of possibilities which blurs the traditional distinctions between interpersonal and mass communication. With respect to the field of communication research, the medium challenges its division into two separate research areas - a division, which has been a defining characteristic in the last 40 years. This is because the Inter-net can be used for interpersonal communication, for mass communication, and for various hybrids of the two.

In contrary to traditional mass media as the research puts it, Web users are not limited in their decisions about when and how to consume the information and entertainment on the Web. Basically, the Web is characterized by an information pull, where users can access information on demand, regardless of time and place. The Web is an interactive medium - as explained earlier in this chapter, the interactivity is mainly "machine interactivity", where the users interact with the medium as opposed to communicating with each other through the medium. On the Web, the users interact with the environment that have been created in the medium by other users.

*Many-to-many communication*

Therefore the study has given that, where interpersonal communication is basically a one-to-one process and mass communication is a one-to-many process, communication process on the Web is essentially a many-to-many process. This is so because there are many senders and
many receivers interacting with each other and the medium. Person interactivity also exists on
the Web, through exchanges of e-mail, which makes it possible for companies to
communicate directly with the audience (and vice versa) and to process transactions and
various forms of customer service in connection with advertising Web sites.

A hybrid medium

The study further stresses that the Web can be used as a one-to-many medium if a company
communicates a standardized message to a wide audience, for instance using a banner ad. The
prospective customer receives the message and gains an interest in the company’s products,
and proceeds to interact with the medium to obtain further information. If still interested, the
prospective customer can send an e-mail to the company with any special questions he may
have. In this way the Web functions first as a mass medium, then as an interactive medium
(machine interactivity), and finally as an interpersonal medium (person interactivity).

Some respondents believe that, mass media have relatively few points of access which are
controlled by gatekeepers, i.e. editors, publishers, etc. On the Web, the millions of servers each
constitute a point of access, and the individual user can deliver content at a very low cost,
without having to get past any gatekeepers. Thus the ratio of content producers to content
consumers is much higher on the Web than in mass media.

The research found that it was relatively easy to provide information on the Web because the
medium has a different distribution structure. As more and more Web users become
information producers as well as information consumers, the noise ratio in the medium also
increases because of the absence of the gatekeepers of traditional mass media which serve to
maintain a minimum quality level and a certain editorial style.
Trust

Most respondents indicate that in traditional mass media advertising, the effectiveness increases because consumers know that the advertiser has to invest large sums in the advertisements and therefore take the ad more "seriously". Because of the high noise on the Web, and the fact that advertising Web sites can be created at very little cost to the advertiser, generating trust and validating the quality of the information becomes a critical factor for many Web sites. To the respondents such as the internet service firms namely form-net Africa this has important implications for advertisers, especially those who attempt to integrate transactions in their Web advertising.
(Table 4.1 - Main Differences Between Interpersonal Communication, Mass Communication and the Web).

<table>
<thead>
<tr>
<th>Communication model</th>
<th>Feedback Symmetry</th>
<th>Interactivity</th>
<th>Number of linked sources/sources competing for attention</th>
<th>Bandwidth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interpersonal Communication (face-to-face)</td>
<td>One-to-one</td>
<td>Yes</td>
<td>High (person interactivity)</td>
<td>Few</td>
</tr>
<tr>
<td>Mass communication (TV)</td>
<td>One-to-many</td>
<td>No</td>
<td>No</td>
<td>Many</td>
</tr>
<tr>
<td>World Wide Web</td>
<td>Many-to-many</td>
<td>Yes</td>
<td>High/moderate (machine interactivity And person interactivity)</td>
<td>Extremely many</td>
</tr>
</tbody>
</table>


Table 4.1 compares communication on the World Wide Web with "classical" interpersonal communication and mass communication. As shown in the table, the Web shares characteristics with both of these communication forms.

**Hypertext**

As mentioned, the World Wide Web is a global network of interconnected documents. The respondents who are the Web users navigate by "jumping" from document to document. One of the fundamental differences between Web and traditional mass media that was discovered during the research is the interactivity and the fact that the content of the medium is structured with hyperlinks.
Hyperlinks, or hypertext, is a relatively new way of structuring information, which is only possible in computer based media. The idea can be traced back to a 1945 article by Vannevar Bush which outlined the so-called Memex system, which was described as “...a device in which an individual stores all his books, records, and communication, and which is mechanized so that it may be consulted with exceeding speed and flexibility” (Bush 1945). As reflected in the quote, Bush imagined a system which was capable of storing a huge body of information and allowed the user to access the relevant parts of this information quickly and effortlessly. In this way the idea was that the user should access the information by association rather than indexing.

**Structuring by association**

Nelson (1967) further developed the idea of a system inspired by the way the human brain structures information - associations structure information in complex networks, which trigger associations to related subjects during the process of thinking. Engst (1993) describes hypertext in the following way: “...hypertext refers to nonlinear text. Whereas you normally read left to right, top to bottom, and beginning to end, in hypertext you follow links that take you to various different places in the document, or even in other related documents.”

**Navigation**

The information in a hypertext system is in the form of nodes and links. Nodes are individual elements or clusters of information, which constitute the building blocks of hypertext. Nodes may contain textual information, or pictures, audio or video if the bandwidth allows it. The nodes are interconnected through hyperlinks. Often each node is connected to several other nodes, because a cluster of information is usually relevant in several contexts. When “reading” a hypertext document, the user makes a series of choices about which links he wishes to follow. As a consequence, there are
many different way to read a hypertext document, depending on the path the individual user chooses to follow. Consequently, it is said that the user navigates in the hypertext document rather than reads it. Some authors (i.e. Whalley 1993) goes so far as to describe hypertext as a medium which is "essentially formless", while others maintain that hypertext challenges the traditional distinction between form and content.

In traditional print media, the reader can to a certain extent also structure his reading of the text by association, for instance by following cross references or create "manual hypertext", so to speak. Hypertext can be seen as an advanced system of footnotes and cross references.

Opinions about the virtues of hypertext structures are strongly divided. Proponents praise the users' ability to individualize the document to his particular information needs and get in-depth information about the aspects that he takes a special interest in. Opponents see hypertext as a fragmented structures that create confusion and disorientation rather than clarity.

Both camps have a point; extensive use of hypertext seems best suited for fragmented, but interrelated information such as encyclopedias and data-bases, while texts with a higher cohesive reference, such as prose, is less suited for hypertext. Using hypertext in an appropriate manner is very important when designing advertising Web sites.

On the Web, it is not only within the individual documents the information can be structured using hyperlinks - documents can also be hyperlinked to other documents anywhere else on the Web, forming a complex web of cross references. Therefore, the medium contains a body of interconnected information of enormous proportions.
Electronic word-of-mouth

Because of the immense amounts of information that can be accessed, meta information (information about how to locate other information) plays an important role. Many Web sites contain hyperlinks to other Web sites, which most respondents found interesting. If Web users find an advertising Web site useful or interesting, there is a good chance that one or more of them will create a hyperlink from their own site to the advertising Web site, which will generate more traffic to the advertising site. This can be labeled an electronic "word-of-mouth" effect, which can be very powerful since it tends to create a positive feedback cycle, where more traffic generates more hyperlinks, which in turn generates more traffic, etc.

Information abundance when the user is connected to the World Wide Web, he can potentially access all the information that exists in the medium. This is a fundamental difference between the Web and other mass media that was discovered during the survey. When you buy a newspaper, for example, one respondent commented, you can only read that days articles in that particular newspaper, i.e. a body of information which is only a tiny fraction of the total body of information that exists in the "newspaper medium". For broadcast media, the flexibility is even more reduced as the information can only be accessed at the time it is transmitted (unless it is recorded on a VCR).

The respondent went further by saying that the Web user has a much larger body of information to choose from, which gives him greater freedom and control over which information he wants to receive. The situation on the Web is not comparable to having 500 or 1000 TV channels, but rather to having one channel from which all content ever produced in the TV medium can be accessed at will. Although this may seem as a Utopian analogy, it serves to illustrate the possibilities open to the individual user and the complexity of usage patterns.
Most of the internet firms believe that, written media are consumed by an array of choices, which can be seen as a linear structure. At the top of the structure, the user chooses which newspaper or magazines to buy, and subsequently which articles to read from that particular magazine depending on his particular needs and wants. At this point, a shift to other magazines or newspapers demands time and money. If the user has purchased The Economist and has begun to read the articles, it takes significant resources to return to the initial decisions that led to the choice of this particular magazine and search for another one. This linear structure, where the user is “locked” into the medium has been to the advantage of advertisers because users have been forced to accept a lot of intrusive advertising.

* A poverty of attention Individualized

The many parallel resources also make it difficult for the individual user to find the right information. Because of the absence (or primitive stage of development) of filters such as the one constituted by the editors of a newspaper, the relevant information sometimes drowns in the noise from the other sources available. As put by Nobel Laureate Herb Simon “What information consumes is rather obvious: it consumes the attention of its recipients.

Hence a wealth of information creates a poverty of attention, and a need to allocate that attention efficiently among the overabundance of information sources that might consume it.”

* User control and fragmentation

Most home users believe that abundant information supply on the Web has important consequences for the way the medium is used. In this medium, it is easier for the user to find specialized information about his particular interests than in traditional mass media, where the body of information available to the individual user is much more limited. This means that the media use on the Web is likely to be much more specialized than in media such as TV and
radio. In terms of specialization, the Web is most comparable to magazines, where a large number of suppliers match the interests of narrowly defined segments.

*Individualized media use*

“Rather than homogenizing the planet, as the old Second Wave media did, the new global media system could deepen diversity instead. Globalization, therefore, is not the same as homogeneity. Instead of a single global village, as forecast by Marshall McLuhan, the late Canadian media theorist, we are likely to see a multiplicity of quite different global villages - all wired into the new media system, but straining to retain or enhance their cultural, ethnic, national, or political individuality” Toffler (1990).

The World Wide Web clearly illustrates the point about simultaneous fragmentation and globalization of media use. Because of the immense body of information available to the user, the possibility of accessing this information when the user finds it relevant rather than when it is broadcasted, and the ability to navigate in it with a high degree of freedom changes the rules of the game.

*User control*

As mentioned, the Web is characterized by an information pull as opposed to the information push in traditional mass media. This has important consequences for how the information is consumed, because this is controlled by the users rather than by the information suppliers. The somewhat captive audience of traditional mass media does currently not exist on the Web, at least not to the extent that is the case in traditional mass media. As the control with the communication process shifts in favor of the user, there will be a tendency towards fragmentation, diversity and heterogenization of the media. Respondents who are business associates argue that the situation, in terms of advertising, will develop towards a “marketing universe-of-one”, where the individual consumer selects messages from those companies he wishes to do business with. In the world of interactive media, advertisers
will need to focus more on the needs and wants of the consumer. From the perspective of advertisers, it becomes decisive to deliver perceived value to the users in order to get lasting and positive exposures.

**Searching or surfing?**

When navigating experientially, the user is primarily driven by intrinsic motivation, meaning that he is performing the activity for its own sake rather than as means to a specific end. Most respondents especially college students “surf” the Web, often guided by impulses and curiosity. In the case of goal-directed navigation, the student is searching for specific content. Basically goal-directed navigation can be described as “searching”, whereas experiential navigation is best described as “surfing”.

