

MASTER'S THESIS

The Use of Web Sites in Integrated Marketing Communication

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Preface

It is our great pleasure to hereby present our Master's thesis. During the writing process of ten weeks in the winter of 2003/04, we have gained a lot of knowledge with investigating this area of research and it has been an interesting and intrusive experience for both of us.

We would like to take this opportunity to thank the people who have been helpful for us during the writing process, and thereby making this thesis possible. First of course we would like to thank our supervisor Tim Foster, for his help and feedback. Furthermore, we would like to thank Patric Blixt at Pricerunner, Peter Gustafsson at TeliaSonera and Mats Hultdin at AM Hultdin, who all took the time to answer our questions and gave us valuable information for our thesis.

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Abstract

Internet and the use of web sites has grown during the past decade to become more and more important as a marketing communication tool, in today's rapidly changing business environment. Furthermore it is also an important source of income. This thesis aims to investigate how web sites are used as an integrated marketing communications tool regarding issues such as objectives, reaching and communicating with target audiences, what types of integrated marketing communication tools used and how to measure the effectiveness of using web sites as an integrated marketing communications tool.

We have made a qualitative multiple case studies, by using both interactive and telephone interviews, as well as participant observations for this thesis, in order to increase validity and compare the three cases to find out if there are differences among them.

In our study we have discovered that generate revenue and image building are the most important objectives. Furthermore the most important target audiences to reach and communicate with are the customer and media target audience. However, the amount of integrated marketing communication tools used varies between all three cases. This is also the fact when measure the effectiveness by using web sites as an integrated marketing communication tool, where both qualitative and quantity measurements are used.

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1 Introduction

This chapter will present a background to the chosen area of research. First of all we intend to bring up perspectives on marketing and promotion in general, moving on to the area of how integrated marketing communication and the Internet has emerged as tools for companies during the 1990's. This will end up in the presentation of the web site as an opportunity for integrated marketing communication. At the end of the chapter, we will state our purpose with the study as well as our research questions.

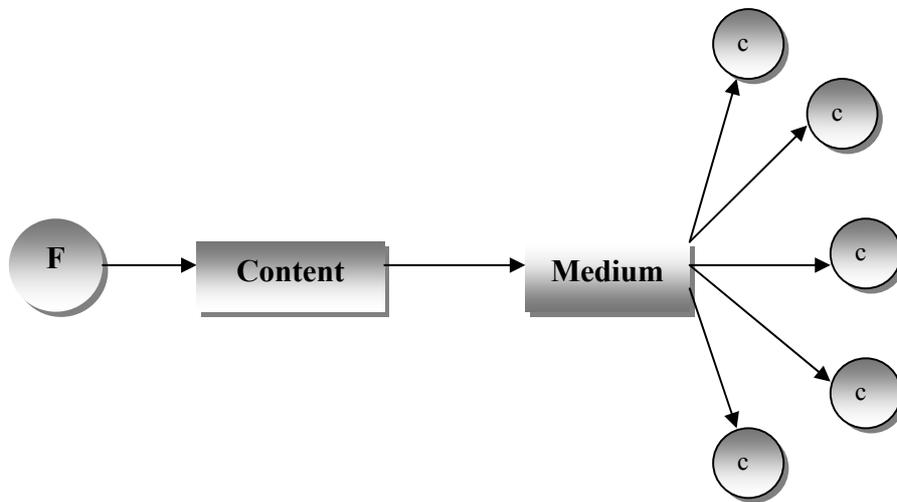
1.1 Background

In modern marketing, companies and their brands are competing heavily to hold existing and to gain new market shares. In order to accomplish this, marketing communication is of great importance. (Brassington-Pettit, 2000)

Marketing communication has become increasingly important over the years and consists of diverse elements such as advertising, which in definition is any paid form of impersonal promotion transmitted through a mass medium. The fact that advertising is paid for and impersonal, distinguish it from other promotion element such as sales promotion, which involve such activities as couponing, sampling, premiums, consumer education and demonstration activities, cents-off packs, point-of-purchase materials, and direct mail, and personal selling. Personal selling is often used as a complement to advertising, the marketing of industrial goods, especially of high priced items, requires strong personal selling efforts. (Ibid)

All of those already mentioned promotional elements, along with public relations, which deals with executing programs to earn public understanding and acceptance as well as building a strong company image, traditionally combine for a company's marketing communication mix. (Ibid)

Traditionally the marketing communication has been about one communicating with many (Hoffman-Novak, 1997), which is illustrated in the model below:



F = Firm
C = Consumer

Figure 1.1 *Traditional marketing communications model for mass media*
Source: Hoffman and Novak (1997)

However, during the 1980's and 90's, the cost of traditional mass media advertising increased substantially and it started to become increasingly difficult to reach specific target groups with merely the traditional forms of promotion through the mass media due to the increased advertising buzz in newspapers, television and radio. (Brassington-Pettit, 2000)

Today firms, which are operating in the advanced postindustrial nations, are supposedly dealing with well-educated, streetwise, savvy, sophisticated audiences and stakeholders. By this it is not to be inferred that there are just a large number of college and university graduates. Generally in today's society many consumers and stakeholders, almost regardless of their level of educational attainment, are informed and well able to judge the merits of products and services produced, the marketing communication that accompanies, and hold a view toward the corporate entity marketing them. (Proctor-Kitchen, 2002)

In order to cope with a marketing environment with this media buzz and its well-educated and sophisticated customers and stakeholders, companies have been forced to find new and improved ways of communicating with the market. (Ibid) One of those ways have been areas such as sport sponsorship and event marketing (Abrahamsson, Forsgren and Lundgren, 2003), while another route have been to integrate the previously mentioned promotional tools into something called integrated marketing communication. (Hackley-Kitchen, 1998) And as the 1990's progressed new technologies were developed which allowed elements such as the Internet and web sites to be a part of a company's marketing communication tools. (Lindström-Andersen (1999).

1.1.1 Integrated marketing communication

Integrated marketing communication (IMC) also referred to as ‘The New Marketing Communications Paradigm’, which is an emerging concept, in the business world today. It is becoming more important to be able to implement and control the promotion strategy within the organization. No promotional tool should be used in isolation from the others (Czinkota & Ronkainen, 2001). In recent times, IMC has received close inquiry as to its nature and its involvement in professional business circles. A key issue is how this concept should be defined. In general, IMC is supposed to harness the synergy created by combining various promotional tools, consequently delivering promotional messages with more intensity and/or more cost efficient. (Kim Shyan Fam, 2000)

For the purpose of this thesis, **IMC will be defined** as:

IMC is a concept of marketing communications planning that recognizes the added value of a comprehensive plan that evaluates the strategic roles of a variety of communications disciplines (e.g., general advertising, direct response, sales promotion, and public relations) and combines these disciplines to provide clarity, consistency, and maximum communications impact (Schultz, 1993).

According to Shyan Fam (2000), IMC approach needs to take place at the beginning of a process not at the end. To further enhance this design of a successful IMC needs to begin and end with the customer. In fact, Shyan Fam (2000), has suggested that IMC may have actually become a mainstream marketing activity, becoming more of a regular and useful concept. Marketing in the late 1990s has moved from targeting a mass market to targeting specific segments. Numerous studies into the practice and perception of IMC have determined key benefits from adopting an IMC approach. Some researchers have found that IMC both reduces media waste and gives the company a competitive edge. Other benefits from an IMC approach include creative integrity, consistency of messages, greater marketing precision, operational efficiency and cost savings. Successful IMC can also produce better communications, consistency and greater sales impact across the whole company. Furthermore IMC is one of the easiest ways in which an organization can maximize its return on investment. (Ibid)

IMC is an important promotion concept that has confronted both marketers and the advertising industry in recent years. It is also an important strategy in order to control an implement the use of the various promotion tools. (Ibid)

The tools within promotion are;

Advertising

Advertising is one-Way communication; although a buyer can respond to advertising by calling or faxing a response card, the message is not altered as a result of feedback. The message can be spread by printed media, Television, Radio as well as on the Internet/ Web. The role of

advertising is to create awareness and strengthening company's brand or position. The strengths of using advertising include the low-cost per contact, an ability to reach inaccessible or unknown buying influences, and ability to reach large numbers of potential buyers.(Dwyer & Tanner, 2002)

Public relations

Public relations is the marketing communication function charged with executing programs to earn public understanding and acceptance as well as building a strong company image, which means that the organization needs to communicate both internal and external. A basic part of most internal programs is the employee publication produced and edited typically by the company's public relations or marketing department. The external communication is communication towards the customers and people outside the organization, in order to build a strong company image or brand. (Czinkota & Ronkainen, 2001)

Sales promotion

Sales promotion has been used as the catchall term for promotion that does not fall under advertising, personal selling, or publicity. Sales promotion directed at consumers involve such activities as couponing, sampling, premiums, consumer education and demonstration activities, cents-off packs, point-of-purchase materials, and direct mail. The use of sales promotion and as support alternatives and as support for advertising is increasing worldwide. (Ibid)

Personal selling

Personal selling is often used as a complement to advertising, the marketing of industrial goods, especially of high priced items, requires strong personal selling efforts. However most personal selling are done by the companies' subsidiaries, with various degrees of headquarter involvement. (Ibid)

1.1.2 Internet & Web

Corporate presence on the Internet is now a necessity. According to (Sterne, 1999) claimed in 1995 that being on the Internet companies could enhance a company's sales and marketing efforts. It could also widen a company's circle of influence by providing yet another way to communicate with its clients, prospects and the public. Today things are different. The power of real-time interaction with prospects and customers has created not just a whole new way to communicate. Advertisers are recognizing the World Wide Web as a valuable addition to their "tool box" of advertising media (Sheehan & Doherty, 2001). It has become a multibillion dollar business (Sterne, 1999).

The Internet has a five percent of the market share in world advertising by 2002 with internet ad spending reaching \$17 billion. The level of spending is estimated to reach \$33 billions by 2004 (Czinkota & Ronkainen, 2001). The Internet has become the new market place, where people companies and governments are jumping on the internet faster than they acquire any other new communications medium. Internet usage continues to grow, and Internet user value medium as a tool for learning about products and services (Sheehan & Doherty, 2001). It is better to

communicate than to be isolated. There are dozens of reason for companies to be on the Internet today, and those reasons will increase tomorrow. Today's business strives for getting a competitive edge, and to create an advantage. (Sterne, 1999)

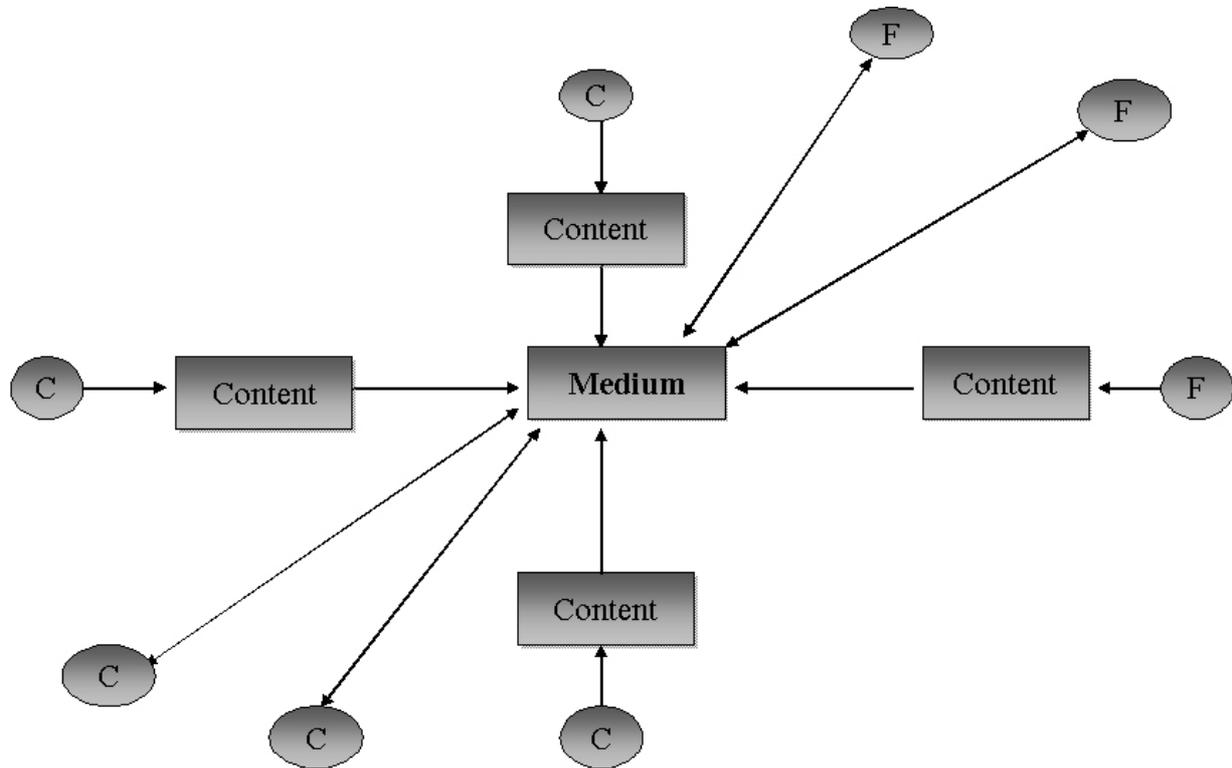
However being on the Internet can give the company advantages if they are implemented and controlled in a good way. Therefore leading marketers and advertising agency personnel to search for ways to direct online users to their Web pages and provide a strong communication message to them once they visit. Advertising on the web needs to be inline with what the company promotes offline, so that the customers are not confused about the image of the company. One way of doing so is to use Integrated Marketing Communication, which every communication message will originate from. If everything originates from the same concept, the web page will be inline with what the company communicate offline. (Sheehan & Doherty, 2001)

1.2 Problem Discussion

Since the mid 1990's the Internet and web sites have emerged has an important commercial medium and marketing environment. First, the Web is a virtual, many-to-many hypermedia environment incorporating interactivity with both people and computers. Therefore, the Web is not a simulation of a real world environment, but an alternative to real-world environments, where consumers may experience telepresence, the perception of being present in the mediated, rather than real world, environment. (Hoffman-Novak, 1997)

As such, it allows users of the medium to provide and interactively access hypermedia content, and to communicate with each other. These unique forms of interactivity, "machine interaction" and "person interaction," respectively, have contributed to the rapid diffusion of the Web as a commercial medium in the last several years. (Ibid)

Having realized the astonishing growth and importance of the Internet, marketers are challenged with its effective integration into their marketing communication mix. (Hoey, 1998) According to Hoffman and Novak (1997), the Internet and the World Wide Web are nothing but a totally new and unique medium. This is further visualized in the figure below:



F = Firm
C = Consumers

Figure 1.2: *A new many-to-many communications model for marketing communications*
Source: Hoffman and Novak (1997)

With this figure, Hoffman and Novak (1997), argues that: 1) Consumers can interact with the medium and with each other. 2) Firms can provide content to the medium and interact with each other. 3) Firms and consumers can interact, and in the most radical departure from traditional marketing environments. 4) Consumers can provide commercially oriented content to the medium.