Searchers usually have a high degree of involvement if he expects to find valuable information in a Web site, while surfers are likely to abandon a Web site faster if they do not find it immediately entertaining or interesting. This has implications for the design of advertising Web sites. Searching and surfing should be seen as a continuum rather than either or patterns of navigation. Most users shift between experiential and goal-directed navigation on the World Wide Web. The individual user is not likely to use one kind of navigation exclusively, but it is likely that some users tend to be more search oriented, while other spend more time surfing.

According to the research, typically, new users especially home users and freshmen college students tend to surf rather than search, out of general curiosity towards the medium, and as part of a learning process. Later, as users grow accustomed to the medium, they tend to search more and more, looking for information about specific subjects they take an interest in privately or professionally. As an analogy, imagine a TV viewer suddenly gaining access to 1000 channels. In the beginning he would “surf” intensively between different channels, but
after a while his medium use would become more structured and limited to a small amount of channels that have proven to be interesting or entertaining.

**Limited intrusiveness**

A technical marketing executive of coca cola say that the ease with which the user can control what information he is exposed to and jump away from information he does not find interesting has important consequences for advertising on the Web, since it becomes more difficult than in traditional mass media to advertise intrusively in an effective manner. On the other hand, it is an ideal medium for making company and product related information available to the user who then decides to what extent he is exposed to the advertisements. Because of their high involvement, this group of users are likely to be very receptive to advertising messages they find interesting.

The different navigational patterns of searchers and surfers should be kept in mind when designing Web advertisements. Searchers are much more patient, and their attention is easier to retain providing they expect a certain level of relevance on the Web site. In the case of surfers, it is much more challenging to keep their attention focused on the advertisement as experienced in many surveys. This means that Web sites aiming at attracting surfers should pay special attention to assuring that the site is easily navigable and seems immediately interesting.

Most firms advertising in the web like the airline companies and the hotels propose the notion of flow to describe when users find the content of site interesting and challenging enough to retain their full attention. If this balance is achieved, flow occurs - a condition where the user feels that he is in control of the interactions and finds the experience entertaining or interesting enough to reward his attention.
4.2: World Wide Web used for advertising purposes

Generating traffic to web site

The advertiser must make the user aware of the web site's existence to generate and attract visitors. However, the enormous amount of web sites available makes navigation sometimes difficult and confusing. There are 5 options to attract visitors that were discovered in the research.

(Figure 4.1
Generating Traffic to Web Site)


Banner ads

The CEO of Webconnect, Roy Schwedelson defines banner ads "like the outer envelope of a direct mail piece." The hyperlink can be compared to a two-step lead generating, where users click the banner ad if interested. Banners are small pictures measured in pixels (generally 468 wide by 60 high, limited 7.5 K) placed on popular sites for a fee. The fee depends on the actual site and placement. If the banner ad is on the first page of e.g. Yahoo millions of people will see it, however the advertiser can only expect a low click rate of between 1-2%.
Most respondents say that they are not ready to “jump” yet. They stressed the importance of “verticality” to precisely target the kind of people who might visit a particular web site and who might have an affinity with the advertisers product or service. More closely targeted sites might bring click rates of 8% to 13%, or even higher. For Kshs 60,000 per month the search engine Yahoo offer advertisers to “purchase” a “word” on their search engine. E.g. the user type in Airline. All Internet present airline companies show up with the airline advertisers banner ad on the top. Hyperlinks make it easy to access the advertisers website and can generate a large amount of traffic. However, its small size limit the advertisers creativity and text opportunity. It must therefore be eye-catching and interesting, perhaps with moving pictures. Price drawing, competitions or free information/ gifts can increase the appeal.

**Smart banners**

According to the research, Smart banners enables the advertiser to tailor the ad directly to the visitors demographic or psychographics profile. Advertising desingers of companies like AT&T said that the advantage is a precise and customised adverts, which has a higher chance of exposure. This is done either by registration or “memberships” with the content provider or carried as a file associated with the browser.

Banner ads purchase comes closest to traditional media buying in terms of placement, size, exposure etc. Adverts should be placed under locations frequently visited by surfers such as hotlists or entertainment sites, for example the ones presented by form-net africa. Banner ads for informational websites should be on place with relevant content such as search engines or specific product/ service malls.

**Malls**

Malls like Internet Mall contain several on-line storefronts, which attract high traffic due to the diversity of offers. Customers can choose to shop for several products and services at the
same time. However, they might be frustrated by the clutter offers and therefore not choose to actually view the advertisers products.

Search engines

Search engines like Yahoo and Alta Vista which most college students and businessmen were observed to spend more time on were set up to make navigation easier. They enable the user to easily find the company, brand or product category they are looking for. Alone Yahoo contained in Marts 1996 a list of over 50,000 companies. The service is free for users and advertisers can register their websites for free. Search engines are sponsored by banner adverts. Yellow pages are present as well in the local web sites of our internet firms.

Conventional media

Information technology specialist from Internet Shopping Network said, to make people aware of the website traditional media should be utilised. The URL address should be integrated in all above and below the line activities from business cards to TV adverts etc. It reinforces the appearance and makes it easier to recall the URL address. The URL address should be short and easy to remember, because the user types it manually. The longer URL address (max. of 27 characters) the bigger chance of error.

Word of mouth

The open community, high self involvement combined with interest in sharing Information especially IT students, make the Internet a great place for word-of-mouth communication. Users even set up their own hotlists and ratings with hyperlinks to e.g. interesting and valuable advert sites. The more hyperlinks the larger expose.

Users are often opinion formers and early adopters of new products and services. To target these segments will speed word-of-mouth recommendation. Its impact should not be underestimated. However, it is outside the advertiser’s control.
Retraining the Visitor:

Repeat visit - up date is essential!

Sites will only be successful in the long run if they generate repeat traffic, which is even more difficult to achieve than trial. To build on-line customer relationships the advertiser must provide them with a reason to revisit. This requires the advertiser to have in-depth knowledge of target users needs and wants. The research saw that “it is better to be everything to someone than something to everyone.” The first positive impression is not enough, the site must add value on a continuous basis.

The site should therefore be constantly up-dated. Forgetting to up-date the website can also cause problems. Virgin Atlantic Airlines was fined 14,000 for putting misleading advertising on the Internet. It failed to up-date its airfare on-line, where a consumer claimed the right to pay the lower listed Internet price.

As put by the editor of a Africa on-line magazine “On-line means that you are never finished.” CNN and other local companies update their websites every 10 minutes, providing a good reason to come back. Even product companies should up-date the product information and general content such as tips, press releases or offer on-line chatrooms. Customers can be encouraged to subscribe to electronic mailing lists, so every time the webpage is updated, the user will be informed. Mailing lists are an effective low cost way of generating customer retention. The advertiser e.g. lets people fill out a questionnaire about themselves and thereby obtain valuable information for future purpose. In exchange the customer subscribes to a mailing list, where they receive E-mail containing information about their interest on for instance a monthly basis. It could contain new promotions, price discounts, new content on the website etc. Up selling (sell more) or cross selling (offer other products or services) are thereby possible.
Existing or new companies

The choice of web site strategy depends on different issues. One is whether it is a established company or a start up company created to do business solely on the Internet. Existing companies tend to adopt the information to transaction model, whereas start-up companies tend to use the transaction-to-information model.

(Table 4.2 Existing and Start-up Companies Web Strategies)

<table>
<thead>
<tr>
<th>Information – Transaction model</th>
<th>Transaction – Information model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Image - Product Information</td>
<td>Transactions</td>
</tr>
<tr>
<td>Information Collection/ Market Research</td>
<td>Customer Support/ Service</td>
</tr>
<tr>
<td>Customer Support/ Service</td>
<td>Image/ Product Information</td>
</tr>
<tr>
<td>Transaction</td>
<td>Collection/ Market Research</td>
</tr>
</tbody>
</table>

(Source: Sloane Research, 1996)

Existing companies starts by offering information to address the needs of its existing customers. 3M’s Web site gives information on a growing number of its nearly 60,000 products, news of innovation in its products markets and directory of its worldwide operations, but has only recently begun offering items for sale.

On the other hand Internet start-ups begin with transactions and then continue to use the medium to build a brand image, provide product support and win repeat purchases. Companies such as Software.net and CD Now have followed the transaction model. They allow customers to purchase and download software directly from its website. The company
has since added a database of links to product reviews and software manufactures and created product discussion bulletin boards to help customers choose software.

Whichever business model a company pursues it needs to assess what their objectives are. Whether they wish to target domestic or global users the web presence has both revenue-generation and cost reduction potential (Table 4.3).

(Table 4.3 Drivers of Internet Business Models)

<table>
<thead>
<tr>
<th>Cost Reduction</th>
<th>Revenue Generation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical, Legal and Administrative Support, Database Management, Internal Research, Company Information</td>
<td>Marketing and Sales Support/Information</td>
</tr>
</tbody>
</table>

(Source: Hoffman, Kalsbeek & Novak, 1995)

Campaign strategies

Three main approaches have been identified to create value to the user which depends on the campaign strategy, which can be integrated with one another.

(Figure 4.2 Three Internet Advertising Strategies)

1. Informative advertising

The research found that this suits especially high involvement products which requires a great deal of information. Provide quality content. This can not be stressed enough. Once the target audience is identified, the website should be designed with several icon options to look up relevant information. The Internet offers unlimited space, which the customer can customise to his own needs and wants.

*Corporate home page: Creative use of hypertext icons, with a clear structure. Balance speed versus graphic complexity by placing small graphics.

*Foreign language versions: If the audience is global

*Help wanted bulletins: Educate the customers how to use the website optimal.

*Corporate History and Identity: Customers of the 90’s are increasing valuing non-functional information, where company identity become a main discriminator. That is, consumers choice of what they buy will depend rather less on an evaluation of the functional benefits to them of a product or service, rather more on their assessment of the whole company culture. They are looking for real values (e.g. Body Shop)- not superficial styling. The Internet provides great possibility to provide detailed company information.

Furthermore customers want to know who they are dealing with in order to build up trust. Low entry barriers and anonymity can make the advertiser difficult to identify. Customers might think twice before giving the advertiser their money. Branded products and strong identity companies will therefore have a competitive advantage. A Testimonial icon could increase credibility.

* Frequent asked Questions enables the consumer to find the information they need without drawing on the company’s personal resources. This is a great way of delivering customer service at low expense.
* Interaction with user could include answering specific individual questions which are not answered in "FAQ". General custom is 12 hours reply time. This changing timeframe has implications for resource allocation and consumer loyalty. However, the dissertation research showed that only very few company provide feedback. This is poor customer service. If customers goes through the trouble of filling out a form and E-mail it, customers expect to get feedback If not, customers get a negative perception of the company.

Advertiser should set up a user forum like Microsoft and BT have done, where customers can describe their experience with the products or discuss related issues. Results show that while on-line consumers are quick to discuss products and product performances, manufactures and service providers - many of them having invested heavily in establishing a presence on the Internet - are silent, in stead of shaping the discussions and building up knowledge about their customers. Volkswagen e.g. has a whole discussion group dedicated on the Net, but fail to participate. The company should even encourage customers to complain if they are dissatisfied with the product or service. If the company handles the complaint well, it is likely to get even higher customer retention. If not, he might have lost a customer for life.

* Marketing function should contain relevant product information and perhaps a on-line catalogue or database. The customer can view the products of his interest through easy search navigation. The Danish House Estate Home offers users to fill out a form of preferred location, accommodation expenditure etc. The database will then search and list the specific requirements. This customised advertising adds value to the customer.