In 1999, Cormier states that the Internet provides unprecedented opportunities for business enterprises to market and sell their products and services in new and innovative ways and that a carefully planned web site can reap exciting rewards and contribute significantly to the growth and success of the company. Cormier also emphasizes the importance of setting clear objectives with a corporate web site and that those objectives should and could be evaluated in various manners.

The exponential growth and global acceptance of the Internet as a source of information and a business communication tool has presented marketers with a unique and powerful marketing communications platform. A corporate web site has the potential to communicate all the elements of the marketing communication mix and to allow a seamless link between the customer and the product. (Hoey, 1998) Furthermore a web site also has the ability to reach and communicate with several different target audiences, such as customers, media, employees and other stakeholders. (Janal, 1998)

As previously discussed in this thesis, the need for new approaches in marketing communication have become evident during the past decades, which among other things lead to the development of the concept of integrated marketing communication. The Internet and particularly web sites is a growing area of marketing communication and it has the ability to integrate all the marketing communication tools seamlessly. Therefore we find it interesting to investigate further in the area of web sites and its role in marketing communication. This background and problem discussion has led us to a specific purpose, which will be developed in the next section of the thesis.

1.3 Purpose

As discussed earlier in the thesis, the use of IMC and promotion on the web is becoming more and more common. Many of the companies are using the web as a communication tool, due to the fact that it is cost effective and reaches a lot of people. The motives for companies to use the web can be to strengthen their image or increase awareness of the companies. However promotion and communication is very important to manage for the companies in the business world of today. The message sent out on the web must however be in line with the other promotion activities that are conducted within the companies and must be measured carefully to be sure of the effects, to become successful promoting itself over the internet. It would be interesting to study how companies promote themselves over the internet as well as if the companies use some form of IMC.

The research purpose of this thesis can be stated as follow:

“To gain a better understanding of how web sites are used in IMC”

There are many different factors that can be related to the research purpose, but the thesis will focus on certain aspects. However the complete understanding and describing of IMC and Internet will not be provided.

Interesting areas to investigate further would be the objectives for using websites as a promotional tool and to describe how it is conducted. Another interesting area to investigate further is how the companies serve their target audiences over the Internet and are the website design connected to the company image as well as to the target audience. One other important issue regarding the website is the amount of interactivity. One final issue that is of great interest regarding IMC and communication through internet is how the company evaluates if they have reached their communication goal.

To be able answer these questions, four research questions related to the research purpose are formulated as follows:

Research question one: How can the objectives with marketing communication on the web be described?

Research question two: How can the web site's target audiences be described?

Research question three: How can the integrated marketing communication tools used on web sites be described?

Research question four: How can the evaluation of the effectiveness of web sites as marketing communication tools be described?

1.4 Limitations

The IMC area is a very large area with many different factors to investigate. However, due to time limitations the thesis will focus on how companies use IMC through web sites from a market communications perspective. This is because it is beyond the scope of this study to include all factors within the area of IMC and web site promotion.

1.5 Summary

In this chapter we have discussed the need of new elements in companies' promotional mix and then we have moved on to narrow our subject down to integrated marketing communication and its use on web sites, as well as stating our purpose and research questions. In the next chapter, we will bring up the theories necessary in order to answer the research questions.

2 Theoretical Review

In this chapter, the relevant literature in regard to each of the research questions will be presented in the order that we stated them in our previous chapter.

2.1 How can the objectives with marketing communication on the web be described?

One important issue with web site marketing communication that is often brought up by researchers is the objectives, since the objectives could serve as a benchmarking tool when companies are in the process of measuring the effects of the web site. The need for clear objectives is also apparent in the planning process of the web site. The objectives with the site should also determine its features, the design of the site and the maintenance of the site. (Cormier, 1999)

According to Cormier (1999), these are the broad objectives of a web site:

Marketing goods and services to customers whom may not otherwise come in contact with your company

Geographic limitations do not apply on the Internet and therefore potential customers from all over the world could reach the company through the web site.

Establishing new communication tools for existing customers

Companies may post product information, special offers, company newsletters and e-mail addresses for customers to send comments or inquiries. Time zones take on a whole new meaning with Internet applications. The Internet gives the company an opportunity to provide information to potential and existing customers' 24 hours a day, seven days a week.

Establishing corporate image and brand identity

A web site is a reflection of the company. It has the opportunity to attract and maintain customers, or instantly turn someone off. Competitors are only a click away on the Internet, so the web site design must be carefully and completely thought out.

Replacing manual tasks and expensive in-house procedures with interactive and informative alternatives on the web site

For example, a company could include a frequently asked questions (FAQs) section to minimize the number of incoming telephone inquiries. If properly designed to accommodate customers' needs, a web site can also decrease the number of letters, faxes and phone calls for customer support. Thus, overhead and other costs to the company can be reduced. Creating new revenue centers by offering a point-of-sale storefront, complete with the ability to accept credit card payments over secured networks.

In another study, Brassington and Pettit (2000) sets the following marketing communication objectives for web sites:

The site as an advertising medium

Advertising on the Internet is similar to advertising through any other medium, as the intent is to communicate the message clearly and create an interest to move the viewer to further action. Banner advertising is the most common form of advertising on the Internet, as it with a click on for instance an image, could move the viewer to a main information page or a ordering page for a particular product. However, banners could risk to be considered just as background clutter on a web site by the viewer and therefore companies are moving towards more interactive approaches in their web advertising, such as online games, contests and overall improved graphics.

Loyalty reinforcement

A company web site is itself also an important and powerful tool for increasing the level of interaction between the customer and the brand to reinforce loyalty. If the viewer could be entertained and informed, and enjoys coming back to the site, the brand image and value are enhanced.

Corporate Communications

The Internet is widely used by companies to create goodwill, better understanding and information to the community and shareholders. For instance, many companies provide their financial reports on the web, cover their community relations program as well as making press releases available online. Some sites are also created with the purpose to counter negative stories and views expressed by organizations and unofficial sites about the company.

Sales Promotion

Due to the relative ease of updating a web site and the flexibility it provides, it is possible to target offers on various products or over a defined period. Offers could be changed rapidly and the customers' response is easy to assess. Using price promotions, gifts and bonuses could all help to increase sales on a short-term basis.

Ainscough and Lockett did a study in 1996, in which four categories of objectives was discovered, interactive brochure, virtual storefront, information clearinghouse and customer service tool. Each of these uses is independent of the others and a combination of any or all of them may be used, according to Ainscough and Lockett.

Interactive brochure

The web site as an interactive brochure, providing information about their companies, the products and/or services they offer, and contact information. This is a good place to begin a web presence according to the authors. Interactive brochures range from simple information provided in a text-only form, to so-called "flat ads", to highly sophisticated multimedia productions, with full scale audio, video and interactive capabilities.

Flat ads, essentially single page electronic flyers, are often the first step into an eventual multimedia format. They allow companies to get an initial feel for the marketplace. Even these relatively simple sites on the Internet send a message to current customers, potential customers and competitors that a company is on the cutting edge.

Other Internet sites provide users with a variety of multimedia materials, including soundbites, video clips, allowing access to detailed product information.

The virtual storefront

The virtual storefront makes use of the same features as the interactive brochure, but interested consumers can browse through merchandise and purchase items online. Although the majority of large companies have well-established physical distribution systems, virtual storefronts have a great leveling effect, instantly transforming small companies into worldwide distributors by providing a source of direct sales. It is difficult to determine the size of a company by web site.

The information clearinghouse

Some companies, especially those with strong research and development arms, wish to provide a place to exchange information with customers and other researchers, such as those in academia. The establishment of an information clearinghouse on the WWW can assist businesses in this endeavor.

An information clearinghouse is a place where product questions can be asked and answered online, meetings and conferences can be announced, and research findings can be shown and explained. Current technology allows participants to have real time video and audio interaction via the Internet. These virtual meeting places and discussion groups can bring people with similar interests together for meetings and discussions instantly and at very little cost to the sponsor.

Customer service tool

Sixteen percent of the companies in the sample use the World Wide Web as a way to provide help and service to their customers. Businesses often take customer questions and/or service orders online and provide detailed answers within 24 hours. Some anticipate questions in advance and provide lists of frequently asked questions (FAQ's) online.

The use of web sites as a customer service tool can take a variety of forms. For instance many computer software programs have no built in help function, instead that function is online on the company's web site.

McNaughton brings up a more brief set of web site objectives in 2001. He mentions image building, which focuses on corporate image and product awareness, harvesting that focus on creating direct financial benefits of the site, defending, which is having a site because the competitors do or to answer a demand in customer service and finally optimistic exporting, which is mining the web for possible opportunities.

Wen, Chen and Wang (2001), discusses the following models of marketing communication oriented web sites, and sets objectives for each of them:

Brand awareness and image building model

Web sites that apply this model provide detailed rational information about the firm and its offerings. They may also serve as a signal to current and prospective customers and competitors that the firm is on the cutting edge. The model reaches motivated customers with an information/image-rich communications message. Because the entry barriers are so low, smaller firms can set up this kind of site as well or in some cases even better than larger firms.

Cost saving model

Saving from commercial activity on the web includes cost-effective savings and productivity savings. By directly meeting information needs, a web site can be highly cost-effective. Many companies now use their web site to support the ownership phase of the customer service life cycle. Productivity savings arise from reduction in order and processing costs and more efficient inventory management. Cost savings result through reduced brochure printing and distribution costs and reductions in order-taking as customers use fill-out forms to prepare their own orders. As control is effectively transferred to the customer, customer satisfaction might actually be increased.

Promotion model

Unique forms of advertising that attract a potential customer to a site. The objective is to attract the user to the commercial site behind it. In many cases, web sites provide free gifts to get users' attention. The gifts typically include digitized material such as software, photographs, music, and consumer reports.

Info-mediary model

Offer users free Internet access or free hardware in exchange for detailed information about their surfing and purchasing habits. Data about consumers and their buying habits are extremely valuable. Especially, when that information is carefully analyzed and used to target marketing campaigns.

Some firms are able to function as info-mediaries by collecting and selling information to other businesses. The model can also work in the other direction: providing consumers with useful information about the web sites in a market segment that compete for their dollar.

Another author, McWilliam (2000) discusses the objective of building online communities on the web site in order to strengthen the brand and the general corporate image. As consumer-goods companies create online communities on the World Wide Web for their brands, they are building new relationships with their customers and enabling consumers to communicate with each other. The popularity of interactive communication gives the brand web site an abundance of "free" content from the consumer community. Consumers benefit from their ability to recognize in each other "people like me" and to form genuine relationships with like-minded people. Both the

content and possibility of forming relationships with other buyers and with the brand's managers act as a magnet, drawing consumers back to the site on a frequent and regular basis. This enables further commercial opportunities for the brand owners and legitimizes the investment in web site development and maintenance.

2.2 How can the web site's target audiences be described?

Audience

No other medium provides as many audience measures as the Internet. This is because there are many things to measure and the fact that industries are still trying to figure out appropriate audience measures. The existence of a good audience measure is critical to the success of the web as an advertising medium. The fact that advertising is expensive it is important for the marketers to be sure who their audiences are, however by using the web as an advertising medium it is extremely difficult to identify if it has reached the audience considering the factors of targeting which are demographic, geographic and psychographic. When choosing the audience to target is determined by the marketing objectives. The marketers within the company must consider the fact that it is crucial to select the right audience to target, and this should be decided by looking at what product the company is offering. (Strauss & Raymond, 1999)

Segment

Effective use of segmentation, that is the recognition that groups within markets differ sufficiently to warrant individual marketing mixes, allows global marketers to take advantages of the benefits of standardization (such as economies of scale and consistency in positioning) while addressing the unique needs and expectations of a specific target group. This approach means looking at markets on a global or regional basis, thereby ignoring the political boundaries that define markets in many cases the identification and cultivation of such intermarket segments is necessary for any standardization of marketing programs to work.

However marketers need to make adjustments in some of the marketing mix elements, in order to make a maximum impact. The greatest challenge for a marketer is the choice of an appropriate base for the segmentation efforts.

The possible bases for segmentation according to Czinkota and Ronkainen (2001) are summarized in the figure below.

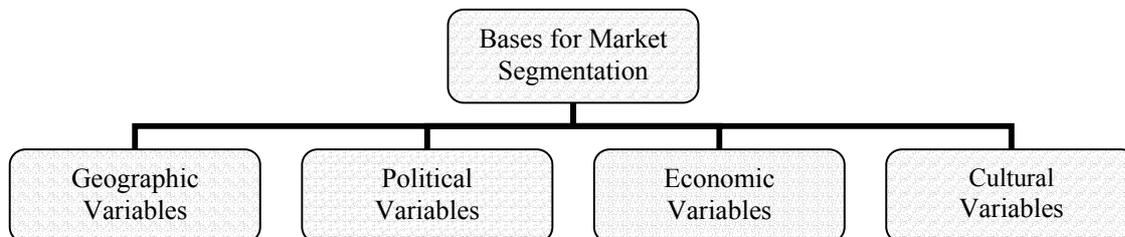


Figure 2.1 *Bases for Segmentation*

Source: Adapted from Czinkota and Ronkainen (2001) p. 477

As could be seen in the figure, Czinkota and Ronkainen mentions four bases of segmentation. Briefly, geographic variables deal with the physical location of the customer and the political with the political characteristics of a market. Economic variables refer to the economic stature of the market and cultural with the specific cultural traits. (Czinkota and Ronkainen, 2001)

According to Strauss and Raymond (1999), there are four general bases for consumer market segmentation: demographic, geographic locations, psychographics and behavior in regards to the product within each basis there are many segmentation variables. For example a company's demographic segmentation can focus on the variables of age, family life cycle, targeting adults, children senior citizen, and families. This means that segmentation is made up by a few general organizing categories, and that the segmentation variables consist of several subcategories. (Strauss & Raymond, 1999)

Companies often combine bases and focus on categories such as demographics, which include both geographic and demographic variables. Similarly, they can build segments using a combination of variables that makes sense for their industry. However, marketers identify segments based on variables that can be used to reach the right people at the exact right time. There are however many ways of segment the audience chosen. A firm can choose among three different market coverage strategies, these are according to Strauss and Raymond (1999):

1. *Mass marketing*, also called undifferentiated targeting exists where the firm offers one marketing mix for the entire market. Companies on the Internet use this strategy. One way to apply this type of targeting strategy is to use banner ads, which are advertisements situated on portal site home pages. By using these banner ads the companies can appeal to the entire market.

2. *Niche marketing*, also called concentrated targeting, occurs when a firm selects one segment and develops on more marketing mixes to meet the needs of that segment. One way to adopt this strategy is targeting web users exclusively. This means that the Internet may be a niche itself when regarding marketing communication and it indicates its ripeness for niche marketing. This

strategy has real benefits but can be risky because competitors are often drawn into lucrative markets

3. *Multisegment targeting*, also called differentiated targeting, exists when a firm carefully selects two or more segments and design marketing mix strategies for each. Most firms in today's business have implemented the use of multisegment strategy.

One type of multisegment targeting is micromarketing. Taken to its extreme it can be used to target one single person. One way of reaching this one person is by using the Internet, which has become a new opportunity for firms. The companies build profiles of each user who interacts with the firm's web page; the companies also keep tracks of purchases. (Strauss, J & Raymond, R 1999) This is crucial information in order to be able to e-mail services which provide targeted information on product updates and the latest published research, to that single person (Hoey, 1998)

Faced with a bewildering array of variables (demographic characteristics, geographic idiosyncrasies, millions of branded products, and a growing number of advertising media) marketers rush to embrace systems that will allow them to predict consumer behavior reliably. The number of consumer categories usually ranges from four to 108. Aside from the desire to simplify an unmanageable number of elements or variables, today's consumer marketers look to market segmentation systems in order to: identify their key consumer segments, recognize the varying importance of those segments to their business, understand individual consumers by identifying the group to which they belong, thus bridging the gulf between mass marketing and a "one-to-one" emphasis, use that newly-gained understanding to predict how consumers will react to new products, alter brand loyalties, respond to diverse media, etc., target new prospects more effectively, and communicate with both customers and prospects in order to establish and enhance relationships. (Bickert, 1997)

Just as critical as identifying its market segments are a company's ability to recognize the differential importance of those segments. Not all segments are created equal. The number of segments making up 70 to 80 percent of any company's market depends, of course, on the number of segments in the basic segmentation system used as a reference. Once a company's major market segments have been identified, those segments are then compared in size to the size of those segments within the entire consumer population. Such a comparison indicates the degree to which those segments are excessively represented within the company's market. This will reveal areas of opportunity, as well as standard those segments not worth pursuing. Incorporating in the segmentation analysis information from a company's existing customer database can enrich the process by exploring the differential importance of specific market segments by product line, time of year, store location. (Ibid)

For example, a segment considered to be of minor importance overall may present an exciting opportunity for cross selling. Or another segment of average overall importance may account for a disproportionate percentage of summer sales. In most instances such intimate understanding is impossible to achieve. Therefore, marketers must seek shorthand ways to understand customers. One solution involves the use of market segmentation to categorize each individual customer into one of several or many homogeneous groups and, on the basis of that group membership,

attribute to each individual the preferences, needs, and likes and dislikes of his particular group. (Ibid)

In order for marketers to be able to not conduct miss targeting, this can be extremely costly for the organization. According to Bickert, J (1997) marketers need to bare these issues in mind when conducting segmentation:

1. The segmentation system has homogeneous groups (or is sufficiently data-rich to permit the groups to be "trimmed" to achieve the maximum homogeneity required by the offer). For example, a segmentation system might contain one group defined as young, married, but childless, affluent who own their homes and drive at least one luxury car. They might be excellent targets for an expensive, accessory-laden bicycle, but certainly a more homogeneous target audience would be the subset of that group that currently enjoys bicycling.
2. The target group, or groups, within the segmentation system need to be large enough to justify the expenditure and effort required to design a tailored approach. Unfortunately, there is no rule of thumb regarding minimum size.
3. They truly understand their target segments. Most segmentation systems are able to profile each segment in considerable detail, but there is no better alternative than supplementing that information with original research on the product idiosyncrasies of each major target segment.

Stakeholders

The review of intersections shows that there are several constituencies important to a brand's success other than customers. At the organizational level, company or brand's stakeholder relationships involve far more than just customers. Stakeholders are also investors, the financial community, vendors and suppliers, employees, competitors, the media, neighbors and community leaders, special interest groups, and government agencies, which are corporate constituencies who can affect and be affected by a company's marketing program. (Duncan & Moriarty 1998)

The marketing level also has a broader set of constituents than just customers. However, the ongoing customer relationships are the company's most important stakeholder group. In order to enhance the marketing success the identification of two other relationships are crucial, these two are the relationship of suppliers and resellers. Another important factor is the importance of employees. The discussion of exchange included employees as well as customers; the signal literature includes competitors as well as consumers; the discussion of channels referred to upstream and downstream strategies as targeted to suppliers and distributors as well as customers. In other words, there is a variety of stakeholders other than customers who are involved in, and affected by, a marketing program. (Ibid)

The wider stakeholder focus is also true at the marketing communication level. Although customers and prospects are primary targets of most marketing communication efforts, the trade is also important. If public relations are included in the communication mix, then it also manages communication programs for employees, the financial community and investors, government and regulators, the local community, and the media. (Ibid)

Another important integration reality that relates directly to stakeholder perception is the notion that stakeholders overlap: Customers also can be employees, investors, members of special interest groups, and neighbors in the community. (The extent of the overlap will vary by industry and company.) This means companies must take into consideration how the intended target audience will respond not only to a brand message, but also when they wear their other stakeholder hats. (Ibid)

Identifying a broader set of constituencies has bottom-line implications. Which means that firms that emphasized the interests of three constituencies' customers, employees, and stockholders outperforms those that emphasize only one or two. Studies have shown that firms that focused on all three groups increased their revenue in opposite for the groups with a more limited focus. They also increased their stock more than the others. In these high-performing companies, the value system that communicated the importance of all these constituencies, a commitment that often was described by employees as integrity, or "doing the right thing." (Ibid)

At the marketing level, a communication-driven model of marketing requires that brand messages sent by other aspects of the marketing mix also must be managed for consistency. Product messages, for example, are the ones customers and other stakeholders infer from the product's performance, appearance, design, pricing, and where and how it is distributed.(Ibid)

The identification of target stakeholders is of great importance. While the market opportunity analysis focuses on target markets for firm's wares, Net marketing plans are targeted to many additional stakeholders, for example web pages for investors and employees as well as customers. It is in this stage the company decides with which stakeholders to communicate. With buyers, it decides whether to pursue the entire Net population or to select one or more target market or markets. If multiple target markets are identified, they should be ranked in order of importance so that the resources are allocated to the target markets that are prioritized. Each of the target markets will be described in a excellent manner. (Strauss & Raymond 1999)

Having identified the stakeholders in the planning process; the web provides an excellent opportunity to communicate with them. There are many possible avenues for stakeholder communication. These include advertising, public relations, sales, promotion incentives and lead generation. These strategies can build awareness and knowledge about firms and there products, aid brand positioning and other brand building objectives, enhance stakeholder relationship building, and assist in increasing e-mail stakeholder databases. In addition Internet is currently a low-cost alternative to stakeholder communication in other media such as direct mail and television. In short stakeholder communication strategies can help marketers to accomplish cognitive attitude objectives, often at substantial cost savings over traditional methods. (Ibid)

Whatever option the company has, the publications will be more successful if they integrate traditional offline print with the latest online media, and if they deliver original relevant editorial across multiple mediums. Using both print and electronic media, you can push your readers online and pull them back to print to ensure that you reach the widest possible audience. Today's readers don't want to be limited to only one medium; some prefer the interactivity of the web, others the portability and permanence of print, and still others the immediacy of e-mail. (Meyers 2003)

According to Meyers, J (2003) there is some important tips for integrating print and electronic media into the company's promotion strategy, in regard to published media:

- At a bare minimum the company needs to list your web address on the cover and folios of the print magazine. The company can also include a separate table of contents for the online magazine in the print publication to temper readers' interest.
- Many companies resort to "shovel ware" for their web publications, simply shovelling static html or PDF formatted content from their print product onto their website. It is very important to develop original electronic content and highlight it in the print magazine. Use the web to provide completely new stories, different viewpoints from those in print, or to add details to the stories in the magazine, perhaps with video or audio. Search and archive capabilities are also valued by web readers.
- Invite online reader feedback rather than "snail mail" to push print-magazine readers to the web. Ask them what features they'd like to see in each version or to vote on issues that matter to them. Be sure to prominently display an email address or online magazine URL for feedback.
- To pull readers back to the print publication, emphasize its exclusive content by listing its table of contents as a component of the online magazine. The company could try special subscription opportunities for online readers or an online poll about a feature appearing in that month's print publication. Webzine visitors would, of course, need to have the magazine in hand, and they did get the bonus of seeing immediate poll results that have become common in cyberspace.
- E-newsletters can direct readers to both the print publications and the online magazine with periodic updates of the contents of each, clickable links for web content and a subscription form for the print magazine. Original content is important to capture the reader's attention regardless of the medium.

Technological innovations also have made the Internet an attractive medium for advertisers. Today, server-based technologies enable advertisers to display banner ads according to user profiles and interests and in ways that were not possible before. As an advertising medium, the Internet offers all the elements of other media and much more. Banner ads can now include not only graphics and texts, but also streaming audio and video. Java and Shockwave technologies can be used to deliver highly dynamic and interactive banner ads. Such interactive and personalization technologies have made the Internet an effective and accountable medium with unlimited creativity. (Shen 2002)

Internet enables advertisers to track responses to on-line ads, some reason that advertisers should pay for their Internet ads on the basis of responses or performances. Others argue that such pricing and measurement methods would dismiss banner advertising's brand-building value and force web publishers to assume accountability for the creativity and effectiveness of messages, because the role of the media has traditionally been to offer access to an audience, not to share in the responsibility for the quality of the advertisement itself. (Ibid)

The demand for greater knowledge about how to create a successful brand presence on the Internet continues to increase. Although, the web sites might be better utilized to create strong brand, a recent study suggests that larger, more complex Internet ads may be more memorable, communicate more information, and be more likely to engage consumers. Many marketers are beginning to demand that web content providers "accommodate advertisements that use techniques known as 'rich media,' which can enable both banners and bigger ads to include animation, sound, and even full video. Within a company's home page, rich media tools such as video, audio, and animation may be considered tools that increase vividness by enhancing the richness of the experience.(Coyle & Thorson 2001)

The table 2.1 displays six important stakeholders along with the type of content that is well suited for displaying on the web, which well summaries what we brought up earlier in regard to this research question.

Table 2.1 *Online content for stakeholders*

Stake Holders	Online Content	Stake Holders	Online Content
Shareholders	Financial Reports SEC filings Management changes Company Activities	Consumers and business buyers	Online events Brochure ware / Product information Store locators Testimonials Customer service Activities
Employees	Employee- accomplishments Employee benefits Employee directory Company information Training materials	Suppliers	New-product Information Company news
Media	Press releases/news Media kit material Contact information	Community	Social programs Local news relating To firm Employment opportunities

Source: Strauss and Raymond (1999) p. 215

2.3 How can the integrated marketing communication tools used on web sites be described?

Advertising

There are two models for advertising on the Internet. The two models are text-based and multimedia-based advertising. Text-based advertising operates through e-mail and bulletin boards. Multimedia-based advertising utilizes banners, buttons, interstitials and sponsorships. (Strauss & Raymond 1999)

The text-based advertising using e-mail is equivalent to direct mail that is used offline. E-mail has at least two advantages over direct mail. First there are no post charges, which mean that cost per thousands is much lower. Secondly e-mail offers a convenient opportunity for direct response. E-mail ads often include information or a link to the company's web site, where the user can obtain further information or complete transactions. The distribution of e-mail can be easily solved by acquiring an e-mail distribution list or generate one. This list is often generated out from the web site registrations, subscription registrations or purchased records. Lists can also be bought from list brokers, these firms usually do not hand over the list to the company, and instead the company sends their mail to a massive distribution list.(Ibid)

Multimedia-based advertising is the primary model used on web site. Banners and buttons occupy designated space for rent on web pages. This is similar to print advertising, used by newspapers and magazines. However, on the Internet there are a possibility to use both audio and video behind a clickable button. Banners and buttons are also used to transfer the user to the merchant's web site where the transactions or other objectives are achieved. Banners are quite helpful for brand communication but do not drive much traffic to a web site. To increase the banner effectiveness, marketers use selective targeting as design factor. Just as in traditional advertising, the more relevant the ad is for the targeted audience, the more likely it will grab the user's attention.(Ibid)

Sponsorships are also a part of the multimedia-based advertising. Sponsorship advertising involves an advertiser that pays for a particular web page or section of page attitudes (Chandon, Lois, Mohamed & Fortin, 2003) Sponsorships integrate editorial content and advertising. Most traditional media separate content from advertising. This allows the advertiser to dominate the advertising space. However, sponsorship on the web gives the advertisers the possibility to additional exposure, when the message is combined with the brand name. Sponsorship is growing in the web, as banner clutter rises and more firms build synergistic partnerships. Which the web is well suited for. (Strauss & Raymond 1999)

Some researchers believe that the web's interactive nature, for example the ability of the user to receive and transmit messages, creates a totally new communication environment. Instead of the traditional model of one-to-many communication, the web is a "many-to-many" channel of communication). Interactivity is the key characteristic of the new media that is expected to transform not only the way advertising is designed and implemented but also the manner in which it affects consumers' opinions and attitudes (Chandon, Lois, Mohamed & Fortin, 2003)

One can distinguish the Internet from other broadcasting media (television and radio) by the fact that the advertising message is integrated within the editorial content as in print media. With broadcasting media, advertising messages alternate with program content. On the Internet, the advertisement is in competition with the page content, which emphasizes the difficulty of capturing the user's attention. In addition, past experience based on eye-tracking studies reveal that the likelihood of seeing (or registering) a banner diminishes with user expertise. The user can respond to the announcer or even diffuse a counter message and interact with other users in a form of peer-to-peer communication. (Ibid)

With the Internet, the stimulus and the response can occur on the same medium, which is quite distinctive from other forms of communication. Finally, the Internet allows a potential integration between information seeking and commercial transactions. An Internet user can respond to a web-based advertisement, decide to buy the item, and then buy it within minutes. This allows for a significant shortening of the decision process. There are various forms of online interactive advertising. However the banner advertisements are the dominant form of interactive advertisements on the web. Interstitials, a form of banner advertising using Java technology for enhancements in graphical display and interactivity are almost becoming more common within the concept of banner advertising. (Ibid)

Public Relations

Public relation is one of the integrated marketing communication tools that are appropriate for a diverse group of stakeholders. Public relation is used to create goodwill among a number of different publics. These include company shareholders and employees, the media, suppliers and the local community as well as consumers, business buyers. Web content that is not advertising, sales promotion, or transactional is public relations: that is, most web content. Most free online content published by companies that is meant to inform, persuade, or entertain is public relations. The objective of the information is to create a positive feeling about the company or the brand.