2. Image advertising.

Image sites appeal more to customers emotional (female users believe) than rational senses. Informative advertising can be combined with image advertising. Internet presence will to some extend effect the brand image, as the media is part of the message. Internet presence indicates that the company is dynamic, innovative and moving with the times as most female
respondents noted. Advertisers with low audience and product fit choose mainly an image strategy, as described by some of the respondents in General. The mission is to get kids to spend time with its characters to build brand image. As users have low interest in the product as such advertisers have to attract visitors by adding value to the consumer through a innovative novel website. This is done through adverturement.

These websites contain hardly any product related information. Visitors are more exposed to entertainment offers such as games, competitions, quizzes, sponsoring of quality content like the Olympic games etc. This attracts especially the male dominated users, who likes to participate and interact with the medium as one respondent said. Adverturement are more likely to be visited by Surfers than Searchers. Word-of-mouth, links and general curiosity seem to be the way, customers find their way to these sites at first.

3. Direct Selling

As described earlier, the Internet provides the possibility to take the customer through all the various steps in the AIDA model from awareness to the final action stage. As Carol Wallace, program manager, communication for Prodigy puts it “you are never going to get more attention from any customer than when they are on-line. Both their hands are on the keyboard and both their eyes are on the monitor. You are interacting with them. They have pre-selected you. They want to see you. This is a very intimate selling situation.”

Consumers invite advertiser in. It is a just in-time-marketing situation. The respondent says “This is what I want, do you have it?” They are ready to buy. However, web advertising is soft selling! Soft sell, where the advertiser must give the potential customer something of value before he can capture them. The original hard selling approach does not work in this medium.
The online direct purchase method adds value to the customer and has several advantages over shopping in person. On-line shopping is quick and easy. Customers can order directly from the comfort of their homes or office, for example bookshops, technical oriented companies, 24 hours a day from anywhere in the world. There are no traffic jams, no parking fights and no waste of time. Delivery varies by merchant, but carrier like Federal Express or UPS both based in Kenya usually deliver within 72 hours.

Federal Express 15,000 daily web visitors have the possibility to track down their receipts through the Internet. In addition, this service alone save Federal Express almost Kshs 120 million annually, as the web site takes the place of more expensive human operators. The lowered cost of doing business on-line increases some advertisers profit margin - others might chose to pass it on to the consumer, who benefit by lower prices e.g. Samsonite sell its products via the Internet at discounts between 40-50% below normal retail prices.
4.3: The Characteristics of the Web Users

This section attempts to shed light on who the users are and how they use the medium.

Development in hosts, networks and domains

Hosts: A host is a computer, which has direct Internet access. It can be located in a university, a company or in the offices of an Internet service provider.

Networks: Interconnection of many users form a network.

Domain: Domain names are addresses of large Web sites; thus, Apple's Web address is http://www.apple.com. Each domain name can contain anything between one and one thousand Web sites.

Population Survey

According to the research, the best way to determine the number of users is through surveys. At this point in time, a considerable number of surveys of varying quality have been made, either as random sample surveys based on telephone interviews, or as online surveys where the Web user fills out an online form on the Web with the information.

Online surveys have a lower representativity, because there is an inherent skewing of the data since users who spend more time online are more likely to encounter the survey, as are users frequenting certain Web sites. On the other hand, online surveys often have a large number of respondents because of the ease with which people can participate in them. Normally, the address of the survey Web site is published through relevant indexes and other Web sites, and Web users are encouraged to fill out the form.
User segments

Different users use the World Wide Web with different frequency and for different purposes. This section segments the users by frequency (how often the respondents claim to use the Web on a five point scale) and recency (based on when the respondents actually used the Web last time). Based on the answers received from the Survey, Web users can be divided into four categories: Hard Core users, Regular users, Occasional users, and Infrequent users. Table 4.4 depicts how the answers to the survey have been used to categorize the users.

(Table 4.4 - User Segments on the World Wide Web)

How often do you access the web
(5 point scale where 5 = frequent, 1 = never)

<table>
<thead>
<tr>
<th>Last time Accessed</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Past 24 Hours</td>
<td></td>
<td></td>
<td>Hard core</td>
<td></td>
</tr>
<tr>
<td>Past week</td>
<td></td>
<td></td>
<td>Regular</td>
<td></td>
</tr>
<tr>
<td>Past Month</td>
<td></td>
<td>Occasional</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&gt; 1 month</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Don't Know</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


The Hard Core users is the segment of users that have used the Web within the last 24 hours and claim to use the Web frequently.
Demographics of the Web users

The demographic characteristics of the Web users are obviously of great importance to prospective advertisers. This section analyzes the demographic characteristics of the individuals that currently use the Web.

Gender

With the possible exception of a strong academic base, the demographic profile of Internet users is virtually identical to that of typical computer users (CyberAtlas 1996). All evidence indicates that there are still relatively few women online, although the number is growing rapidly as derived from the research. Female composition is estimated to be 33% in the study. The lower result in the study is not surprising, since it is an online survey which tends to overrepresent heavy users. As mentioned earlier, the representation of women is significantly lower in the segments that use the Web the most, i.e. among Hard Core users and Regular users. This observation is verified by CyberAtlas (1996), which maintains that males account for approximately 77% of total traffic on the Internet because they use the medium with greater intensity than females. Thus, the Web is still a medium dominated by males, although the situation is gradually changing towards a higher representation of women online. From an advertising perspective, the low representation online of women is problematic since women tend to make the majority of key buying decisions in American households.

Occupation, education and income

Until a few years ago, the users of the Web were primarily scientists and techthusiasts. However, the last years have witnessed a strong growth of students and professionals among Web users, especially business professionals. And as mentioned, the Web is gradually developing towards becoming a mainstream medium as more and more users access the medium from home. This changing composition of the users has also led to a change
in the way the medium is used. Where the Web was principally used for seeking information and communication, entertainment is increasingly important for the users.

The trend is developing towards a much more heterogeneous use of the medium, where different groups of users use the medium for different purposes. And the user composition on the Internet is gradually developing towards a mainstream composition, but still has a strong overrepresentation of male, well-educated, high-income, technologically savvy users. Internet users are generally upscale.

Psychographics
This section briefly discusses the psychographic profile of the users of the Web. The section is based on the survey results. According to the survey, which explores motivational behavior, the majority of the total Internet population is made up of actualizers (50%) and Experiencers (18%). These groups tend to lead social change and gravitate towards parts of society (Chart 4.1 - Survey Segments Identified on the Web)

associated with innovation - universities, trendy city neighborhoods and fashionable occupations, etc. (CyberAtlas 1996). Chart 4.1 (previous page) illustrates the findings. However, it should be kept in mind that there are general uncertainties associated with psychographic segmentation in general and these data in particular, as they are based on an online survey.

**Actualizers**

While Actualizers account for 50% of the current Web population, they only constitute 10% of the general Kenyan population. Actualizers tend to be successful, sophisticated, active, “take-charge” individuals with high self esteem and abundant resources. They are interested in growth and seek to develop, explore, and express themselves in a variety of ways. Image is important to Actualizers, not as evidence of status or power, but as an expression of their taste, independence, and character. They have a wide range of interests, are concerned with social issues, and are open to change. The possessions and recreation of Actualizers often reflect cultivated tastes for relatively upscale, niche-oriented products and services.

**Experiencers**

Experiencers, which constituted 18% of the online population, tend to be young, vital, enthusiastic, impulsive, and rebellious. They seek variety and excitement, savoring the new, the offbeat, and the risky. Still in the process of formulating life values and patterns of behavior, they quickly become enthusiastic about new possibilities but are equally quick to cool. At this stage in their lives, they are often politically uncommitted and highly ambivalent about what they believe. From an advertising perspective, it is interesting to note that Experiencers tend to be avid consumers who spend a comparatively high proportion of their income on clothing, fast food, music, and movies.
As the World Wide Web continues its transformation towards becoming a mainstream medium, the profiles of the users are likely to become more similar to the general profile of the entire population.

*Time spent online*

Internet and the Web is likely to substitute TV viewing to an ever larger extent. The average Internet user spends 6.5 hours on the Internet every week. This means that the average Kenyan aged 19 and older spends 35 minutes a week on the Internet, which equals the average amount of time spent watching rented videotapes. The users spend an average of 6.6 hours per week, while the average college respondent spends 20 hours per week online. The higher number of hours reached is in part explained by the fact that college respondents are online surveys, which automatically skew towards heavy users. However, it seems reasonable to conclude that although the general reach of the Web remains very low in comparison with traditional mass media, the group of Hard Core users that use the medium very intensively.

*Home access vs. work access*

The users of the Web can be divided into those who access from their home and those who access from work. However, a large number of Hard Core users and Regular users access from home and work. The study concluded that 60% of home users also use the Internet at work. Also discovered more respondents with Internet access at home than at work (68% and 62%, respectively). However, the study suggests that the at-work Internet volume is higher. The study indicate that home use is growing at a faster rate than work use. This tendency is likely to be spurred further by the proliferation of net computers, making the Web an ever more attractive advertising carrier for companies selling consumer products.
4.4: Strengths and Weaknesses of the Web as an advertising carrier compared to other advertising media

Media characteristics - strengths and weaknesses of the main advertising media.

Most respondents believe that effective communication, and with that effective advertising, ideally should be individualized and selective. Individualized, because different receivers have different information needs, and selective, because the message(s) should only reach the intended audience, thus avoiding to waste resources on individuals for whom the message is not intended or relevant. The advertisers ideal is the best possible reach within a well-defined audience (selectivity) with good possibilities of feedback and low costs, while mass communication often forces the advertiser to accept high reach with a low selectivity and no feedback opportunities in order to achieve a reasonable cost-effectiveness.

The research asserts that the following dimensions should be included when evaluating the advertising characteristics of different media:

- Reach. How large is the audience that can be reached?
- Selectivity. How precisely can the audience be reached, and how precisely can each segment’s particular information needs be addressed?
- Feedback. How easy is it for the receiver to provide feedback to the advertiser?
- Cost. How expensive is it to convey the message through the particular medium?
- Information capacity. How much information can be processed through the medium?
The following was analyzed on how newspapers, TV, direct mail, radio, and magazines compares to the World Wide Web on the dimensions listed above. It should be kept in mind that any comparison between media types is inherently simplified, as there can be significant variations between the characteristics of the individual vehicles within each media type.

**Newspapers**

Newspapers is the medium that attracts the most advertising revenue. Most newspaper companies however, have faced increasingly hard competition from TV, magazines and direct mail. The research found that advertising in newspapers is flexible with respect to use of (static) graphic elements, size of the advertisement, and timing. Newspapers have a wide reach, especially to well-educated segments aged 35 and above. On the other hand, the reach is very low within the young and poorly educated parts of the population. The selectivity in newspapers is rather low, although it is possible to achieve a reasonable selectivity through choice of which newspaper to place the advertisement in and which sections of the newspaper to place it in. With respect to textual information, the information capacity is rather high, but limited somewhat by the costs of large advertisements and the majority of the readers unwillingness to spend the time to read them. For newspaper advertisements with a high hard information content, there is a depth/breadth tradeoff. Either the advertiser can supply broad information appealing to a wide audience, or he can supply specialized information to a limited part of the audience. However, it is very difficult to do both at the same time in newspaper advertisements.

The research found out that noise is also an issue in newspapers, since they often contain large amounts of advertisements, which means that the individual advertisement is often overlooked. Another factor to consider is that the average time spent reading newspapers is often rather low; on the other hand the reader tends to have a high degree of involvement
while reading the newspaper, since print media demand concentration from the reader. With respect to cost structure, newspapers can be a rather expensive advertising medium, but the costs of producing the advertisement is significantly lower than on TV.

**Television**

Most respondents believed that almost all demographic groups can be reached through TV, it has a wider reach than any other mass medium. On the other hand, the selectivity is rather low, although advertisers try to improve it through their choice of channel, program and time. Because of the large bandwidth, TV can have a very high sensory and emotional impact since it can include static (text and graphics) as well as dynamic (audio and video) elements. On the other hand, TV is rather inflexible with respect to the size and format of the individual advertisement, which gives the individual advertisement high costs in terms of production as well as placement. However, the large reach means that CPM prices are still reasonably low for TV advertisements.

The research also found out that all kinds of concepts can be adapted to TV advertisements because of the high bandwidth. TV is also rather efficient to monopolize the users attention since he has to do something active to avoid being exposed to the advertisement, but has quite a high noise ratio because of the number of ads normally included in the advertising breaks. On the other hand, the textural information capacity of TV is very limited because of the 15-20 second duration of most TV advertisements, which limits most advertisements on TV to simple messages and concepts. The feedback possibilities are also highly limited.

**Direct Mail**

From the research direct mail is a highly flexible form of advertising, since mail campaigns can be adapted to most purposes, segments, and can contain all kinds of static graphical elements. However, direct mail has a serious image problem as a consequence of the junk mail invasion witnessed by households and companies within the last ten years.
Both reach and selectivity can be optimized in direct mail campaigns; however, their precision depends on the accuracy of the comprehensive data-bases over potential customers which need to be maintained. The feedback possibilities are moderate, as coupons and stamped and addressed return envelopes can be included in the mail. However, the high selectivity of direct mail campaigns has a cost: CPM prices tend to be very high compared to other forms of advertising.

Radio

Radio has also become a popular advertising medium as indicated by most of the respondents, because of the low costs of production and placement. It covers most hours of the day, and many radio stations enjoy high loyalty from their listeners. A few respondents stated that on the negative side, radio is normally a background medium which receives only little attention from the listener, feedback is difficult, and the radio lacks the visual element which gives it much less impact than other mass media. The medium is therefore generally conceived to be less suited for “serious” advertising purposes. In sum, the radio is a low-cost medium with a very low information capacity.

Magazines

According to many especially advertising firms and companies with high advertising activities, magazines have a high selectivity, and are well suited for targeting narrowly defined segments, as there are a large number of magazines that allow advertisers to segment the audience by demographics, psychographics, or interests. Especially the market for business magazines is very specialized, and allows advertisers to reach microsegments. Because of the specialization of the magazine market, their reach is often too limited for companies addressing broad segments of the population.
Therefore the research concludes that magazine campaigns often need to be placed in several different magazines or supplemented by campaigns in other media. Further, the advertising deadlines of magazines tend to be quite far in advance of the actual distribution of the magazines, which reduces the flexibility and possibilities of reacting to changes in the market. As in other print media, the information capacity and feedback opportunities are reasonably high in magazines.

*The World Wide Web*

Respondents were asked to comment on how the World Wide Web compares to the advertising media just mentioned on the dimensions of reach, selectivity, feedback, information capacity, and cost.

(Chart 4.2 - *Percentage Reached Through Various Media*)

As mentioned, the comparisons reflect generalizations which hide the substantial differences that exist within each media type.

Reach

The research found out that the limited reach of the World Wide Web currently constitutes a major weakness of the medium. Not only does the medium have much fewer users than other media, but as a group, the Web users tend to use the medium less frequently than users of the other main mass media. Thus, the "percentage reached" through the Web constitutes only 2,3% of the population aged 16 and above. From the sample group selected during the research, Figure 4.3 compares the percentage reached through the Web with that of traditional mass media. As reflected in the figure, the World Wide Web is still unsuited to be a primary advertising medium for advertisers whose campaigns aim at reaching the general audience frequently.

However, with the explosive growth of the Web the figures will change dramatically in favor of the Web within the coming years as most respondents stated that the reach is likely to become comparable to that of newspapers in certain geographical areas within the next 4-5 years. Web currently only has a high reach within some narrow segments, most notably intensive computer users and researchers. As illustrated in figure 4.3, most respondents who use the web indicated that the Web has a lower reach than the other media, except for direct mail which is usually used for campaigns targeting audiences of a very limited size.

(Figure 4.3 – Reach)

(Source: Survey on the Effectiveness of the WWW as an advertising Media, 1999)
Selectivity

Another area that the research responded to, is the selectivity of the World Wide Web, which is much higher than in any traditional mass medium, with the exception of direct mail. This is so because Web users expose themselves to the advertisements rather than being passively exposed to them especially the female users. This means that the selectivity is high, since only interested customers expose themselves to the advertisements for extended periods of time. The selectivity is further increased as the individual user sovereignly decides how long time to spend on the advertisement, which parts of it to see, and how to structure his navigation in the advertising Web site through the machine interactivity. The customer actively participates in creating the form of the advertisements through the hypertext structure, thus customizing the advertisements to his particular information needs. Figure 4.4 illustrates that the Web has a higher selectivity than most other media according to the respondents indication.

However according to the findings, the user control and scarcity of attention on the Web means that advertisers need to be very conscious about how to address real needs and wants of the target. With a content structure that currently resembles the magazine market, segmentation strategies of narrowcasting to microsegments are likely to become widespread.

Figure 4.4 - Selectivity

(Source: Survey on the Effectiveness of the WWW as an advertising Media, 1999)

Feedback

As depicted in figure 4.5, The research concludes that the World Wide Web is the only “mass medium” with feedback symmetry, meaning that the customer can respond immediately through the medium. Respondents indicated that Feedback to advertisements through
traditional media is much more difficult for the customers, since it has to be channeled through other media than the advertising medium. When navigating in a well-made advertising Web site, the customer can easily send an e-mail to the company in order to get further information. The possibility of customer feedback through the medium can be exploited in many ways: to give customer service, process transactions, make online quizzes and contests, let the customer play online games, etc.

*Figure 4.5 - Feedback*

<table>
<thead>
<tr>
<th>Radio Television</th>
<th>Magazines</th>
<th>Newspapers</th>
<th>WWW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>Direct mail</td>
<td></td>
<td></td>
</tr>
<tr>
<td>High</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Source: *Survey on the Effectiveness of the WWW as an advertising Media, 1999*)

**Information capacity**

The Web’s information capacity is extremely high as the research concluded, as far as textual information is concerned. In TV advertisements, the information capacity is highly limited by the short duration of the advertising spots. More textual information can be conveyed in print media, but it is still limited how much information can be conveyed in a magazine ad. According to advertising firms contacted on the web and internet service firms it was found that on the Web, the marginal cost of making extra information available to the customer is close to zero. Users, who see a Ford advertisement on a commercial Web site can click on the ad and have the entire updated catalogue of Ford at their disposal. Figure 4.6 compares the information capacity of the Web to other media. The abundant information capacity in Web advertisements also means that the classical depth/breadth tradeoff becomes irrelevant as found in the research. 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.
Costs

The research found out that at this point in time, it is difficult to generalize about the costs of advertising on the Web. It is very cheap to make content available to users on the Web. However, making the content available does not per se guarantee that any customer will actually visit the advertisement. To increase exposure to the advertising Web sites, most major advertisers buy banner ads. The prices of banner ads fluctuate wildly. Due to the infancy of the market it is impossible to generalize about prices with a reasonable degree of accuracy - currently, prices at some commercial sites are much cheaper than in traditional mass media, while prices at other sites are substantially more expensive. Depending on the extent to which banner ads are used to generate traffic to the Web site, prices may be anything from close to zero to Kshs.4,800. The uncertainties about the cost of Web advertising are reflected in figure 4.7, which shows that the Web can be an extremely cheap advertising medium, but that this is not always the case. At present, Web advertising has a different cost structure compared to advertising in traditional mass media. The scarce factor on the Web is not access to distribution, but solely access to attention. Ceteris paribus, the costs of content production can be expected to constitute a larger part of the cost structure, because quality content is the best way to ensure lasting exposures in the user-controlled environment on the World Wide Web.

Figure 4.7 - Costs

(Source: Survey on the Effectiveness of the WWW as an advertising Media, 1999)
Sum-up

Table 4.5 summarizes (overleaf) the characteristics of the World Wide Web compared to the main advertising media as derived from the research. As shown in the table, the World Wide Web compares favorably to the other medium on the dimensions of selectivity, feedback, cost and information capacity. However, the reach of the Web is still very low in comparison to the other media as given by the respondents.

Table 4.5 - Characteristics of the main advertising media

<table>
<thead>
<tr>
<th></th>
<th>Reach</th>
<th>Selectivity</th>
<th>Feedback</th>
<th>Information capacity</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newspaper</td>
<td>High</td>
<td>Moderate</td>
<td>Low</td>
<td>Moderate</td>
<td>High</td>
</tr>
<tr>
<td>Television</td>
<td>Very high</td>
<td>Very Low</td>
<td>Very Low</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Radio</td>
<td>High</td>
<td>Low</td>
<td>Very Low</td>
<td>Very Low</td>
<td>Very Low</td>
</tr>
<tr>
<td>Direct Mail</td>
<td>Very Low</td>
<td>Very high</td>
<td>Low</td>
<td>Moderate</td>
<td>Very high</td>
</tr>
<tr>
<td>Magazines</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Low</td>
<td>Moderate</td>
<td>High</td>
</tr>
<tr>
<td>WWW</td>
<td>Low</td>
<td>High</td>
<td>Very high</td>
<td>Very high</td>
<td>Potentially High</td>
</tr>
</tbody>
</table>

(Source: Barker & Gronne, 1996)

According to the research comparisons between advertising spending on the World Wide Web and traditional media reflect that the World Wide Web is still in its infancy as an advertising medium. Thus, total advertising placement revenue on the World Wide Web is expected to constitute only 0.2% of newspaper advertising Table 4.5 - Characteristics of the main advertising media. Although there are large uncertainties associated with the figures for Web advertising spending, the figures do indicate that the extent of World Wide Web advertising is still so limited that it will take several years for it to become a major threat to the advertising revenues of traditional mass media.
On the World Wide Web, advertising revenues are mainly derived from selling “banner ads”, small bars containing a hyperlink which takes the user to the Web site of the advertiser if clicked on. Due to their limited size and the ease with which the user can “escape” from them, the sensory impact and intrusiveness of the banner ads is limited compared to TV or newspaper advertisements. Further, the research found out that it is difficult to build brand image and position the product because of the restrictions imposed by the limited size of the banner ads. However, the banner ads can be used to generate traffic to the advertisers Web site. Users exposing themselves voluntarily to the advertising Web sites, are actively interested and have an involvement in the advertisement which is high compared to traditional mass media.

Therefore, World Wide Web has limited efficiency for advertisements that depend on a high degree of intrusiveness. On the other hand, it is an ideal advertising channel for advertisements capable of attracting “exposure on demand”. When compared to traditional mass media using the dimensions of reach, selectivity, feedback, information capacity and cost, the Web is clearly a superior medium with respect to feedback and information capacity. It can be argued that the Web also has a very high selectivity in the sense that the users actively selects to access an advertising Web site, and also have a high degree of selectivity when navigating the site.