Brochure ware is used to describe site that informs customers about products or services without providing interactive features. They are the equivalent of a product brochure placed online. The greatest advantage by using brochure ware is the low cost, and it is a low-budget method of establish a web presence and thus serves as a public relations vehicle. In addition to product information targeted to consumers, press releases can be provided for the news media, and corporate reports can be provided for investors. Employment information can be showcased for employees. However, it is important that the information is kept updated; if the information is too old it will have a negative affect towards the user. (Strauss & Raymond 1999)

An interactive web site is more extensive online public relations commitment. Interactive sites serve to inform and empower users. The interactive public relations are a way for the company to receive instant communication with the user, such as providing a communication channel with their customers. The provided communication channel for customers is an extremely important part of the customer service program. Normally the channel consists of feedback button or form, which delivers an e-mail message to the company. Often an automated backend program acknowledges the message via e-mail and indicates that a representative will respond shortly to the message. And a representative must respond! If the company does not respond they will suffer from negative customer satisfaction and a decrease in image. (Ibid)

The PR role has changed from being that of an efficient disseminator of information to managing the media, customers, stakeholders and the public. (Ranchod, Lace & Gurau, 2002)

The rapid growth of the Internet is changing the infrastructure of information - creating a turbulent and sometimes confusing communication environment. As a surprisingly high percentage of customers, employees and policy makers are heavily interacting through technology; companies need to harness the ever-increasing power of the information superhighway if they are to remain viable and competitive in the coming years. As rapid changes in technology are likely to continue into the foreseeable future, businesses will be forced to alter the way they communicate, both internally and externally, and be prepared to flow with the changes. Every year, fewer people watch television and fewer still subscribe to major newspapers. The concept of the "general public" does not seem to exist any more. The trends point to an increasing number of people obtaining information from sources other than the traditional media outlets. Reputation, awareness and perception are more and more difficult to create as a company's diverse range of audience becomes more fragmented by the way it obtains information. Internet technology is the most efficient medium for companies to provide newly fragmented audiences with the data they desire. (Ranchod, Lace & Gurau, 2002)

In order to address these challenges effectively, four basic pillars for effective communications and value generation should be used: dialogue, borderless communications, inclusive communications, and continuous communications. All of them are of equal importance and must be pursued concurrently. (Ibid)

The process begins with the dialogue. A company cannot effectively establish value if it does not know the perceptions and the interests of its stakeholders. Communication is a process of exchange. The old models of uni-directional communication are not valid any more. On the other hand, a permanent dialogue with the audiences helps the company to assess the effectiveness of its messages and prepare better for future communications. (Ibid)

Due to the global dimension of the economy, communications must be borderless. The messages must be strategically planned and consistently delivered across cultures and time zones. They must also be consistent across the company's advertising, marketing and public relations activity. (Ibid)

Inclusive communications must reach all audiences, both internal and external. Too often, the discussion of value centers on convincing investors and the media about the virtues of a company. However, the process should start with the employees who should, in theory, share the company's values and objectives. Otherwise, the internal conflicts will create inconsistencies in the company's communication strategy, weakening its capacity to address and persuade external audiences. (Ibid)

This kind of communication will make a tangible, measurable difference but only if it is continuous. Companies sometimes make the mistake of avoiding communication until there is a crisis or some other extraordinary event. Public relations are not an activity that should be turned on and off. The key to building value is sustained communications with stakeholders in good as well as bad times. (Ibid)

Sales promotion online

Sales promotion activities include coupons, rebates, product sampling, contests, sweepstakes and premiums (free or low-cost gifts). Of these coupons, sampling, and sweepstakes/contests are widely used on the Internet. Most offline sales promotion tactics are directed to business in the distribution channel, online tactics are directed primarily to customers. As with offline consumer market sales promotions, many are used in combination with advertising. (Strauss & Raymond 1999)

Sampling gives the customer the opportunity to gather free products. The software companies supply one type of these products, which enables the user to download a free trial version of the program. The downloaded free version often expires within 30 to 60 days, after which time the user can choose to purchase the product or remove it from her system. Another way of handing out free sampling has been adopted by the music industry where the customer can download a short sample of the CD. (Ibid)

Contests and sweepstakes is a way for companies to draw more traffic to their web site, and to keep users returning. Contests require skill whereas sweepstakes involve only a pure chance drawing for a winner. This type of sales promotion creates excitement about the brand and entices customers to return and stay on the web site as well as increasing the awareness of the company and the brand.

According to Perry and Bodkin (2000) sales promotions is also a part of the marketing communication mix that can be offered and/or delivered via the web site. Much in agreement with Strauss and Raymond (1999), they state that the major sales promotion tools relevant to web sites include coupons, refunds/rebates, premium and specialty offers, sampling offers, online demonstrations, and contests, sweepstakes and games.

Personal selling

By its nature, the web is impersonal and the Internet is designed more for sales support and generating enquiries rather than for making direct sales. However, the cost per customer is low on the web and a web site can be made more interactive from a sales perspective by a customer database that is able to personalize communication and relate it to offers that could appeal, based on a customer's previous enquiries and sales history. (Brassington-Pettit, 2000)

2.4 How can the evaluation of the effectiveness of web sites as marketing communication tools be described?

There exists several quantitative measurements' of a web site's success, which all gives the company an idea on how well they managed to attract traffic to their web site. (Lindström-Andersen, 1999) Lindström and Andersen (1999) lists the following quantitative measurement tools for a web site:

The numbers of repeat visits

This parameter shows to what extent the site was able to live up to the expectations of the user. If the user needs for information, entertainment and communication have been sustained, it is likely that they will visit the site repeatedly.

The number of minutes spent by the user

The longer time the visitors spend at the web site, the greater the probability that strong relationships are being built between the user and the brand. The measurement should also include the amount of time the visitor spends per page, since that is a measurement of increased dialogue with the user.

The number of minutes the visitor spends on average on the main activities of the web site

For instance if two out of three pages in a main activity of the site has generated long visits, but not third, it is likely to assume that the creativity has come to an halt, rather than the user's interest in the subject itself.

The number of individual visitors

This parameter can give an indication of how successful the external communication has been in promoting traffic on the web site. Generally, an address of the site that is easy for the potential user to remember also tends to increase the number of individual visitors.

The user's behavior at the web site

Measure which activities on the site that were visited first and in what order the subsequent visits were selected and if this is in accordance with the messages and the values originally intended by the site owner.

The number of e-mails received from customers

The number of e-mails is also an indicative to the web site's quantitative success, especially so if the site aims to provoke visitors to sending e-mails. Conversely, if the site wish to avoid e-mail altogether, this measurement is obviously less significant.

The web site's sales and income

The more the web site is designed for Internet sales, the more important is it that goals should be set for sales, the rate of sales and the income.

According to Day (1997), a web site's effectiveness could be monitored in two different ways. First, one can observe the behavior of those entering the site and starting to move through it. The company can track their movements and see if they go to the areas the company wants them to go to. The company can see if they consistently log off at a certain point and then tie that behavior back to our theory.

If the company had assumed that our customers would want to download that hefty file of information because the company knows it will match their interests and yet the company see that most customers do not, the company can safely assume that the average download time of three minutes may be too long. So, the company can cut that file into smaller pieces and see if they hang on for 15 seconds. The company can help them along, just as the company do in an article, by advising them of what is to come and how long it will take. (Ibid)

The second prime way the company can track their behavior is to see whether they return to the site. The fundamental objective of any organization is to have repeat business – few people survive by interacting with customers only once. How many of our customers come back again and again, and how do they move through the site? People all know about bookmarks, so people usually bookmark the sites that they want to return to. By measuring the return hits and looking at the behaviors the company can quickly turn those data into useful information: 20 percent of first-time users come back again; 15 percent of them consistently log off at certain points, for example. That gives the best information of all – it tells the company what the people they are really interested in are doing. (Ibid)

Karayanni and Baltas (2003), suggests that web site performance should be measured with a combination of sales figures and profitability and visitor related information, such as duration of browsing time, the depth, or number of assessed pages, and the number of repeated visits.

Chaston (2001), suggests that a web site should be evaluated through its ability to make contact with interested individuals, converting some visitors to customers and the supporting the purchase and post-purchase phase of the supplier-customer relationship that follows. Chaston's model is further illustrated in the table below:

Process model	<i>Effectiveness measurement</i>	
<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">Internet users attracted to web site</div> <div style="text-align: center; margin: 5px 0;">↓</div>	Site awareness =	Number of site visitors/ Total Internet users
<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">Active visitors seeking information</div> <div style="text-align: center; margin: 5px 0;">↓</div>	Site attractiveness =	Number seeking information/ Number of site visitors
<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">Visitors entering into dialouge</div> <div style="text-align: center; margin: 5px 0;">↓</div>	Promotional effectiveness =	Number initiating dialogue/ Number seeking information
<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">Visitor placing an order</div> <div style="text-align: center; margin: 5px 0;">↓</div>	Purchase effectiveness =	Number placing order/ Number initiating dialogue
<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">Internet users attracted to web site</div>	Loyalty effectiveness	Number repeat customers/ Total customers ordering

Table 2.2 *An Internet process model and assessment tools*
Source: Chaston (2001)

As illustrated in the table, as an individual progress through the stages of the buying process it is theoretically possible to assess the effectiveness of a web site. The application of the measurement tool is however dependant on that the site is capable of recording all hits and that can be acquired about the nature of these hits. (Ibid)

Huizingh (2000) provides an additional evaluation model. He states, much in accordance with previous literature reviewed in this thesis, that measuring web sales and the number of visitors are important tools of evaluating the effectiveness of a web site. However, he also brings up web site satisfaction as a measurement tool. In the context of web site performance, two kinds of satisfaction can be distinguished, user satisfaction and managerial satisfaction.

User satisfaction is the extent to which the site meets or exceeds the expectations of customers, while managerial satisfaction reflects how satisfied with the overall results of the web site the company that has invested in the site is. User satisfaction is a surrogate for the quality of a web

site, and can be a useful measure if a researcher compares sites of competitors or different versions of the same web site. (Ibid)

Managerial satisfaction is a surrogate for the value of the web site for a company. Considerable investments are needed to build and maintain web sites and to integrate on line and off line operations. To justify these investments, there should be a pay-off, either in monetary terms (e.g. increased sales or cost reductions) or in the form of intangible benefits (e.g. increased customer switching costs, satisfaction, loyalty, or trust). Managerial satisfaction can be a surrogate for the extent to which this pay-off has been realized. (Ibid)

The advantage of such a measure is that it is not influenced by factors such as the specific objectives of the web site, the characteristics of the industry, or the size of the customer base. On the other hand, like other subjective measures, managerial satisfaction is a form of self-assessment and it is dependent upon both expectations and ambitions. The satisfaction reflects the extent to which the actual outcomes meet or exceed expectations, and may therefore favor the less ambitious web initiatives. However, many different studies have shown that subjective performance measures correlate positively and significantly with various objective measures. (Ibid)

2.5 Summary

This chapter has provided with an overview of the relevant theories needed to answer our research questions, which will result in a conceptualization of our frame of reference in our next chapter.

3 Frame of reference

In this chapter, we will conceptualize our research questions based on our theory review in order to come up with an emerged frame of reference to show how the research questions correlate and how integrated marketing communication is used on web sites.

The purpose with the conceptual framework is to demonstrate a preference for commencing with and utilizing theory in qualitative research, rather than allowing it to develop from the work. (Saunders, 2000) Miles and Huberman (1994), defines a conceptual framework as something that explains, either graphically or in a narrative form, the main things to be studied.

We have chosen to use the following authors for our data collection due to that they all bring up important issues that we find relevant for the collection of data. The reviewed literature that we have selected is presented below.

3.1 Objectives – Research Question One

Regarding the objectives with web sites as marketing communication tools, we will combine the objectives used by Cormier (1999), Brassington-Pettit (2000), Ainscough and Luckett (1996), Wen, Chen and Wang (2001) and MacNaughton (2001). Those objectives that are stated by these authors correspond well to our research question, since they summarize the most common objectives of web sites as marketing communication tools. The authors are basically bringing up the same objectives, although the phrasing of them might differ.

The objectives are the following:

Reaching new target markets

Customer service

Image building and public relations

Generate brand and/or product awareness

Generate direct revenue of the site

Sales promotion

We will also look into the objective of creating virtual communities on web sites, based on the theory provided by McWilliam (2000). McWilliam there states that when companies create online communities on the World Wide Web for their brands, they are building new relationships with their customers and enabling consumers to communicate with each other. Therefore communities on web sites are important for strengthen and sustain customer relationships as well as for strengthen the brand image.

3.2 Target Audiences – Research Question Two

When answering our research question about the target audiences of a web site, we will mainly be looking into the theory by Strauss and Raymond (1999), since that theory is the most comprehensive in our reviewed literature when it comes to target audiences. The theory is also focused on target audiences from an Internet perspective.

The theory brings up the following important target audiences:

Customers

- Online events
- Brochure ware
- Product information
- Store locators
- Testimonials
- Customer service
- Activities

Employees

- Employee-
- Accomplishments
- Employee benefits
- Employee directory
- Company information
- Training materials

Shareholders/Investors

- Financial Reports
- SEC filings
- Management changes
- Company Activities

Media

- Press releases/news
- Media kit material
- Contact information

Suppliers

- New-product
- Information
- Company news

Local community

- Social programs
- Local news relating to firm

Employment opportunities

3.3 IMC Tools – Research Question Three

Regarding our research question about the IMC tools, we will mainly be using the theory by Strauss and Raymond (1999). The reasons for that are because the theory is focused on the use of IMC tools online and that it is quite comprehensive. We also use Brassington and Pettit's (2000) theory regarding personal selling on the Internet.

These are the IMC tools used online:

Advertising

Banners
Buttons
Interstitials
E-mail
Bulletin boards
Sponsorships

Public Relations

Brochure ware
Feedback forms
Instant communication
Press releases
Employment information

Sales Promotion

Coupons
Sampling
Sweepstakes/contests
Refunds/rebates
Special offers

Personal selling

Customer database
Personalized offers
Sales history

3.4 Evaluation – Research Question Four

To answer our research question about effect measurement, we will mostly be relying on Lindström's and Andersen's theory from 1999, which consists of the following methods:

The numbers of repeat visits

The number of minutes spent by the user

The number of minutes the visitor spends on average on the main activities of the web site

The number of individual visitors

The user's behavior at the web site

The number of e-mails received from customers

The web site's sales and income

We will be using this theory since we think it is the most comprehensive method of evaluation in our reviewed literature. The method uses quantifiable data, which are normally easy to collect from the web site's statistics by the company. However, we will also use Huzinigh's (2000) theory that states that user satisfactions as well as management satisfaction with the site are important issues to consider when evaluating a web site. The reason for using that theory is that is a subjective measurement that differs from the others mentioned.

Many different studies have shown that subjective performance measures correlate positively and significantly with various objective measures. (Huzinigh, 2000)

3.5 Emerged frame of reference

In this section, we intend to graphically show the conceptualization of the theory that we will be using for answering our research questions and how it fits together with our purpose, which is “To gain a better understanding of how web sites are used in IMC” and our research questions.