With a percentage reached of around 2% of the population compared to 80% on TV, the reach of the Web is very low compared to traditional media, except for niche audiences such as computer users, students and researchers. This means that the World Wide Web is not (yet) suited as a primary medium for advertisers that rely on frequent exposures to mass target audiences.
From the research findings, it is very difficult to generalize about the costs of advertising on the World Wide Web; however, it is clear that the medium has a cost structure which is quite different from traditional media, since there are very low distribution costs. Thus, the main components in the cost structure of Web advertisements are content production and traffic-generating activities, such as banner ads. The Web can be a very cheap advertising medium, since the company can make large amounts of information available to the Web user at almost no cost - however, this does not guarantee that the site will actually receive any traffic.

In sum, the Web is a medium which may become a tough competitor for traditional mass media because of the possibility of providing large amounts of individualized information on demand to a self-segmenting audience, and its ability to process feedback and transactions with an ease hitherto unknown in mass media. In many ways, the Web represents a more ideal form of communication than the one which is practiced in traditional mass media. However, the medium is likely to remain a secondary advertising medium for the majority of advertisers in the short and medium term, because of its low reach, limited intrusiveness, and low bandwidth.
4.5: Companies that should use the World Wide Web for advertising.

The three dimensions to consider

From the research it was found that companies contemplating to establish an advertising presence on the Web should consider three basic elements: the medium (product fit), the audience (audience fit) and the situation of the company (general benefits to the company). The three basic dimensions that are important to take into consideration are depicted in figure 4.8.

First of all, the company should consider to which extent its target group uses the Web, and whether they can realistically be reached through this medium. In the following, the congruence between the target group and the Web users are referred to as the audience fit. Another basic dimension to consider is how the product or service is suited for the medium, in terms of buyer involvement, information intensity, and possibilities of providing increased purchase facilitation in comparison with traditional media. This dimension is referred to as the product fit. A reasonable product and audience fit is required in order for a company to advertise profitably on the Web. In addition to product fit and audience fit, companies should also consider the general benefits to the company, such as image effects and learning effects.

It is still too early to conclude with certainty which products and services can be advertised effectively on the Web. However, according to the research the current characteristics of the medium and its users indicate that some general guidelines for which products and services should be advertised on the Web can be established as it seems obvious that not all products and services are equally well suited for being advertised on the Web.

Audience fit

The first main dimension to consider is the "audience fit", which refers to the congruence between the company's target group and the Web users. Obviously, a reasonable "audience fit" is necessary to achieve a successful campaign. The demographic profile of the Web derived from the research shows that users differs significantly from that of the general population, with an over-representation of well-educated, affluent, white males and a high representation of innovators and opinion formers.

Products and services appealing to this audience should be considered as candidates for Web advertising campaigns. Needless to say, computer-related products are likely to have a very
high audience fit. Due to the large group of students among Web users, all products and services appealing to students such as books, sports equipment are also likely to find a reasonable audience fit. Many upscale products are also likely to achieve a rather high audience fit, because of the above-average affluence of Web users.

However, the research further found that consumers on the World Wide Web do not (yet) constitute a mass market, which disqualifies the Web as the primary advertising medium for mass-producing companies. Because of the limited audience that can be reached, only very few companies can expect to reach their entire target group through Web advertising. The limited audience fit is further exacerbated by the distinct underrepresentation of women online. Women make the key buying decisions in many, if not most product categories.

**Product Fit**

The research also gives that the World Wide Web gives increased control to the customer and makes it possible to provide large amounts of product-related information in the advertisements, letting him seek out the exact information he needs. On the other hand the medium is not yet well suited for advertisements which require audio and motion pictures to be effective, and it has a lower degree of “intrusiveness” because of the limited band-width and increased receiver control. Some advertising firms in the net believe that 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 which are unparalleled in traditional media. The product fit is a multidimensional construct which is based on the following dimensions:

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

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The higher a product scores on these dimensions, the greater the product fit. It should be noted that a product need not have a high buyer involvement and be information intensive and have characteristics that makes purchase facilitation possible in order to have a high product fit. In the following, each of the dimensions will be explained.

Degree of buyer involvement

From the research findings, the Web’s extended receiver control of the communication process mean that the customers judgment of what is relevant and what is not becomes more decisive. As 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. To a large extent, involvement stems from the economic or psychosocial risk the buyer associates with the purchase of a product. Infrequently purchased products are often high-involvement buys, since the customer is not used to buying the product in question.

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. Situations with a low buyer involvement are of less importance to the buyer, who spends less (if any) time and resources to obtain and analyze purchase-related information.

Conversely as depicted in the research, one of the main consequences of a high degree of buyer involvement is that the buyer actively seeks purchase-related information to improve his decision-making basis, or simply out of genuine interest for the product category. The greater the buyer’s interest in the product, the more likely is he to spend time browsing Web advertisements related to the product. For instance, specialty products that can otherwise be difficult to locate are very well suited to being advertised on the Web, as are collectibles and
other items the buyer is passionate about. Products and services where the associated information are updated frequently also have special possibilities of exploiting the Web's possibilities of providing updated information.

Conversely, low involvement products such as detergents and toothpaste often depend on advertising with a high degree of intrusiveness, as the audience is less inclined to voluntarily pay attention to these ads. For this type of products, the product fit is rather low. Advertisers attempting to market products in this category on the Web will be forced to change their approach to advertising towards a more consumer-driven one, focusing on providing greater value to the consumer in the form of entertainment or non-product-related information to the consumer, since product-related information is not likely to attract and retain the customers' attention.

*Information intensive products*

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 a choice between many different products. The research found that the World Wide Web not only offers the possibility of providing extensive information about the individual products, but also of using sophisticated database search techniques to search and choose between different products or product variants. Moreover, it is cheaper and easier to update information on the Web than in traditional media.

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

**Possibility of purchase facilitation**

As depicted from the research, the Web advertising can offer more value added compared to advertising in 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 the advertisements, Web advertisers can provide a purchase facilitation which is unattainable in other media, thus compressing the decision-making chain from exposure to action.

**Products suited for online sale**

Offering the possibility of a direct sell in the advertisement is especially relevant for products usually sold via mail order such as books, compact disks, appliances, and, to a lesser extent, clothing, the research found. Certain goods with a strong brand franchise and standardized products are also suited for online 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. Most respondents indicated that customers are likely to trust to be treated fairly by companies commanding a strong brand franchise. As mentioned, standardized goods such as compact discs and books are also well suited for online sales, since the customer knows which quality level to expect. 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 read parts of a book. High-risk goods such as cars or furs are also ill suited for online sales, since personal contact often plays an important role when such goods are purchased.
The research investigated and found that purchase facilitation is great for products that can actually be distributed online. This category of products include smaller software applications, magazines (commonly referred to as e-zines) and reports - this group of products will expand continuously as the increasing bandwidth on the Web reduces the time and cost of distribution.

**High potential products**

As mentioned above, the World Wide Web is best suited for products with a high audience fit and a high product fit - companies, whose product and audience configuration is positioned in this quadrant are likely to profit from using the Web as an advertising carrier. 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 online. The audience fit is also very high, because all the users of the Web are computer users. Another high-potential product for advertising on the Web that the research found is magazines, which have a very high product fit because they are high involvement products, information intensive, and can be distributed online. The audience fit is also high, since many of the well educated Web users are avid information consumers.

As illustrated in table 4.6 (overleaf), The research gives a look at the biggest advertising spenders on the Web lends reasonable support to the claims made here about which products are high potential products. As reflected in the table, all the biggest advertising spenders can be said to have a high product fit and a reasonable audience fit, and are thus high potential products by our definition. The Web is likely to draw even larger portions of the advertising spending of this category of products.
(Table 4.6 - Top Ten Advertisers on the Web)

<table>
<thead>
<tr>
<th>Placement</th>
<th>Advertiser</th>
<th>Advertising costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>AT&amp;T</td>
<td>$567,000</td>
</tr>
<tr>
<td>2</td>
<td>Netscape</td>
<td>$556,000</td>
</tr>
<tr>
<td>3</td>
<td>Internet Shopping Network</td>
<td>$329,000</td>
</tr>
<tr>
<td>4</td>
<td>NECX Direct</td>
<td>$322,000</td>
</tr>
<tr>
<td>5</td>
<td>MasterCard</td>
<td>$278,000</td>
</tr>
<tr>
<td>6</td>
<td>American Airlines</td>
<td>$254,000</td>
</tr>
<tr>
<td>7</td>
<td>Microsoft</td>
<td>$240,000</td>
</tr>
<tr>
<td>8</td>
<td>C/net</td>
<td>$237,000</td>
</tr>
<tr>
<td>9</td>
<td>MCI</td>
<td>$231,000</td>
</tr>
<tr>
<td>10</td>
<td>Sportsline</td>
<td>$218,000</td>
</tr>
</tbody>
</table>


**Moderate potential products**

Contacted advertising firms during the research indicated that 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 innovativeness required to attract the audience to their advertisements to offset the disadvantages of the limited product fit or limited audience fit. Because either the product fit or the audience fit is limited for these products, it requires more investments and innovativeness to design successful advertisements in this category.

**Low audience fit, high product fit**

Other firms indicated that 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. Women's underwear manufacturer Knickerbox found an innovative way of overcoming the low audience fit: the visitors (predominantly younger males) had the option of sending a "love letter" to their sweet-hearts, by filling out a form online. The letter was then forwarded.
by mail together with a Knickerbox catalogue, and the names of the recipients were included in Knickerbox direct mail database. The example illustrates how innovative thinking can help surpass a low audience fit.

Low product fit, high audience fit

In cases with a low product fit and a high audience fit, it may still be profitable to use Web as an advertising carrier if it is done innovatively. For instance, respondents noted that 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 the customer through competitions, games, etc.

Low potential products

It was noted that for companies with a low product fit and a low audience fit, it is difficult to use the Web profitably as an advertising carrier in the short term. Strategies for advertising low potential products were discussed. It should be noted that the products we have defined as low potential products includes product categories which are advertised heavily in traditional media. For example, detergents and toothpaste like Omo and close-up have a low product fit (because of low information intensity and low involvement and the need for intrusiveness) and a low audience fit (because only a very limited fraction of buyers of these products are represented on the Web). The products of many of the largest advertising spenders, such as Procter & Gamble and Unilever, can be classified as low potential products with respect to Web advertising the research concluded.

General benefits to the company

After thorough research investigation the decision about whether to use the Web as an advertising carrier should not be based exclusively on analyses of the audience fit and the
product fit. Considerations about other benefits to the company, such as image effects and learning effects should be included. The following sections contain brief discussions of these general benefits of establishing an advertising presence on the Web.

**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 perception in the public of the Web as a medium of the future, there are positive image spillovers for companies using the Web for communication purposes. Therefore, the positive image effects of using the World Wide Web depend on the quality and value created in the advertisement, and poorly designed advertisement can end up having a negative impact on the company's image.

**Public relations**

Positive image effects from using the Web is in itself 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 the opportunity to "open up" the company, not only to potential customers, but also to other publics/stakeholders who can access updated information about the company and its products on the Web site. As illustrated in figure 4.9, the groups of publics that have an interest in the company encompasses many other groups than the customers. While most companies cannot expect to reach all the relevant publics through the Web, the research showed that there is an overrepresentation of well-educated opinion formers among Web users. This means that many companies are likely to be able to reach several of their key publics through the Web. If controlled in an appropriate manner, the dialogue that can be created through a Web presence can improve the company's image. This is likely to have a positive impact on profits in the age of the political consumer. 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 letting the company’s stakeholders access detailed information about the company and its products, and ask any questions they might have at the company’s Web site.

Using the Web for general image building and public relations as depicted in the research, can be negatively or positively motivated. Some companies can use such a site to improve a good image, while others can utilize it to help change negative attitudes in the public towards its products or production methods. For example, it might be beneficial for a detergent producer to improve its image by offering scientific information and articles about the environmental correctness of their production methods and offer interested publics the opportunity to ask questions by e-mail. The integration of public relations and advertising in the Web site gives the company a whole new range of possibilities not formerly available due to the fact that modern public relations is based on dialogue while advertising is usually based on one way communication of standardized messages. Brand building through dialogue with customers as well as other publics can be expected to be a very effective way of improving public relations among the political consumers of the late 20th century.
(Source: Black & Højberg, 1989)

**Learning effects**

The research predicted a widespread agreement that interactive media will become pervasive in the future. As argued in this report, communicating with target audiences through interactive media such as the Web differs radically from communicating through traditional mass media. Interactive media require a changed attitude with respect to what should be communicated and how it should be communicated. Companies incorporating interactive media in their media mix engage in a learning process which allows them to continuously develop their competencies in this area based on the feedback they receive through the medium and the results they achieve.
Learning to communicate in an interactive context where the receiver is in control is an important feat for many companies, and early adopters of the medium can reap learning curve advantages compared to their competitors.

The learning curve associated with Web advertising is much steeper than for other media, because of the medium’s novelty, its difference from traditional media, and because its interactivity means that Web advertising has the potential to influence the organization itself in a more profound way than traditional advertising.

**Should a company advertise on the World Wide Web?**

Overall, the research gives that learning effects and image effects mean that some companies whose products do not show high potential when evaluated by product fit and audience fit should still consider the Web as an advertising medium. The decision of whether to launch a Web site should include considerations about all the dimensions of product fit, audience fit, and general benefits to the company. Table 4.7 summarizes the general recommendations that can be derived from the research.

*(Table 4.7 - Should a Company Advertise on the World Wide Web?)*

<table>
<thead>
<tr>
<th>High Potential Product</th>
<th>Moderate Potential Product</th>
<th>Low Potential Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Yes, In many cases, but the Web site must be designed innovatively</td>
<td>Only if the learning and effects are perceived to be sufficiently important. Requires significant resources and innovativeness to design an appropriate ad</td>
</tr>
</tbody>
</table>

How should the Web be incorporated into the company’s media mix?

As given in the research, many companies can benefit from incorporating the Web into their media mix. The question is how this should be done.

**A complementary medium**

For most companies, the findings were that the Web is best suited as a complementary medium, offering in-depth information for those responding to campaigns in traditional media. Most respondents trust that advertising Web sites are suited for being used the way brochures are used today, i.e. to provide in-depth information about a product or service after attention and interest has been generated.

The research indicates that the Web should be incorporated in different ways in the media mix of different companies; from a resource allocation perspective, the priority given to Web advertising should involve considerations about the product potential (the combination of product and audience fit) and general benefits which were discussed. The greater the product potential, the greater emphasis should be put on the Web as part of the media mix. For most companies, the World Wide Web is best suited to be a secondary medium in the media mix. However, a limited number of companies with an extremely high product potential (such as Netscape) can use the Web as the primary medium in their media mix.

**Mass markets**

The research came up with guidelines that can also be established on the basis of the market the company operates in. For companies operating on mass markets, the Web will be suited as a supplementary medium because of the limited audience fit, which is caused by the low reach to the general population. However, the costs associated with establishing an attractive advertising Web site will be insignificant compared to the total media budgets of mass market companies. While the reach may be limited to some segments of the market, this reach has a
global nature which can be exploited by many global mass-market companies. For example, one Coca-Cola Web site can cover the whole English-speaking part of the world.

**Local markets**

Companies operating on local markets are likely to have a very low audience fit, since the penetration of the Web in local areas is limited.

**Global niche markets**

According to the findings, companies producing goods to a global niche market, the Web represents an attractive opportunity to reach their global target group at a fraction of the costs associated with doing so through traditional media (assuming that there is reasonable congruence between the niche and the Web users). This is so because niche players often do not possess the critical mass to initiate campaigns in the traditional media in each of their markets. The global reach of the Web allows these companies to reach their global audience through one single channel at a reasonably low cost, thus constituting an attractive alternative to traditional advertising. For some companies within this category, the Web has the potential to become a main component in the media mix.

Companies who follow highly focused strategies on a global scale will have the opportunity to create more effective and efficient market communications than through traditional media, thereby improving customer relations.

If the niche producer has a limited number of customers, but a low audience fit because the companies are not Web users, it may be a profitable solution to give them a modem and dial-up Internet connection, thereby improving audience fit. While this solution requires an up front investment, it creates closer bonds between the company and its customers and gives them constant access to updated information.
4.6: Effectiveness of the World Wide Web in promoting products and services offered by companies

*Internet and traditional Media*

The findings from the research indicate that the advertisers ideal is the best possible reach within a well defined audience (selectivity) with good possibilities of feedback and low costs, while mass communication often forces the advertiser to accept high reach with a low selectively and no feedback opportunities in order to achieve a reasonable cost-effectiveness.”

To evaluate the effectiveness of the different media, the following five criteria have been set up.

**Reach:** How large is the audience that can be reached?

**Selectivity:** How precisely can the audience be reached and how precisely can each segment’s particular information needs be addressed?

**Feedback:** How easy is it for the receiver to provide feedback to the advertiser?

**Cost:** How expensive is it to convey the message through the particular medium?

**Information Capacity:** How much information can be processed through the medium?

**Measurability:** How well can the success of the advertisement be measured in the media?

**Reach**

- *Primary medium?*

As the research indicates the Internet is still not mature enough to offer a wide reach within certain geographic areas compared to traditional media. But forecasts of up to 200 million web users in year 2000 makes Internet an attractive media for global reach in the future. Nevertheless, the Internet has high reach with in certain demographic segments and might
reach new segments e.g. foreign segments which advertiser would normally find difficult to reach. The study found the mediums ability to reach new customers as the greatest competitive advantage within the value chain. The low reach indicates that the Internet is not suited (yet) as primary advertising media, although companies like Netscape use it. Whether it will be in the future is difficult to predict. It is probably more likely to be part of a integrated media selection. If the advertiser communicates to a mass market, Internet solution alone will probably be insufficient.

However, big advertising spenders like the Coca Cola North Africa recently fundamentally changed its promotion strategies. Coke has surprised the media industry by allocating a high percentage of its media spendings in 1996 to interactive media like the Internet, CD ROM etc. Many other commercial industries are now likely to follow. Coca Cola's decision is founded on their target segment. Furthermore, Coca Cola wants to build up early experience with this medium and reinforce the image of being innovative.

- **Global audience**

The study also found out that if the company operates on a global scale it becomes difficult for the advertiser to reach them effectively through traditional advertising. Internet advertising can be an effective way of communicating with a global audience. Any company that establishes a site on the Internet automatically becomes an international company. Intercultural complications such as language barriers, legal systems may require inter-culturally adjusted advertising strategies.

International consistency becomes difficult, possibly confusing the audience and diluting the brand. This also applies to general global advertising, but with the Internet it is even more difficult. In this case the message is carried through the same medium so a viewer in Japan will see the same Internet advert as an African viewer. Where as in traditional media it is
possible to have adjusted adverts in e.g. two different national newspapers. However, some companies have found a way around these problems.

- Language

Some respondents stated that a few companies allow the user to state a language preference. IBM promotes its goods over the Internet to 15 countries, with sites not only written in local language but also tailored to products available in the target markets.

- Product restriction

Other respondents sited that investment company Fidelity are restricted to selling only part of their product portfolio in specific areas. To avoid this when foreign customers place an enquiry on funds not available in the Africa, visitors are asked on the homepage to click a world map of the region the visitor is from. Fidelity thereby ensure that the right customer gets the right message.

- Pricing

The study realized that reaching a global audience raised the problem of price discrimination. Companies with overseas distributors charging different prices in different countries face high hurdles. Customers will not tolerate a huge price gap or might shop in foreign countries. A pair of Levi's 505 jeans, which cost DKK 600 in Danish retail shops, can be ordered on the web and delivered express from US for DKK 400 within 24 hours. This might lead to more standardized pricing across borders or at least narrower price spread across country markets.

- Business size

The research found that what makes the Internet such a powerful tool for the world of the small business is that it provides the ability to communicate with a global audience. Even low volume products efficiently marketed to small global consumer groups. Small business
growth has been restricted because they have not had access to the funds necessary to advertise global.

- Local markets

Companies targeting a local audience might find other media more effective due to higher reach. However, according to the study, in Africa some areas have a high Internet penetration. Companies like take-out services such as fast food and grocery stores e.g. Steers and Nandos, benefit mainly from a local audience reach as their distribution is restricted to a certain distance.

Selectivity

In terms of selectivity as the study depicts, the Internet offer higher selectivity than any other media. The respondent actively exposes himself to the advertisement. The user customizes the advertisement to his own needs by choosing hyperlinks to navigate him around. The study found that the most popular site are those that allow the customer to customize the site himself. No other media gives this user control. However, the advertiser must make the site easy to navigate and provide a content which attracts the user to spend as much time as possible on the site.

Feedback

Traditional media offer low feedback possibilities. A consumer has to make a effort to provide the feedback since it has to be channeled through media other than the advertising medium. E.g. phone or mail back. The Internet makes it easy for the consumers to e-mail questions or order with the same medium in real time. The study as described above also confirm, that those websites which allow webusers a feedback possibility are among the most popular sites.
Information capacity

The research found that traditional media has limited information capacity due to either limited space, very high costs, limited duration (30 second Television spot) etc. The Internet has unlimited space. The costs of adding an extra site is very low. This provides the opportunity to give breadth and depth of information. The current users are information seekers so this will add value to their perception of the advert. 99 websites linked to one homepage is not unusual.

Costs

According to the findings, initial conjectures on effectiveness generated by on-line efforts suggest that marketing on the web results in 10 times as many units (sold) with 1/10th the advertising budget. The fact becomes especially critical in the face of decreasing technology and product life cycles and increasing technological complexity. Compared to traditional media, costs on the Internet are very low. Anyone can set up a homepage almost free. It is the cost of strategic planning, creative work, production, installing and especially maintaining the homepage which requires capital and time. According to most internet specialists, the costs of putting up a site on the WWW ranges from several hundred Kenyan shillings to as much as Kshs.10 million. The expenses of creating and maintaining a website vary enormous depending on requirements as observed in the study. Prices are rising sharply as demand increases. Novelty is very important in attracting visitors and repeat visitors. Finding new ways of tempting the customer to interact is a continual challenge. Innovation is advancing the quality of sites, but also increasing costs.
The cost structure depend on what option/s the content provider chooses or combines. Four basic options have been identified from the study.

1. Free-based content

The content is free for the user. The advertisers investment might pay off in terms of added value for the customers, which will reinforce the image and increase sales in the long run. However, the web user still pays the phone-line transmission, when watching the content/advertisement. This means that the advertiser must provide content which attracts the user, otherwise it will not generate any traffic.

2. Total free-based content - or give away.

The difference between free based content and total free content is that advertiser pays for the transmission, offer rebates or gives away goods to generate traffic. This option has still not been truly implemented, but will be a future option. This increases the advertisers expenses. Kenyan telecommunication company is setting up a on-line network where it will turn off the meter, when the viewer is watching commercials.

3. Sponsor-based content

The content is financed with advertising revenues from mainly banner ads. Popular website such as ESPNET Sportzone, Playboy and Pathfinder charge between Kshs.10,000 or more per month. Also Newspapers (e.g. The East Africa, Nation newspaper etc.) and Search Engines (e.g. Yahoo, Lycos) utilise this opportunity to provide a free service for users.