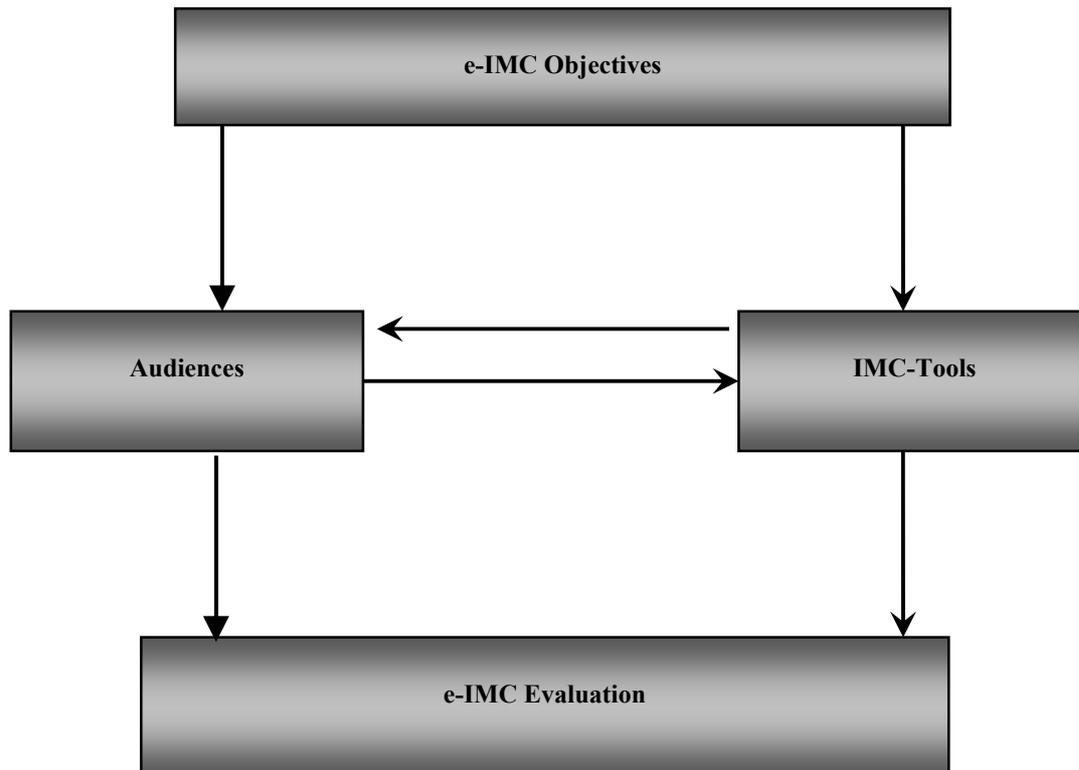


Figure 3.1 *Emerged frame of reference*

Source: Author's own construction

The model shows the logical flow of how web sites are used as a form of integrated marketing communication in our belief. The objectives with site determine the target audiences and which IMC tools that would be used on the site, in order to reach those target audiences. The whole process could then be evaluated, using various forms of measurement.

4 Methodology

In this part of our report we will present and discuss methodological issues connected to our research. Methodological considerations and choices will be stated, as well as the, research approach, purpose, sample selection, data analysis, validity and reliability as well as data collection methods.

4.1 Research purpose

According to Saunders (2000), there are three main stages in research, exploratory, descriptive and explanatory.

Exploratory

Here research is designed to allow the investigator to “look around” with respect to some phenomenon. The aim is to develop suggestive ideas. The research should be as flexible as possible and provide guidance for procedures. The focus is initially broad and becomes progressively narrow as the research progresses

Descriptive

The object of descriptive is to portray accurate profiles of persons, events or situations. It is necessary to have a clear picture of the phenomena on which you want to collect information to the data collection.

Explanatory

Studies, which establish casual relationships between variables, may be termed explanatory studies. The emphasis here is on studying a situation or a problem in order to explain the relationships between variables.

In this thesis, we are a bit of all three of these. We are exploring the use of integrated marketing communication on web sites in order to gain a deeper understanding of our research area. Describing when we discuss what the objectives are, which the target audiences are, which IMC tools that are used and how to evaluate the effect of the web site, and explaining when we are answering our research questions. However, although we have parts of all three, we are mainly descriptive.

4.2 Research approach

Depending on what kind of information that is investigated, the qualitative or quantitative method is used. The qualitative method does not strive to generalize the problem; instead, the purpose is to give a deeper understanding of the problem. (Saunders, 2000) Further, the method is flexible, and thereby, the researcher can correct possible weaknesses and incorrect formulations, and also add lacking questions. However, one weakness with this method is that it can be a problem to compare information from the different objects of study.

Qualitative investigations usually take the form of case studies or surveys, with few research objects. (Saunders, 2000) The quantitative method deals with the problem in a wider perspective, usually through large questionnaires with closed-end questions, that is, questions, which call for responses that are strictly limited. The gathered material is expressed in figures. The primary purpose of this methodological approach is to be able to generalize the gathered information. We have assumed the qualitative approach in our research, since we wanted to gain a deeper understanding of different issues regarding our research questions. (Saunders, 2000)

4.3 Research strategy

The purpose with our research was to investigate “To gain a better understanding of how web sites are used in Integrated Marketing Communication”? We then divided this research purpose into four research questions:

- What are the objectives with web sites as marketing communication tools*
- Which target audiences are used by using web sites as marketing communication tools*
- Which are the IMC- tools used with web sites as marketing communication tools*
- How is web sites used as marketing communication tool evaluated*

There exist five major strategies when it comes to research strategy; experiment, survey, archival-analysis, history and case study, which are explained further in the table below:

Table 4.1 *Relevant Situations for Different Research Strategies.*

Strategy	Form of Research Question	Requires Control of Behavioural Events?	Focuses on Contemporary Events
Experiment	How, why?	Yes	Yes
Survey	Who, what, where how many, how much?	No	Yes
Archival-analysis	Who, what, where how many, How much?	No	Yes/No
History	How, why?	No	No
Case Study	How, why?	No	Yes

Source: Yin, 2003 p. 6

Case studies means to investigate few objects thoroughly. It is the most suitable research strategy if the objective is to achieve detailed understanding about different kinds of processes in few objects. (Saunders, 2000) Since we are focusing on contemporary events and the fact that our research questions are formulated in “how”-form, a case study generally, is the most

suitable method for a problem like this one according to Yin (2003). We also believe that a multiple case study generally, is the most suitable method for a problem like this one as the validity increases with the number of cases selected and the study becomes more robust. (Ibid)

4.4 Data Collection

First, the researcher has to decide if the investigation should be based on already gathered information, that is, secondary data, or if fieldwork has to be carried out, to gather primary data. (Saunders, 2000) When conducting case studies and collecting data. There are six sources where the researcher can collect evidence, and those are: documents, archival records, interviews, direct observations, participant-observations and physical artifacts. These sources of evidence can both be strong as well as weak evidence according to Yin 2003. These types of evidence and the nature of them are displayed in the figure below this paragraph.

Table 4.2 *Six sources of evidence*

Source of evidence	Strengths	Weaknesses
<i>Documentation</i>	Stabile-can be reviewed repeatedly. Unobtrusive-not created as a result of the case study. Exact-contains exact names, references and details of an event. Broad coverage-long span of time, and many settings.	Retrieve ability-can be low biased selectivity, if collection is incomplete. Reporting-bias-reflects (unknown) bias of author. Access-may be deliberately blocked.
<i>Archival records</i>	Same as above for documentation. Precise and quantitative.	Same as above for documentation. Accessibility due to privacy reasons.
<i>Interviews</i>	Targeted-focuses directly on case study topic. Insightful-provides perceived causal inferences.	Bias due to poorly constructed questions. Response bias. Inaccuracies due to poor recall. Reflexivity-interviews gives what interviewer wants to hear
<i>Participant observation</i>	(<i>Same as above for direct observations</i>). Insightful into interpersonal behaviour and motives.	(<i>Same as above for direct observations</i>). Bias due to investigator's manipulation of events.
<i>Physical artifacts</i>	Insightful into cultural features. Insightful into technical operations.	Selectivity. Availability.

Source: Yin 2003 p.86

4.2.1 Secondary data

Saunders (2000) points out, that secondary data is data, which already has been collected by someone else, for another purpose. Statistics and reports issued by governments, trade associations, and so on, are some sources of secondary data. The annual report and the enterprise's homepage are other sources of secondary data. (Saunders, 2000)

As for secondary data in this thesis we have used the web site's of our case study companies for providing general company information in our data collection chapter.

4.2.2 Primary data

Primary data is collected directly by the researcher for a specific purpose. Two main techniques for gathering primary data exist, that is, inquiries or interviews. Either one, or a combination of both, can be used. (Saunders, 2000)

Inquiries can reach a geographically dispersed sample simultaneously, since the interviewer presence is not needed. However, the absence of the interviewer brings that the questioning process is beyond the interviewer's control, and the respondent does not have the opportunity to ask the interviewer questions. Therefore, the questions have to be standardized, and quite structured, so that the respondent does not interpret them wrongly. Problems that would have been clarified in a personal or telephone interview remain misunderstandings in an inquiry. (Saunders, 2000)

Since we wanted to ask rather complex questions, we decided that inquiries would not suit our research. Instead, we have used three interactive interviews using instant messaging programs or e-mail to gather data, combined with the usage of telephone interviews, to clarify any possible misunderstandings from the interactive interviews and to increase the reliability.

Participant observations, is where the researchers attempts to participate fully in the activities of the subject. This enables the researcher to share the experiences of their interaction with the subject selected for the study. (Saunders, 2000)

This was important to our study since it involves the subjects' web sites and how they are used in IMC. Therefore we needed the possibilities to interact with each subject's web site in order to gather data primarily for research question two and three. Further it will enhance the accuracy when the data are being analyzed.

Yin (2003) discusses the strength provided by having multiple sources of evidence. Yin portrays this evidence gathering as "triangulation" and this makes the study more reliable. We have in this thesis used "triangulation" and the sources of evidence that we have used for our data collection are, except from interviews, participant observation and in addition to this we have used documentation, which are factual information derived from the company's web site's in our study, as mentioned earlier in the chapter.

4.5 Sample selection

In order to select a sample for our case study, we have used judgmental sampling. Judgmental sampling simply means that the researcher select cases best suited to answer the research questions. This form of sample is often used when working with small samples such as in a case study research when you want to select cases that are particularly informative (Saunders, 2000).

We have then chosen to look at how the three companies TeliaSonera; AM Hultdin and Pricerunner are using web sites as a IMC tool, since that would be informative and answer our research questions in a satisfactory way. We wanted to find three companies with somewhat different background and line of business. Therefore we chose TeliaSonera, which is a larger and multinational corporation, AM Hultdin, which is a small and growing local firm in northern Sweden and finally Pricerunner which is new and solely Internet based company.

The three objects of our interactive interviews were Peter Gustafsson, of TeliaSonera, who works with customer activities, Mats Hultdin, the CEO and marketing manager of AM Hultdin and Patric Blixt marketing manager of Pricerunner. We got in touch to Peter Gustafsson and Mats Hultdin through personal acquaintances and Patric Blixt through Pricerunner's web site, where he is listed as the company's marketing manager. We believe that these three are the most suited to answer our questions, since they are in charge of the marketing function in their respective organization or directly involved in the company's web site from a marketing perspective.

The reasons for choosing TeliaSonera, AM Hultdin and Pricerunner, as case study objects were that we believe they represent a successful example of how web sites are used in IMC tools in Sweden. The reason that we voluntarily chose to look at web sites used in IMC, is because we as authors all have a personal interest in marketing and how it is communicated through Internet.

4.6 Data Analysis

Data analyses consist of examining, categorizing, and tabulating or otherwise recombine the collected data. (Yin, 2003)

There are three concurrent flows of activity in data analysis (Yin, 2003):

Data reduction: Selecting, focusing, simplifying, abstracting and transforming the data. The purpose is to organize the data so that a final conclusion could be drawn.

Data display: Taking the reduced data and display it in an organized and compressed way so those conclusions could be easily drawn.

Conclusion drawing/verification: Noting regularities, patterns, explanations, possible configurations, casual flows and propositions.

The data reduction stage of the analysis helps the researcher to make the data sharp, sorted, focused, discarded, and organized in order to be able to draw and verify conclusions. The data display is a way to organize and compress the reduced data so that it will make it easier to draw

conclusions. This phase is useful when the researcher studies more than one case, a so-called multiple case. In the conclusion drawing and verification the researcher notes regularities, patterns, explanations, possible configurations, casual flows and propositions. (Yin, 2003)

We will in this study follow these three steps in order to analyze the empirical data. The data will be reduced through a within-case analysis where the cases will be compared against the frame of reference. Further, the data will be displayed through a cross-case analysis where the cases will be compared against one another. Finally, conclusions from these analyses will be drawn based on the patterns of similarities and differences, which are discovered in the data reduction and data display. (Ibid)

4.7 Validity and reliability

4.7.1 Validity

Validity refers to how well a specific research method measures what it is supposed to measure. (Saunders, 2000). A validity problem could be if our interview guide were poorly constructed. Generally, other types of validity problems could lie in the analysis of the data and the conclusions drawn. (Saunders, 2000)

To increase validity, we have chosen to interview three companies that are using web sites as in IMC, and by comparing these against theory and against each other will increase the validity of this research. When doing the telephone interviews we used a tape recorder, because of the possibilities to go back and check the answers one more time. When doing the interactive interviews via chat or e-mail program, the interviews are saved in the history of the chat program, so that we could go back and re-check the answers given to our questions.

A possible validity problem for us is the fact that the interviews are conducted in Swedish and then are supposed to be translated to English, which could call for errors in translation that could lead to a validity problem.

More general threats to validity are the following according to Saunders (2000):

History: One may decide a particular opinion that employees have about job security in a particular organization. But if this research is done shortly after a major redundancy program this may have a misleading affect on the result.

Testing: If the interviewee believes that the result of the research may disadvantage them in some way, then it is likely that it affects the result.

Mortality: Participants in the research may drop out of the study. This causes problem for the researchers where new participants have to be looked for and work rewritten.

Ambiguity about casual directions: Poor performance could be related to negative attitudes towards appraisal.

4.7.2 Reliability

A research holds high reliability if it can be repeated. Several times and the results are the same, or almost the same. One reliability problem could be if the respondent is not suited to answer our questions properly, to eliminate that problem, we have chosen to interview the people in charge of or directly involved marketing communication and web sites within the three companies to increase the reliability of the research.

More general threats to reliability are the following according to Saunders (2000):

Subject error, timing of interviews. A questionnaire that is completed at different times of the week might result in different results. Friday afternoons might show a different picture than a Monday morning. A more neutral time of the week should be chosen, when employees may be expected to be neither on a “high” looking forward to the weekend, nor “low” with the working week in front of them.

Subject bias: The interviewees may say things that their bosses wanted them to *say*. This is mainly a problem in organizations which are characterized by an authoritarian management style or when there is a threat of employment insecurity. Elaborate steps might be taken to ensure the anonymity of respondents to questionnaires. When analyzing the data one has to ensure that the data is telling what one think they are telling.