Some web operators have started to accept a “click through” basis, where advertisers only pay for the actual number of users who click on their banner ads. Cost per click ads are usually sold at about Kshs.15 per click, 10 times more than average cost per impression.
Procter & Gamble were the first to make that deal with Yahoo, which caught the media industry by surprise, creating uproar. This could well mean more joint partnerships between content providers and advertisers, as the content provider now has a direct economic interest in the advertiser's success. Commonly-quoted rates for premium sites are around Kshs.1,800 per thousand. Less trafficked sites must do with that range from Kshs.900 to 600 from a survey carried out from Africa On-line. It should be noted, that advertisers rarely pay the official list prices. The real prices are usually significantly lower. Traditional media typically charge from Kshs.300 and up, for network television, and Kshs.2,400 plus for magazines and newspapers. Highly-targeted trade publications charge more than Kshs.6,000 per thousand readers. The Internet's ability of high targeting at fairly low costs could meet advertisers demand for better ROI.

4. Fee-based content

Until now, most content has been free. But as content providers e.g. newspapers have become accustomed to the media and realized the potential for profit they have started charging for the service. Some adult content has been put behind firewalls and paid subscriptions. E.g. Playboy now charge for some of their on-line service.

An advertiser will probably use options one or two. They are more than happy that visitors are interested in looking up their webpage. To summarize the WWW cost structure, it appears to have the following properties:

- Low marginal cost of providing information
- Low marginal cost of providing extra information
- Low fixed cost of setting up a server
- Low cost of providing customization
- Low cost of interactivity
The study found out that Internet offers savings on productivity, marketing and sales plus incremental or new revenue streams. Productivity savings arise from reduction in order and processing costs as web users place their own orders, maybe without any customer service except the webpage site. Marketing and sales expenses decrease by reduced brochure printing and distribution costs. Incremental revenues may be achieved for those firms who use the web to expand into new channels of distribution and new market segments.

**Measurability**

The current advertising cost structure is expected to change as the medium matures and measurement improves. Furthermore the current cost per thousand is less suited to the Internet. The question is how do advertisers measure advertising success on the Internet?

It is a hot topic in newsgroups and among media and advertising agencies. At the moment there are no third party agencies making traditional media measurements on the Internet. Research agencies will soon offer this service. Content providers are the only ones, who by use of special software, can measure how many hits a web site achieves. But hits are only a relative measure of audience reach. Any request made of a web server —including button clicks, graphic, etc. are recorded in a web site as “hits”. Hits have therefore no predictable relation to the number of users, visitors or web pages viewed and leaves doubt about is valiability to measure success. Many people click icons for curiosity only. This does not indicate they have an interest or that they are actually exposed to the website. They might choose to surf immediately before or after arrival without even having spent time on the web site. A much better measurement is the number of visits also defined as “a sequence of hits made by one user at a site within a set period of time.”

Another way to measure Web exposure is page views. The study found out through observations that a user visited 21.7 different homepages on average in January 1999. Each
individual looked at 3.7 different pages per homepage. Page view is a much better indicator than hits. It enables the advertiser to see instantly how interested the user was in his products or services. A cost/benefit structure could well in the future be depended on the following measurements.

- How many hits
- How much time spend on the advertisers web sites
- How many pages does the user visit
- How many request material
- How many order any product or service
CHAPTER 5:

DISCUSSIONS, CONCLUSION AND RECOMMENDATIONS

5.1: DISCUSSIONS

From the research investigations the WWW has great potential as media carrier compared to traditional media. It offers higher selectivity with tailored adverts to the users profile. The customer can also customize the advert as he is in charge of his own navigation. Through the Web the advertiser can get easy, quick and inexpensive feedback in real time, which no other media offers, providing a higher feedback rate. However, research reveals that not many companies take advantage of this opportunity.

The WWW offers unlimited low cost space compared to the expense and limited capacity found in traditional media. Breath and depth of customized product information assist customer purchase decisions. Nevertheless, the original company brochure is unlikely to generate success if it has not been adjusted for interactive purpose. However, many companies have not recognized this. Compared to traditional media, costs on the Web are fairly low. The costs of setting up a web site ranges from several hundred shillings to as much as several million shillings depending on the companies objectives and resources. This means that even a small company can take advantage of the Web. But prices are rising sharply as demand increases. Novel webpages are very important in attracting new or repeat visitors.

The WWW offers high measurability by the use of software registration processes. But which criteria should be used to measure the Web's success is still being debated. This also depends on the companies objectives as well as the measurability options the company requires. Without any clear objectives, investment measurability seem pointless.
The advertiser must assess what he wants to achieve through a Web presence. Initially this calls for an evaluation of how well the advertisers target audience and product portfolio suit the Internet. Companies targeting well educated, innovative, affluent males or students have great potential for success as their segments were found highly represented on the Web. Products and services with high information intensity, high buyer involvement were also found suitable for Internet promotion due to its ability to carry large customised information at low costs. Mail order companies can also take advantage of Web purchase facilitation. Low product fit or low audience fit companies can still take advantage of building or reinforcing a brandimage or getting a learning experience with interactive media. Traditional advertising is consumed passively. On the Web, users have to do something actively to select an advert. This alter the way advertiser generate and retrain customers. Banner ads, malls, search engines, word-of-mouth combined with use of conventional media can generate visitors to a website.

Since users are in charge of the navigation, advertisers must persuade users to revisit and spend time on the website by fulfilling real customer needs. This requires clear objectives and targeting to add value on a continuous basis while retaining the user. Informative quality content, innovative advertisement or direct sales possibilities can add value to the user’s site visit.

5.2: CONCLUSION AND RECOMMENDATIONS

The reach of the World Wide Web is still very limited. As of late 1998, approximately 11.5 million people used the Web around the world. The Web users can be divided into four segments, depending on the intensity with which they use the medium. The groups of Hard Core users and Regular users, who use the medium frequently, while the groups of Occasional users and Infrequent users constitute the majority of all Web users. This means
that the part of the population that can be reached frequently through the World Wide Web is still very limited.

However, there are also barriers that limit the growth of the medium as found in the research. The lacking ease-of-access and ease-of-use constitute significant barriers for the large parts of the population that are not familiar with how to use a personal computer, let alone own one. In the short run, the lacking ease-of-access and ease-of-use will slow down the proliferation of the Web to the less educated and less affluent parts of the population. However, ease-of-access and ease-of-use is likely to increase significantly as cheap “net computers” that are simple to install and operate and can be connected to a TV set become widely available.

The combination of strong drivers and falling barriers means that the medium is likely to continue its explosive growth, at least in the short run. It is impossible to forecast accurately how fast the Web will grow, but some qualified estimates are as high as 100-150 million users by year 2000. Thus, all evidence found in the study indicates that the reach of the Web will improve dramatically within the coming years.

While the audience that can be reached through the Web is still very limited, its demographic characteristics makes it an attractive target group for many advertisers. Users of the Web are generally affluent and well educated. While the medium used to be dominated by scientists and techthusiasts, the last year has witnessed a strong growth in students and professionals among the users, especially business professionals. In terms of life styles and values, the study found that the majority of Web users have profiles that gravitate towards parts of society associated with innovation - university, trendy city neighborhoods and fashionable occupations. The respondents believe that their consumption patterns often reflect a taste for relatively upscale, niche-oriented products and services and they tend to be avid consumers. Even though the number of women among Web users is increasing, there is still a strong
overrepresentation of males, especially in the groups of Hard Core users and Regular users. From an advertising perspective, the low representation of women is problematic since women tend to make the majority of key buying decisions in local and international households.

In general, the research found that the Web is slowly becoming a mainstream medium, and the profile of the users is gradually becoming more similar to that of the general population. With the changing composition of users, the way the medium is being used also changes - where the Web was principally a tool for information search a couple of years ago, the users today mention “browsing” and “entertainment” as the principal reasons for using the medium. In spite of the immense amount of content that can be accessed through the Web, many users exhibit usage patterns dominated visits to a limited number of sites. Thus almost one third of all users have visited a total of less than 10 sites. However, the study found that the average user visited 22 sites per month. What remains certain is that Web usage patterns are extremely heterogeneous.

As the Web continues its transition towards becoming a mainstream medium, the Netiquette (the special subculture among Internet users) is losing influence. As one of the core value of the Netiquette was a negative attitude towards commercial use of the medium, this development is positive for advertisers. However, the findings of the study suggest that advertisers should proceed with extreme caution if attempting any form of highly intrusive advertising, such as sending unsolicited e-mails to Web users.

The performance levels of existing standardized mass communication are insufficient in fulfilling today’s advertisers high requirements of efficient and accurate targeting which encourage a dialogue with the customers. This report point to interactive marketing as a future standard, decreasing the role of traditional mass advertising.
The interactive WWW could be the solution to advertisers requirements. But new advertising strategies are needed in this medium. The World Wide Web is a two-way interpersonal communication flow. The key distinguishing features are the interpersonal feedback and interaction process in real time, which traditional advertising cannot provide. This interaction process provides relevant customer information in order to serve them more effectively in the future. Users can also interact with the Web medium itself through machine interactivity. Compared to traditional media the user is fully in charge of the information pull.

The World Wide Web is a hybrid medium which can combine all three identified communication strategies including mass communication, interpersonal communication and machine interactivity communication.

From the research investigations the WWW has great potential as media carrier compared to traditional media. It offers higher selectivity with tailored adverts to the users profile. The customer can also customize the advert as he is in charge of his own navigation. Through the Web the advertiser can get easy, quick and inexpensive feedback in real time, which no other media offers, providing a higher feedback rate. However, research reveals that not many companies take advantage of this opportunity.

The WWW offers unlimited low cost space compared to the expense and limited capacity found in traditional media. Breath and depth of customized product information assist customer purchase decisions. Nevertheless, the original company brochure is unlikely to generate success if it has not been adjusted for interactive purpose. However, many companies have not recognized this. Compared to traditional media, costs on the Web are fairly low. The costs of setting up a web site ranges from several hundred shillings to as much as several million shillings depending on the companies objectives and resources. This means
that even a small company can take advantage of the Web. But prices are rising sharply as demand increases. Novel webpages are very important in attracting new or repeat visitors. The WWW offers high measurability by the use of software registration processes. But which criteria should be used to measure the Web's success is still being debated. This also depends on the companies objectives as well as the measurability options the company requires. Without any clear objectives, investment measurability seem pointless.

Both secondary and primary research confirmed that many companies lack Internet missions and vision. Homepages and customer handling were in many cases poor and did not take advantage of the opportunity for feedback, interaction and customization. Advertisers cannot expect any success when they treat the Web like any other media. WWW advertising demands management understanding and commitment for success. Management must determine the Web's objectives and strategies to allocate efficient resources such as capital, equipment and people.

Research validated that the Web should be integrated in the companies overall marketing strategy. The marketing department together with a competent advertising agency should therefore manage the site. The IT departments together with multimedia agencies lack the strategic marketing knowledge which is required for Internet implementation. However, their competencies in technology should be utilized and be incorporated which calls for a closer working relationship across departments and industries.

Understanding the Web, following the guidelines and recommendations should ensure that Web advertising works effectively in the future.
Glossary

**Advertainment** is a word put together from advertisement and entertainment.

**Banner ad** an ad graphic, usually a GIF image, measured in pixels (on Lycos the size is 468 wide by 60 high, limited to 7.5 K).