Observer error: If to many that does the research, one can end up with many different ways to eliciting the answers that have been received. Introducing a high degree of structure to the interview schedule will lessen this threat to reliability.

Observer bias: Different approaches to interpreting the replies.

4.8 Summary

In this chapter we have stated how we conducted our research in order to best answer our research questions. In our next chapter, we will present the empirical data that we collected for our study. A graphical summary of the chapter follows on the next page.

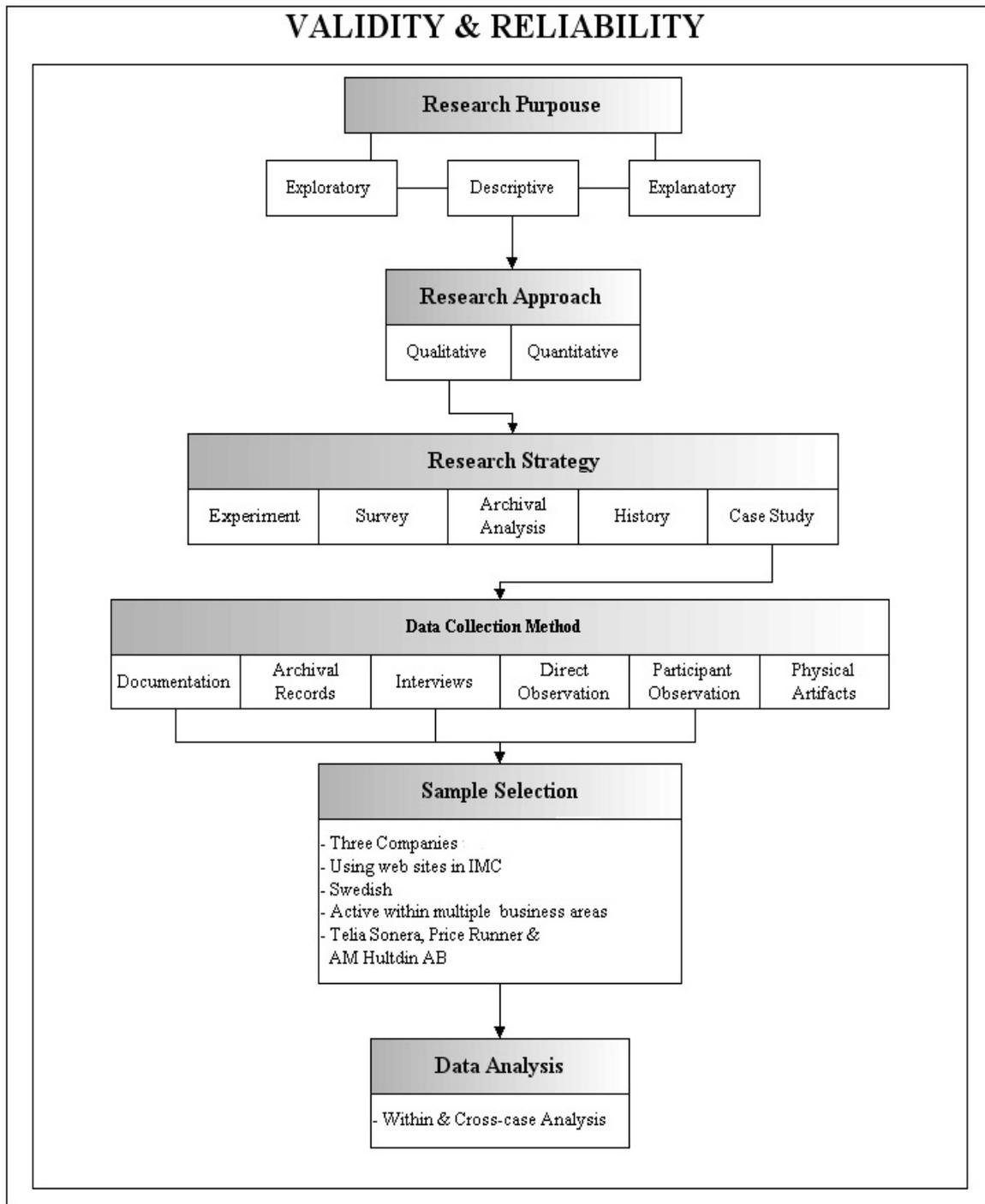


Figure 4.1 Graphical summary of Research Methodology

5 Data Presentation

In this chapter, the empirical data collected from our interviews and observations will be presented. We interviewed representatives from all three companies in our study as well as conducted observations on their respective web sites. All of the company's will be presented here, following their answers on our research questions in the order that we stated them in chapter one and in our conceptual framework.

5.1 Company information – TeliaSonera

TeliaSonera is a merger between the Swedish telecommunications company Telia and the Finnish company in the same line of business, Sonera. Previously, Telia were a company completely owned by the Swedish government and before the 1990's, it was called Televerket. TeliaSonera still operates under the brand name Telia in Sweden however.

Currently, TeliaSonera is the largest mobile operator in Sweden and Finland, the second largest operator in Norway, and the fourth largest operator in Denmark. TeliaSonera is also the largest fixed voice and data provider in the region with leading positions in Sweden and Finland and a significant position in Denmark. In Sweden, TeliaSonera has 3,7 million mobile phone subscribers out of a total market of 6,3 million people and 1,1 million Internet access customers.

Furthermore, TeliaSonera is the largest operator in the Baltic region, with consolidated mobile and fixed line operations in Lithuania, consolidated mobile operations in Latvia, and a minority interest in fixed line operation in Latvia and a minority interest in fixed line and mobile operations in Estonia. In addition, TeliaSonera has mobile subsidiaries in the emerging GSM markets of Azerbaijan, Kazakhstan, Georgia and Moldova, and associated mobile companies in Russia and Turkey.

Additionally, TeliaSonera International Carrier is the leading IP wholesaler in Europe with a 10% market share. The company is the acknowledged leader in the Nordic and Baltic regions, holds strong market positions in Russia and Eastern Europe and is considered to be one of the leading carriers in Western Europe.

TeliaSonera discovered the importance of the Internet from a marketing perspective during the mid 1990's, when their consumer emphasized web site telia.se was launched. TeliaSonera considered the Internet as a new channel for generating sales, to inform and to make their customers more self-serving, according to our respondent at TeliaSonera, Peter Gustafsson.

5.1.1 RQ 1 – Objectives

Marketing communication on the Internet has been, as mentioned before, something very important to Telia since the mid 1990's. TeliaSonera also consider the web to be a form integrated marketing communication. Our respondent, Peter Gustafsson, states the web is the cheapest way to communicate with customers. He also adds that marketing campaign's through

more conventional media, such as television, newspapers and outdoor advertising has a very short life cycle and is quite expensive.

Mr. Gustafsson says that by using web sites the consumer behavior will slowly change towards making it more “legit” for customers to purchase products and services online. Mr. Gustafsson also states advantages with web sites such as the site being available 24-7 for customers and that customer’s could avoid being stuck in telephone queues.

When it comes to more specific objectives, Mr. Gustafsson states improved customer service and generating a new and interactive channel for sales, as the most important ones. He further states the goal with Telia’s online customer service is to make it possible for the company’s customers to never call the customer service by telephone or visit the local store. Instead the web site’s aim is to make it possible for the customer do all those tasks such as ordering products, renewal and changes of subscriptions, online.

Generating sales also makes sales promotion an objective tied in to that, as TeliaSonera are conducting several sales promotion campaigns on their site in order to increase sales.

The web site also works as a tool for strengthening the company’s image, as it offers various kinds of information and also being available for the customers 24-7. Increase brand and/or product awareness is also an objective for TeliaSonera, as potential customers these days might come in contact with the company and its products for the first time through the web, which also makes reaching new target markets an objective, as they tie in to each other. TeliaSonera does not specifically state creating online communities as an objective though, since it is not considered an essential part of what TeliaSonera wants to achieve with their Internet presence.

5.1.2 RQ 2 – Target Audiences

TeliaSonera has the following web site content for the target audiences mentioned in our frame of reference:

Customers

For customers TeliaSonera offers the opportunity to participate in online auctions and they also offer training on purchased products, which is aimed mainly to business customers. They also have a vast amount of product information, regarding their own products and services as well products from other companies, such as cellular phones and DVD-players, which could be purchased at their web site. The company also has store locator on the site, where TeliaSonera’s stores from all across Sweden could be located and pinpointed to a local map.

TeliaSonera also offers their customers a wide range of customer service tools online, such as support, price listings and the opportunity for customers to handle their invoices and subscriptions as well as offering advice on Internet security.

They also have information regarding the status of their broadband service, which makes it possible for a customer to see if maintenance work is planned and if the connection is not working, when it will be back on. Through the site, people could download games to their

cellular phones, watch web-TV content or rent movies streamed to their computers. The site also offers a discount program called “Telia Fördel”, where loyal customers for instance could purchase special products to a significantly lowered price. No customer testimonials are to be found however.

Suppliers

TeliaSonera interacts with its suppliers online, but not in a way that would be visible for a visitor to any of the company’s public web sites. Instead that is taking place in an Intranet-like environment where orders are being placed and payments received. There are possible to monitor such things as product information, returned goods and to communicate directly with the various suppliers.

Employees

On TeliaSonera’s main site various employee accomplishments are being laid out in the form interviews with employees who has done something out of the ordinary, maybe working abroad as an expatriate or are working within some new technology. The site also discusses some of the benefits with working at Telia and why potential employees should chose to work there. There is also an employee directory, listing parts of the upper management of the company. Employees could also log in to an Intranet to find more internally oriented material, such as for instance training materials.

Shareholders/investors

Significant amounts of information are also offered to the company’s shareholders and investors. The site gives visitors the opportunity to look at various financial reports and SEC filings, as well as giving news about changes in the company’s management. The site also gives information about the upcoming annual shareholder meeting as well as a company activity labeled “investor day”, aimed at the company’s investors.

Media

For the media, TeliaSonera offers a searchable database of the company’s press releases and news items. Media kit material is also available in the form of newsletters and an image archive. TeliaSonera also gives journalists the opportunity to log in to an Intranet part of the site and there find even further information.

Local community

Related to local community issues, TeliaSonera has an ethics program available online, which is a basic guideline of the company is supposed to acts in ethical issues and issues concerning local communities. Local news relating to the company could be found in the media section discussed above and employment opportunities could also be found on the site, as mentioned before as well.

5.1.3 RQ 3 – IMC Tools

TeliaSonera uses the following IMC Tools online:

Advertising

TeliaSonera uses buttons that links to offers or product information and they also have various kinds of banners where they advertise their own products as well as products of other companies who has bought advertising space there through. TeliaSonera also uses electronic newsletters to customers as a form of advertising and there is also a bulletin board where users could sell and buy products. TeliaSonera also collaborates with a number of companies, providing special deals for customers, something that is visible through banners and sponsorship throughout the site. Big Java-based ads, called interstitials, are not used however.

Public Relations

As discussed earlier, TeliaSonera has a vast amount of site content that falls under the public relations category. For instance, all the press releases and content is PR-material. So are also employment information, newsletters and feedback forms. Financial reports and general company information are within the PR-category, and is extensively used, as mentioned earlier.

Sales Promotion

When it comes to sales promotion, TeliaSonera offers a tremendous amount of special offers online. For instance, customers could purchase a broadband connection or a cellular phone and get a DVD-player included. Sampling is also used, an example of that is that new cellular customers could get a hundred free MMS. Refunds and rebates are mostly used through to loyalty program “Telia Fördel”, where customers could find discounted offers based on how much money they have spent on the company’s services such as regular and cellular phones subscriptions or broadband use. Sweepstakes and contests are not used currently however and neither are coupons.

Personal selling

Customers could get personalized offers through the “Telia Fördel” program, which has been mentioned previously in this chapter. “Telia Fördel” integrates in that sense a customer database and a sales history function as well.

5.1.4 RQ 4 – Evaluation

When evaluating the effectiveness of the web site, TeliaSonera uses quantifiable tools of evaluation as well as non-quantifiable ones.

The quantifiable tools that are used consists of measuring the total hits and individual visits made of every page on the site, the amount of time the user spends on the site and on what the time is spent on, as well as measuring the sales generated online. The purpose of this from TeliaSonera’s

perspective is, according to Mr. Gustafsson, to track down the customer's online behavior and also to get feedback on which services and products that are attractive for customers at a certain time period. The amounts of e-mails received are not considered to be a good measurement tool though, since it could be difficult to estimate the relevance of that in regard to the site.

When it comes to non-quantifiable tools of measurement, TeliaSonera takes into account customer satisfaction to a high degree. Everything from layout, structure, navigation, ordering flows and what the customers expects to and wants to find on the site is constantly evaluated in order to offer a site totally in line with what the customer desires, says Mr. Gustafsson. Managerial satisfaction is not as important to TeliaSonera when evaluating the site, as that more ties into the quantifiable measurements.

5.2 Company information – Pricerunner

Kristofer Arwin and Magnus Wiberg together with Cell Ventures as financier started Pricerunner.com in July 1999. The Swedish site was launched in December 1999. Today the major owner is NewMedia SPARK, one of Europe's largest internet investors based in London. Other owners are Bonnier (the leading media company in Scandinavia), Atle (one of Sweden's leading investment companies) and TDC (formerly Tele Danmark).

Pricerunner is a pure Internet company, whose business concept is to provide consumers with easy online access to specifications and prices for a wide variety of products. Pricerunner's general goal is that after only a few minutes visiting their web site, the consumer should be in a good position to make an informed choice before making a purchase.

Pricerunner does not themselves sell any of the products they provide information on through their web site, instead Pricerunner makes its revenue on various kinds of advertising and sponsorship deals with the companies who actually sell the products listed on the site. Pricerunner does not however exclude non-paying companies from being listed on the site, but they will not get the same extra visibility in terms of exposed logos, banners or other forms of exposure as the ones who pays receives.

The company exists today with web sites in Sweden as well as in Denmark, France and Great Britain and that fact makes it possible for Pricerunner's users to compare prices across national borders on various products through one web site.

5.2.1 RQ 1 – Objectives

Our respondent, Patric Blixt, marketing manager at Pricerunner states that the web site and the Internet in general are the most important marketing tool for Pricerunner and that they try to use it in an integrated manner, since sales promotion, advertising and public relations naturally blends together on a web site. Due to the fact that company is an Internet company, it has obviously been relying on the Internet for its businesses since the start in 1999.

Being an Internet company, the primary objective of the site is to earn money for the company, which it does mainly through advertising and various sponsorship deals. In order to do that, generating awareness of the site and company is an important objective, which is why Pricerunner wants to be visible with their own banner ads on the Internet for instance. The web site is also the primary customer service and image building tools of the company and therefore company information, media service and the opportunity for visitors to provide quick feedback is of high importance as well, Mr. Blixt states. He also emphasizes that the web site should reflect the company's core values in order to give the company a coherent image. Creating communities online, which Pricerunner does with its bulletin boards and membership options is another way to build loyalty to the Pricerunner brand and is therefore also an objective.

Sales promotion is however not a main objective, which is connected to the company's business concept. However there some sales promotion activities going on from time to time on the site, which then most often is tied on the some of the company's sponsorship deals. Reaching new target markets is not mentioned as a specific objective, however our respondent states that reaching, maintaining and developing target markets, is always an ongoing process for the company.

5.2.2 RQ 2 – Target audiences

Pricerunner has the following web site content for the target audiences mentioned in our frame of reference:

Customers

Pricerunner has online events in the form of weekly contests on the site, often sponsored by a third party. The amount of product information on the site is very extensive, giving the customer everything from technical specifications to reviews from other customers. Due to the nature of the company, the site does not contain any store locators. The customer service consists of a frequently asked questions-section, a newsletter and the opportunity to contact the company. Other online activities aimed at customers include regular online polls on various topics.

Suppliers

Pricerunner has no actual suppliers in the traditional sense, since they do not purchase or sell the products that the site is listing, as mentioned earlier.

Employees

The company lists a directory of their key personal on the site and they also provide section with general company information. Pricerunner also uses the web site for recruitment of new personal. Any information on employee accomplishments does not exist however.

Shareholders/investors

Aside from new about changes in management, Pricerunner does not have any content aimed for shareholders and/or investors. A reason for that according to our respondent is that Pricerunner is not a publicly owned company and therefore it does not feel the need to leave such information to the public through the web site.

Media

Pricerunner offers a significant amount of press releases online as well as links to external articles where the company is mentioned and general company information is also given. Special media kit material is not provided however.

Local community

Since Pricerunner is, as mentioned earlier in this chapter, solely an Internet company, it has no ties to any local communities in the society and consequently no online content on the web site aimed at that particular target audience.

5.2.3 RQ 3 – IMC Tools

Pricerunner uses the following IMC Tools online:

Advertising

Banner ads are used extensively across the site as well as various buttons, which link the user to product information for instance. Pricerunner also uses a newsletter as a form of advertising and the site also has a very active bulletin board, which is used for text-based advertising. As brought up earlier, Pricerunner makes money on various sponsorship deals, which often takes the form of banner ads and special offers from various third party companies on the site. Interstitial ads are not used however.

Public Relations

As previously discussed, Pricerunner has a wide range of press releases available online, as well as employment information and feedback forms for communication with the company. The links to external online articles to show the company's publicity is also a Public Relations feature that are used.

Sales Promotion

Special offers on various products are provided through the sponsorship advertising discussed earlier in the chapter. The site also offers weekly contests, which are also often tied into a sponsorship arrangement. Other than that, the site does not offer any in relation to sales promotion, which again is much due to the company's business concept.

Personal selling

A customer has the option to become a member of Pricerunner, and that list of members could then be used as a customer database, upon which personalized offers could be delivered from third party companies and by this, it is also possible to log a sales history.

5.2.4 RQ 4 – Evaluation

Pricerunner are using several forms of quantifiable measurement tools. Statistics on the amount of hits and visitors are collected, as well as on how much time they spend on the site and what pages they enter, the activities they participate in and which products that are attractive to them. The purpose of this is to see what the visitors find attractive and the site and what that is not. This is accomplished through an advanced user tracking system developed in the United Kingdom, which our respondent values highly. Since all the money the company makes is fundamentally derived from the web site, which is a measurement tool as well.

Although Pricerunner values customer feedback, the amount of received e-mails is not considered to be a good measurement tool of the site's effectiveness. Our respondent says that the contents of e-mails are more important than the actual number of messages.

When it comes to non-quantifiable measurement tools, Pricerunner values customer satisfaction highly, since the site's fundamental aim is to make things easier for people comparing prices and buying various products and if those people are satisfied with Pricerunner's service, the company has succeeded says our respondent. Management satisfaction is not very important in this sense, as such satisfaction derives more from the quantifiable goals with the site.

5.3 Company information- AM Hultdin AB

The two brothers Anders and Mats Hultdin started the company in 1989. The name of the company was designed by taking the first letter in the founders name Anders and Mats in combination by their last name "Hultdin" ended up in the company name AM Hultdin. Despite the fact that the younger brother Mats was only 17 years old at the time, their objectives was very clear from the start, as their statement on their web site says " With ambitions and clear objectives nothing is impossible".

The thing that makes the brothers strive forward is there fighting spirit and their conviction that nothing is impossible. It is possible to see the further which is a spirit within the company that have made it possible to stay competitive in the rapidly changing computer reseller business. Throughout the years the company has grown and developed, but one thing that makes AM Hultdin a competitive company according to the founders, is the personal touch and commitment in every project that all of the personnel are involved with.

AM Hultdin AB has their home office located in the north of Sweden in a small town called Malå. The company has also has two other offices both located in the north of Sweden, one in Skellefteå and the other located in Umeå. There are a total of 13 employees within the company,

and a annual turnover of about 50 million Swedish crowns. The business is divided into two areas. The first area is development of IT solutions in Skellefteå. The second area involves selling of computer products in Malå and Umeå. This gives the company a competitive edge, because of the possibility to be a sole supplier to a project, which is needed and appreciated, since their customers are larger organizations and small and medium sized companies throughout the northern part of Sweden.

For about five years the company started to look for solutions to handle the fast changing business. They found a solution by using the Internet as a tool in the daily work. At first it included finding out prices and status of their suppliers, which made their work a lot easier and precise. Today the Internet has become such large part of the company's daily routine that they could not survive without it, according to our respondent Mats Hultdin CEO at AM Hultdin AB. The company also started to use the Internet as a integrated marketing communication tool for about five years ago, but in the last two years it has been taken more seriously.

Furthermore they have made a five-year plan for how to use the Internet, both more time and funds will be spent to develop their site as an Integrated Marketing Communication tool (IMC tool). This is Important because the current and new customers need to be able to reach the company easier by using their web site as a portal, due to the fact that the company is in a remote area of the north part of Sweden.

5.3. 1 RQ 1- Objectives

The company has clear objectives regarding their web site. The objective by using the web site as a tool for selling more products is to increase their turnover from the web site to 200 million Swedish crowns. However they do not have any specific objectives regarding marketing. They are trying to adapt to the changes by looking at what their competitors are up to. Another marketing communication objective that they have is to be able to spread information about new products and other news regarding the company swiftly and more easily, to current and new customers within their target markets. By doing so AM Hultdin AB is focusing their web site to strengthening their brand and building trust within their business. And due to the fact that the company is in a remote area of the north part of Sweden, increase the awareness of the company is an important objective as well.

The company is also constantly on the lookout for new prospects manly companies and large organizations, which makes their web site an important tool. Sales promotion is not an objective, although it is used on the site. Communities are not present on the site and neither is it an objective.

AM Hultdin AB consider their web site to be an IMC tool, since every marketing material that are produced is first produced onto the web site, and thereafter if needed printed out as print advertising. The main idea for producing their marketing material in this way is the fast changing environments in the computer wholesaler business.

5.3.2 RQ 2- Target audiences

AM Hultdin has the following web site content for the target audiences mentioned in our frame of reference:

Customers

On the web site that the company has there is some site content for customers. In the sector regarding education AM Hultdin AB as provided some brochure ware for the customers to be able to see if it is of importance for there company. They are also giving out information about products at the web shop. In order for the customers to find out the location of the company, AM Hultdin AB has provided the site with directions how to get to the different offices, they have also provided the customers with information regarding customer service such as guaranties, freight costs and how to contact a computer technician. To further enhance their good service, they have got some good testimonials from their major business to business customers.

Suppliers

AM Hultdin AB is also using the web site to communicate with their suppliers. They have a special part of the side that deals with the suppliers, and they are using to buy products. This has improved their service since they can see the status of the supplier's stockpile. They are also using The Internet to be able to communicate more easily through mail with their suppliers. Another large improvement is the way to finding out information about products through the Internet, which has become much faster since they do not need to wait for their suppliers to send up printed product information. Finally every thing that has to do with payments, invoice, receiving complaints number and handling of complaints is done through the Internet.

Employees

The site content also displays information about every employee within the company; this is handled under the section of site content for employees. It also shows the employee directory for every employee within the company. However they do not display anything regarding benefits of employee or training materials.

Shareholders/investors

AM Hultdin AB has their bookkeeping hired and handled through communication with an entrepreneur, and this is the only way that they communicate with there shareholders and investors. They can however see the report from the entrepreneur in a graphical way. However onto the web site they have displayed a little information about management changes and other company activities.

Media

Regarding the media section of the web site, AM Hultdin AB has provided some information about news within the company, but not in the form of press releases and no press kit for the

media to use. However they have good information about how to come in contact to an employee within the company.

Local community

AM Hultdin AB has no such section onto the web site and are not displaying any types of content for local communities such as social programs, local news relating to firm and or employment opportunities.

5.3.3 RQ 3- IMC tools

AM Hultdin uses the following IMC Tools online:

Advertising

The respondent Mats Hultdin CEO of AM Hultdin AB considered their web site to be an IMC tool and they use the site to produce marketing information and display it onto the web site. Regarding advertising does the web site have banners that contain product names of some of the suppliers. The banners are displayed in the web shop sector; this sector does also provide clickable buttons, which also direct the customers to advertising information. They also provide weekly information about news and new products through email to the customer that signs up for receiving it. The site also contains information of sponsorship. However the web site does not contain anything regarding bulletin boards or interstitials.

Public Relations

In order to enhance there public relation AM Hultdin AB are providing the customers with feedback forms onto the web site for the customers to fill out. This gives AM Hultdin AB a chance to enhance their service according to the respondent. In order to further enhance this they are using a form of instant feedback in the form of email correspondents, which they are extremely quick to answer. They do not have any press releaser displayed onto the web site as mentioned earlier. The company does not provide employment information about what to expect when working within the company they does not have any other form of public relation tools either.

Sales Promotion

The web site does have some form of sales promotion. The sales promotions that are used are refunds and rebates for their business to business customers. This is however not displayed directly onto the web site; the customers need to receive a username and password in order to log on to the restricted area of the web shop. The other forms of sales promotion that are used is special offers. To gain information about the special offer the customer needs to click the banners with the sponsored company's logo on, the banners are situated in the web shop section. Customers are then directed to the special offer or offers. The company does not use any form of coupons or product sampling onto the web site, they does not provide the customers with contests or sweepstakes.

Personal selling

Another IMC tool that is used within the company and used through internet is personal selling. The company uses a customer database internally in order to more easily customize there needs. The offers that are made by the sales representatives are highly personalized since the customer tell the sales representative what he or she needs. The offers are then customized after the customers' request, and then the offer is sent by mail to the customer. These types of offers are used in both business to business as well as in business to consumer segment. To be able to see what the customers has bought in the past; the company logs everything internally in the sales history section of their system.

5.3.4 RQ 4- Evaluation

AM Hultdin AB does not use any type of program or instrument to measure the effectiveness of their web site as an IMC tool, neither quantifiable or non-quantifiable measurements are used. But the respondent Mats Hultdin says that they are planning to implement some measurements in the future, but at the moment their resources are prioritized to other areas within the company.

5.5 Summary

In this chapter we have presented our empirical data, collected from our two interviews. In the next chapter we will compare the data with our conceptual framework and then conduct a within case analysis as well as an cross-case analysis of each of our research questions.

6 Data Analysis

In this chapter we will analyze our collected data, utilizing a within case-analysis for each of our four research questions, followed by cross-case analysis. For conducting the within case-analysis, the data collected will be compared to the theories brought up in our conceptual framework in chapter three of the thesis and in the cross-case analysis, the cases will be compared to each other as well.

6.1 Within-case analysis –objectives

Regarding the objectives with web sites as marketing communication tools, we combined the objectives used by Cormier (1999), Brassington-Pettit (2000), Ainscough and Luckett (1996), Wen, Chen and Wang (2001) and MacNaughton (2001) for our conceptual framework. Those objectives that are stated by these authors correspond well to our research question, since they summarize the most common objectives of web sites as marketing communication tools. The authors are basically bringing up the same objectives, although the phrasing of them might differ.

The main objectives are the following: reaching new target markets, customer service, image building and public relations, generate brand and/or product awareness, generate direct revenue of the site and sales promotion. We also used the theory of creating virtual communities on web sites, based on the theory provided by McWilliam (2000) in our conceptual framework.

6.1.1 TeliaSonera

In our first case, TeliaSonera, we discovered that customer service were the most important objective, closely followed by generating sales, image building, reaching new target markets and increase awareness, all of that in line with our theories for this research question.

Building communities was not stated as a specific objective by TeliaSonera and neither were sales promotion, as they were perceived as being tied in to respectively image building and generate revenue, which then contradicts our conceptual framework.

6.1.2 Pricerunner

Pricerunner, which is our second case, rated generating sales, improve image, creating communities, increase awareness and customer service as the important objectives, in line with theory. Reaching new target markets was not a specific web site objective, but instead more of general process for the whole company, which does not really comply with our theory. Also not in line with theory, was that sales promotion is not regarded as an objective, although such activities are a big part of the site on occasion but that is more tied in to other issues, such as sponsorships and advertising, according to our respondent.

6.1.3 AM Hultdin

With our third case, AM Hultdin, it was discovered that generating sales was by far the most important objective, as they set a specific goal on the amount of money the web site should increase the company's turnover. That objective was followed by image building and reaching new target markets. All of these objectives are in accordance to our theories used. Customer service was not stated as an objective and neither was building communities or sales promotion, which all contradicts the theory in our conceptual framework. Customer service features and sales promotion exists on the site, although our respondent does not consider them as specific objectives. In accordance to theory, the company rates increase awareness as an objective, specially considering the fact that the company is located in a rather remote part of Sweden.

6.2 Cross-case analysis –objectives

In order to summarize our analysis for this research question, we will be using a table in form of a matrix to conduct our cross-case analysis, where data form all our three cases. The matrix will show the theory stated compared to data derived from our three case studies:

Table: 6.2

Objectives	TeliaSonera	Pricerunner	AM Hultdin
<i>Increase awareness</i>	++	++	++
<i>Image building</i>	++	++	++
<i>Customer service</i>	++	++	+-
<i>Reaching target markets</i>	++	+-	++
<i>Generate revenue</i>	++	++	++
<i>Build communities</i>	+-	++	+-
<i>Sales promotion</i>	+-	+-	+-

The key for the used coding in the matrix is the following:

- ++ Important both in theory and for the respondent
- +- Important in theory but not for the respondent
- + Important for the respondent but not in theory
- Important neither in theory nor for the respondent

This coding was developed as it matched to the responses given during our data collection. The same coding will be used in our cross-case analysis for all of our research questions.

As could be seen in the matrix, the companies in our study shares most of the objectives and are generally very much in line with the theories in our conceptual framework. There are some differences however. AM Hultdin does not value customer service very high in terms of objectives and Pricerunner, although it acknowledges that is important, does not state reaching new target markets as a specific objective. Only Pricerunner feels that it is an important marketing objective to create communities for the users on their web site, as it strengthens brand

loyalty and customer satisfaction according to our respondent at Pricerunner, which is a statement in accordance to theory.