**Baud** is the speed at which modems transfer data. The speed is listed in BPS or bits per second.

**Bandwidth** is the capacity of a communications channel measured in cycles per second (mHz) by the highest and lowest frequencies that can be transmitted by the channel at one time.

**CD-ROM** is the compact disc format for digitally encoded data and has become a major electronic publishing platform for business information. The CD-ROM is also capable of holding vast amounts of data (text, graphics, pictures).

**Click measurement** is when a visitor clicks his or her mouse on a banner ad.

**Click throughs** measurements is the number of people who click on a banner ad and get to the advertisers Web site.

**Commercial Online Service** is a computer network composed of information, libraries, shopping and commercial services and e-mail that can be used by consumers who have personal computers, modems and software. Every online system has its own personality, rules of procedure, advertising policies and target audiences. CompuServe, Prodigy and American Online are examples of commercial online services.

**The Internet** is a network of networks.

**CPM** Cost per thousand impressions or page views.

**Digital Technology** breaks the constant flow of data from the natural world into a series of discrete "samples", extracted at regular intervals. The more frequent the samples the higher the quality of the reproduction, whether of alphanumeric data, sound or pictures. Digital technology can thus capture and manipulate a variety of data. Many facilities now exist to
convert data from conventional media into digital forms. Digital technology tends to be more stable than analogue. It is more efficient in speed, volume and quality of data captured, stored, transmitted and reproduced.

**Download** means retrieve files from a computer.

**Encryption** is the coding of data to enable its transmission without the possibility of it being hacked into.

**FAQ** (Frequent Asked Questions) is a file that contains questions and answers about specific topics.

**Fire walls** protects a company's internal network from outside users by establishing physical filters between networks.

**Flamming** means jamming an offenders net site, by sending e-mail to it continuously so that it becomes impossible to operate.

**Hits** is number of files downloaded.

**Homepage** is the initial information users see, when they arrive at someone's Web site.

**HTML** Hypertext Mark-up Language is the standard format for documents on the World Wide Web.

**Hyperlinking** is a written software code that links an item on-line document with other information else where on the net. Clicking on the item tells the HTML software to transfer the user over to new information.

**Hypertext** is the highlighted text that appears on the web page. By clicking on the text another page is accessed.

**Hypermedia** is a dynamic distributed network, potentially global scope, together with associated hardware and software for accessing the network, which allows consumers and firms to 1). provide and interactively access hypermedia content (i.e. “machine interaction”) and 2). communicate through medium (i.e. “person interaction”).
Information Superhighway is a broadband telecommunication service with the ability to carry enormous quantities of information at high speed, the capacity for a two-way communication and the ability to deliver any media inclusive video, audio and text. Broadband refers to the speed and data capacity of the links in the network. The Internet is part of the development of the Information Superhighway.

Interactivity is an expression of the extent that in a given series of communication exchanges any third transmission (or later) transmission (or message) is related to the degree to which previous exchanges referred to even earlier transmission.

Internet is a network of computer networks.

Kbps: Kilobytes per second.

ISDN: Integrated Services Digital Network is technology that makes it possible to move multiple digital signals through a single, conventional phone wire.

Modem is a device that connects a computer to a phone line and enables users to transmit data between computers.

Multimedia is a synthesis of still and moving pictures, graphic text, audio, animation and computer data with interactive features.

Newsgroups is a collection of discussion areas on the Internet.

Page impressions or page views The number of visitors who view a page or a banner ad on that page.

Raw hits measurements is the number of files downloaded, using a combination of graphic images and HTML pages. To be accurate we need to subtract the images, which may account for 5 out of 6 “raw hits”.

Searcher choice in Goal-directed flow is based upon a clearly definable goal hierarchy.
Service Provider is a company that provides connections to the Internet. Service Providers buy access to the Internet in the same way as general web users do. The only difference is that they pay for big direct connections rather than dialup accounts.

Spamming is the indiscriminate posting of a message to every newsgroup, bulletin board and e-mail facility in the Net.

Surfers surf for increased learning, perceived control, exploratory behaviour and positive subjective experiences.

URL: Uniform Resource Locator is a type of address (http://www.what-ever. whatever) that points to a specific document or site on the World Wide Web.

Videoconferencing is Teleconferencing which provides the capability of participants viewing each other over a long distance.

Web browser is software that enables the user to utilise various search engines to locate information anywhere by entering key words, etc.

World Wide Web is a hypertext and hypermedia system that enables users to find information and interact with companies and other web users.
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APPENDICES

Appendix A:

Project Personnel

Samori A. Okwiya

Appendix B:

Project tasks

- Proposal Writing
- Preparing questionnaire
- Data Collection
- Data Analysis
- Compiling and Presentation of the final research report.

Appendix C:

Time Frame

<table>
<thead>
<tr>
<th>Activity</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposal Writing and presentation</td>
<td>5 days</td>
</tr>
<tr>
<td>Preparation of questionnaire and correction</td>
<td>5 days</td>
</tr>
<tr>
<td>Collection of data (interviews)</td>
<td>10 days</td>
</tr>
<tr>
<td>Analysis of data and interpretation</td>
<td>10 days</td>
</tr>
<tr>
<td>Report writing</td>
<td>7 days</td>
</tr>
<tr>
<td>Binding and presentation of the report</td>
<td>5 days</td>
</tr>
<tr>
<td><strong>Total number of days</strong></td>
<td><strong>42 days</strong></td>
</tr>
</tbody>
</table>
Dear respondent,

I am a student from the United States International University – Africa, currently pursuing a Masters Degree in management and Organization Development. I am undertaking a research to determine the effectiveness of the world wide web as an advertising media.

In order to achieve and fulfill all the requirements to complete this research, please be kind to take sometime to fill in the information in the attached questionnaire.

I wish to thank you in advance for your cooperation and assistance.

Yours Sincerely,

SAMORY OKWIYA
Appendix E:

UNITED STATES INTERNATIONAL UNIVERSITY - AFRICA

QUESTIONNAIRE

INSTRUCTIONS

- It is optional to disclose your names.
- Please read the questions below carefully and answer them by check ( ) or write the correct answer as appropriate.

1. What is your sex? (Kindly tick one)
   Male  ( )
   Female  ( )

2. What is your age range? (Kindly tick one)
   i. Under 21  ( )
   ii. 21-30  ( )
   iii. 31-45  ( )
   iv. 46-55  ( )
   v. 56 and up  ( )

3. What is your employment status? (Kindly tick one)
   i. Employed  ( )
   ii. Un-employed  ( )
   iii. Student  ( )
   Other
4. Do you have a computer with a modem? (Kindly tick one)
Yes ( ) No ( )

5. How did you get to know about the internet/World Wide Web? (Kindly tick one)
   i. Through a friend ( )
   ii. In school/college/university ( )
   iii. Through advertising ( )
   iv. Other (please specify) ( )

6. How long have you known about the internet and the world wide web? (Kindly tick one)
   i. 0 - 1 year ( )
   ii. 1 - 3 years ( )
   iii. 3 - 5 years ( )
   iv. 5 - 10 years ( )
   v. More than 10 years ( )

7. Have you been connected to the internet and the world wide web? (Kindly tick one)
Yes ( ) No ( )

8. How many hours do you spend surfing the web in a day? (Kindly tick one)
   i. 0 - 1 hour ( )
   ii. 1 - 3 hours ( )
   iii. 3 - 5 hours ( )
   iv. 5 - 10 hours ( )
   v. More than 10 hours ( )
9. Indicate in the order of importance the effective attributes of the world wide web as an advertising media towards your choice of acquiring information on products in terms of: (Kindly tick one)

<table>
<thead>
<tr>
<th>ATTRIBUTE</th>
<th>VERY IMPORTANT</th>
<th>IMPORTANT</th>
<th>LESS IMPORTANT</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Reach</td>
<td>( )</td>
<td>( )</td>
<td>( )</td>
</tr>
<tr>
<td>ii. Selectivity</td>
<td>( )</td>
<td>( )</td>
<td>( )</td>
</tr>
<tr>
<td>iii. Feedback</td>
<td>( )</td>
<td>( )</td>
<td>( )</td>
</tr>
<tr>
<td>iv. Costs</td>
<td>( )</td>
<td>( )</td>
<td>( )</td>
</tr>
<tr>
<td>v. Capacity</td>
<td>( )</td>
<td>( )</td>
<td>( )</td>
</tr>
<tr>
<td>vi. Communication</td>
<td>( )</td>
<td>( )</td>
<td>( )</td>
</tr>
<tr>
<td>vii. Exposure</td>
<td>( )</td>
<td>( )</td>
<td>( )</td>
</tr>
</tbody>
</table>

10. Indicate your preference for the WWW, Traditional advertising media or any other advertising media that also influences your choice of acquiring information on products in terms of: (Kindly tick one)

<table>
<thead>
<tr>
<th>ATTRIBUTE</th>
<th>WWW</th>
<th>TRADITIONAL</th>
<th>OTHER</th>
</tr>
</thead>
<tbody>
<tr>
<td>viii. Reach</td>
<td>( )</td>
<td>( )</td>
<td>( )</td>
</tr>
<tr>
<td>ix. Selectivity</td>
<td>( )</td>
<td>( )</td>
<td>( )</td>
</tr>
<tr>
<td>x. Feedback</td>
<td>( )</td>
<td>( )</td>
<td>( )</td>
</tr>
<tr>
<td>xi. Costs</td>
<td>( )</td>
<td>( )</td>
<td>( )</td>
</tr>
<tr>
<td>xii. Capacity</td>
<td>( )</td>
<td>( )</td>
<td>( )</td>
</tr>
<tr>
<td>xiii. Communication</td>
<td>( )</td>
<td>( )</td>
<td>( )</td>
</tr>
<tr>
<td>xiv. Exposure</td>
<td>( )</td>
<td>( )</td>
<td>( )</td>
</tr>
</tbody>
</table>

11. Have you ever used the world wide web to place orders of products been advertised by companies in the internet? (Kindly tick one)

Yes ( ) No ( )
12. If your answer to question 11 is NO, please indicate the reason for this.

13. Which of these following Web and Internet applications have you used for acquiring information on products been advertised? (Kindly tick one)

i. Yahoo Search

ii. Netcenter Search

iii. MSN Search

iv. Electronic Mail

Others, (please specify)

v. 

vi. 

vii. 

14. Why do you use the WWW for the reasons you checked in item 11 above? Please tick all that apply:

i. More timely access to advertising information

ii. Access to more news and information

iii. More convenient

iv. Better response time (faster product displays)

v. More fun and interesting

Others (please specify)
15. Do you plan to continue using the World Wide Web for acquiring product information and ordering? (Kindly tick one)

Yes ( ) No ( )

If "No", why not?

16. Has using the Internet/World Wide Web helped you make quality decisions in purchasing goods and services? (Kindly tick one)

Yes ( ) No ( )

Why?

17. Which method do you generally prefer most for getting your product information? (Kindly tick one)

i. Traditional mass media ( )

ii. Electronic mail ( )

iii. World wide web ( )

iv. Other ( )

Why?
18. Would you be interested in continuing buying product and services through the web? (Kindly tick one)

Yes ( ) No ( )

Why?


19. Do you think that advertising of products and services over the world wide web will ever become more popular and prevalent than Traditional mass media. (Kindly tick one)

Yes ( ) No ( )

Why?


20. Do you think companies should continue using the world wide web as an advertising media? (Kindly tick one)

Yes ( ) No ( )

Why?


United States International University

Africa------------------Library