Neither of the companies feels that sales promotion by itself is an objective of any importance, although all of them use sales promotion activities to a varying degree on their respective web sites. Neither do any of the companies have an objective that is not brought up in our theories.

6.3 Within case analysis- target audiences

In our conceptual framework, Strauss and Raymond (1999), lists seven target audiences that can be reached from an Internet perspective. These audiences are customers, employees, suppliers, investors/shareholders, media, and local communities. This theory is the most comprehensive regarding the use of Internet as a tool in order to reach target audiences.

6.3.1 TeliaSonera

Of those target audiences mentioned above, TeliaSonera feels that they need to supply their customers with a wide range of offers and online tools to suite their customers needs, by doing so the company is more likely to reach the target audience. One thing that contradicts the theory by Strauss and Raymond (1999) is that the company does not feel that it is important to show testimonials from their customers. To be able to communicate more properly to the employees the company uses an Intranet, furthermore it is important for them to display to the potential employees what to expect when working within the company. By showing employee interviews on the web site they are more likely to enhance the possibility to reach the employee target audience. The Intranet is also used to communicate with the supplier target audience; this has become important for the company since it speeds up the communication process. Regarding the communication with the investors and the shareholders, TeliaSonera offers financial reports, SEC filings, and news regarding the company. By communicating in this manner the company feels that they are reaching the investors and shareholders, this is also inline with the theory by Strauss and Raymond (1999).

In order to reach and communicate with the media target audience, TeliaSonera offers a searchable database of the company's press releases, other information are given to the media in form of media kits, some journalists are given the opportunity to log on to a special part in the company's Intranet, that includes information to the media. This will enhance the possibility to reach the media target audience; this is entirely inline with the theory given by Strauss and Raymond (1999). The final target audience that the company needs to reach is the local communities. TeliaSonera does so by displaying their ethics program online, this enables them to communicate with the local communities. It is also inline with what the theory by Strauss and Raymond (1999) states.

6.3.2 Pricerunner

Pricerunner is relying fully on the Internet when striving to reach target audiences. When trying to communicate with the customers they are using information, weekly contests, online polls, weekly newsletters in the form of email and they also answer frequently asked questions. This is

a good way for the company to reach the customer target audience, and it is also inline with what the theory by Strauss and Raymond (1999) states. Pricerunner does not communicate with their suppliers, since they do not have any. However they do communicate with the employee target audience. Directory of key personnel and company information is stated on the web site. The company uses the web site to find new employees. This is also what the theory by Strauss and Raymond (1999) states.

Pricerunner does not communicate and trying to reach the shareholder and investor target audience, since Pricerunner is not a publicly owned company and therefore it does not feel the need to leave such information to the public through the web site. This is however not what the theory by Strauss and Raymond (1999) states. For reaching the media target audience, which the company consider to be important, they offers an extensive amount of online press releases as well as external links to articles, which is inline with the theory by Strauss and Raymond (1999). The company does however not feel that it is important to supply media kits, as well as communicate with the local communities target audience, because of the fact that they are solely an Internet company. This is however a contradiction to the theory by Strauss and Raymond (1999).

6.3.3 AM Hultdin

AM Hultdin is trying very hard to reach the customer target audience, by giving out a various extent of information to their customers. The information supplied on the web site contains information about new products, store locators, guarantees and customer testimonials. By doing so they are reaching their customer target audience, and it is inline with the theory by Strauss and Raymond (1999). To reach the supplier target audience the company uses several of online communication tools such as; communicating through email, finding product information, placing orders directly into the suppliers system and finding out status of the supplier's stock pile. This is also aligned with the theory stated earlier in this paragraph.

In order for AM Hultdin to reach the employee target audience the company supplies employee directory on the web site, which is inline with theory, but the company is not using the Internet to find new employees or displaying information on how it is to work at the company, which is not aligned with theory. The only way the company is trying to communicate with the investors and shareholders is by sending their book keeping online to an outside entrepreneur. This is not fully aligned with the theory stated by Strauss and Raymond (1999). AM Hultdin has provided some information to the media target audience, in the form of news about the company and they do not communicate with the local community either, which contradicts the theory by Strauss and Raymond (1999).

6.4 Cross-case analysis- target audiences

In order to summarize our cross case analysis for this research question, we will be using a table in form of a matrix. The matrix will show the theory stated compared to data derived from our participant observations and interviews of the three cases in our multiple case studies:

Table: 6.4

Theory-Reaching Target audience	TeliaSonnera	Pricerunner	AM Hultdin
Customers			
<i>Online events</i>	++	+-	+-
<i>Brochure ware</i>	++	+-	+-
<i>Product information</i>	++	++	++
<i>Store locators</i>	++	+-	++
<i>Testimonials</i>	++	+-	++
<i>Customer service</i>	++	++	++
<i>Activities</i>	++	+-	+-
Suppliers			
<i>New product information</i>	++	+-	++
<i>Company news</i>	++	+-	++
Employees			
<i>Accomplishments</i>	++	+-	++
<i>Benefits</i>	++	+-	+-
<i>Directory</i>	++	++	++
<i>Company information</i>	++	++	++
<i>Training materials</i>	++	+-	+-
Shareholders/investors			
<i>Financial reports</i>	++	+-	+-
<i>SEC filings</i>	++	+-	+-
<i>Management changes</i>	++	+-	++
<i>Company activities</i>	++	+-	++
Media			
<i>Press releases/news</i>	++	++	++
<i>Media kit material</i>	++	+-	+-
<i>Contact information</i>	++	++	++
Local community			
<i>Social programs</i>	++	+-	+-
<i>Local news relating to firm</i>	++	+-	+-
<i>Employment opportunities</i>	++	+-	+-

As could be seen in the matrix, the companies in our study share some of the factors regarding reaching target audiences. The factors shared and are generally very much in line with the theories in our conceptual framework. There are some differences however. TeliaSonera uses almost everything that we have brought up in the conceptual framework, but the smaller companies use less of the factors. AM Hultdin and TeliaSonera are keener on communicating and reaching customers than Pricerunner. Furthermore, the data presented in the matrix does also show that the two web sites used in selling products are more similar in regards to communication with their suppliers.

However, Pricerunner and AM Hultdin are using less communication with their employees than TeliaSonera. The online communication with the shareholders/investors is not very important for Pricerunner and AM Hultdin, but of great importance for TeliaSonera. Furthermore, AM Hultdin shares some of the same factors that TeliaSonera uses to reach shareholders/Investors. Pricerunner does not put any effort to communicate with their shareholders/investors. In order to reach the last two target audiences media and local communities TeliaSonera uses all factors but AM Hultdin and Pricerunner are exactly similar. However, the importance to reach target audiences seems to be more interesting for AM Hultdin and TeliaSonera since the data displayed shows that they are putting in more effort to be able to reach their target audiences, then Pricerunner.

The fact that TeliaSonera is a larger company is shown by the fact that they are communicating with more of the target audiences than the smaller companies. This is also the fact according to theory.

6.5 Within-case analysis- IMC tools

In the conceptual framework we have relied mainly, on Strauss and Raymond (1999) theory about IMC tools. This theory consists of how to conduct advertising, Public relations and sales promotions online. Regarding personal selling online we have relied on the theory stated by Brassington Pettit (1999).

6.5.1 TeliaSonera

TeliaSonera uses many types of online advertising such as: banners, buttons, bulletin boards, online news letters for products, and advertising space on their web site for suppliers. Other important advertising online is the possibilities for companies to use sponsorship at the company's web site; these sponsorship online ads are in the form of banners. This is aligned with the theory stated by Strauss and Raymond (1999). However, big interstitials are not used which is a contradiction to theory.

For enhancing the company image, TeliaSonera has a vast amount of public relations such as: press releases, employment information, newsletters, feedback forms, financial reports and company information. According to the company, one of the most important public relations tool online is their display of commitment to the local communities which is an ethics program. This is fully aligned with the theory by Strauss and Raymond (1999).

To increase their sales TeliaSonera offers a lot of online sales promotion such as: the ability to buy one product and receive another product included in the price, they also offers free training on the product bought. Another way for the company to offer sales promotion is to use refunds and rebates in their loyalty program. This is fully aligned with theory by Strauss and Raymond (1999), but they are not aligning to the theory when it comes to offer contests and sweepstakes. TeliaSonera offers the possibilities to personalized offers online through their loyalty program, which is integrated with their customer and sales history system. This is not entirely aligned with the theory by Brassington and Pettit (1999).

6.5.2 Pricerunner

Pricerunner uses online advertising on the web site such as banner ads, buttons, newsletter, and bulletin boards, which are used as text-based advertising. Other form of online advertising that the company relies on is sponsorship. This is aligned with the theory by Strauss and Raymond (1999), but the company is not using interstitials which contradicts theory. The online tools used by Pricerunner regarding public relations are press releases, feedback forms and employment information, which is aligned with theory. However the company does not display any form of financial reports and local community programs which contradicts the theory stated by Strauss and Raymond (1999).

The sponsorship advertising provides online sales promotion is offered in the form of special offers on various products. The site also offers weekly contests, which are also often tied into a sponsorship arrangement, which is aligned with the theory by Strauss and Raymond (1999). However the company does not offer any free gifts, refunds rebates or sweepstakes, which contradicts the theory. Online personal selling is not used as extensive at Pricerunner. However, a customer has the option to become a member of Pricerunner, and that list of members could then be used as a customer database, upon which personalized offers could be delivered from third party companies. This is not aligned with the theory by Brassington and Pettit (1999), since Pricerunner does not provide personalized offers by them selves.

6.5.3 AM Hultdin

On the company web site AM Hultdin supplies online advertising such as: banners, clickable buttons, sponsorship information, testimonials from their business to business customers and product information. The company does also provide weekly product news by sending out email. This is aligned with the theory by Strauss and Raymond (1999). However, interstitials and bulletin boards are not included in the company's online advertising, and that is a contradiction to the theory. AM Hultdin does not provide a great deal of online public relations. The company are conducting their online public relations by using feedback forms an instant communication, through email, this two points are aligned with the theory, but the company does not provide press releases, brochure ware and employment information on the web site, which contradicts the theory by Strauss and Raymond (1999).

Regarding online sells promotion the AM Hultdin is using refunds and rebates for their business to business customers. They are also using special offers, by clicking on a banner the customer will find out the contents of the special offer. This is what the theory by Strauss and Raymond (1999) states. What contradicts the theory are the fact that the company does not use coupons, sampling and sweepstakes/contests. Personal selling online is used very much within the company. AM Hultdin is using all of the factors that the theory by Strauss and Raymond (1999) has stated. This means that they are using a customer database and sales history internally. From those two, the employees at the company can develop highly personalized offers.

6.6 Cross-case analysis -IMC tools

In order to summarize our cross case analysis for this research question, we will be using a table in form of a matrix. The matrix will show the theory stated compared to data derived from our participant observations and interviews of the three cases in our multiple case studies:

Table: 6.6

Theory-Reaching Target audience	TeliaSonera	Pricerunner	AM Hultdin
Advertising			
<i>Banners</i>	++	++	++
<i>Buttons</i>	++	++	++
<i>Interstitials</i>	+-	+-	+-
<i>E-mail</i>	++	++	++
<i>Bulletin boards</i>	++	+-	+-
<i>Sponsorships</i>	++	++	++
Public relations			
<i>Brochure ware</i>	++	+-	+-
<i>Feedback forms</i>	++	+-	++
<i>Instant communication</i>	+-	+-	++
<i>Press releases</i>	++	++	+-
<i>Employment information</i>	++	++	+-
Sales promotion			
<i>Coupons</i>	+-	+-	+-
<i>Sampling</i>	++	+-	+-
<i>Sweepstakes/contests</i>	++	++	+-
<i>Refunds/rebates</i>	++	+-	++
<i>Special offers</i>	++	+-	++
Personal selling			
<i>Customer database</i>	++	++	++
<i>Personalized offers</i>	++	+-	++
<i>Sales history</i>	++	+-	++

The data displayed in the matrix shows that the companies in our study share some of the IMC tools used on their web sites. The IMC tools shared and are generally very much in order with the theories in our conceptual framework. There are some differences however. TeliaSonera uses more of the IMC tools brought up in our conceptual framework. The only IMC tools not used are interstitials, instant communication and coupons. However, none of the companies uses interstitials or coupons. Regarding advertising as an IMC tool the similarity between AM Hultdin AB and Pricerunner are almost exact, but it differs when it comes to the use of public relations as an IMC tool. It seems like the two smaller companies are using the same amount of IMC tools, but it differs in the form of tools used. The same goes for the use of sales promotion as an IMC tool. However, the use of personal selling as an IMC tool, AM Hultdin and TeliaSonera uses the same tools, and Pricerunner does not use as much personal selling as an IMC tool as the other companies do.

Almost every IMC tool that we have brought up in the conceptual framework except interstitials and coupons are used, but the smaller companies use less of the IMC tools.

6.7 Within-case analysis –evaluation

To answer our research question about effect measurement, we decided in our conceptual framework to be relying on Lindström's and Andersen's theory from 1999 for the quantifiable measurements, which are using the following methods:

The numbers of repeat visits, the number of minutes spent by the user, the number of minutes the visitor spends on average on the main activities of the web site, the number of individual visitors, the user's behavior at the web site, the number of e-mails received from customers and the web site's sales and income.

We also used Huizingh (2000), when it comes to non-quantifiable measurements. Huizingh discusses customer satisfaction and manager satisfaction as the most essential non-quantifiable measurements.

6.7.1 TeliaSonera

The quantifiable tools that are used at TeliaSonera, our first case, consists of measuring the total hits and individual visits made of every page on the site, the amount of time the user spends on the site and on what the time is spent on, as well as measuring the sales generated online. Tools that are in line with Lindström's and Andersen's theory. The number of e-mails are however not a measurement tool, which contradicts the theory. The sales and income derived from the site is also used as a measurement tool, in line with theory.

Customer satisfaction is an important non-quantifiable tool for TeliaSonera, while management satisfaction is not as important since it ties in to other things as well, as discussed in our previous chapter.

6.7.2 Pricerunner

Pricerunner uses statistics on the amount of hits and visitors are collected, as well as on how much time they spend on the site and what pages they enter, the activities they participate in and which products that are attractive to them, as measurement tools. Sales and income are also very important for them to monitor. All of this is in accordance to our conceptual framework. In contradiction to theory, Pricerunner does not regard the number of e-mails as a very relevant measurement tool.

Developing and maintaining a site in line with the customer's needs and expectations are essential for Pricerunner and therefore customer satisfaction is an important non-quantifiable tool for them. Management satisfaction is not important as a measurement tool however, which is not in accordance with theory.

6.7.3 AM Hultdin

In our third case, AM Hultdin, no form of evaluation is used, neither quantifiable nor non-quantifiable, which obviously is not in accordance with our conceptual framework.

6.8 Cross-case analysis –evaluation

In order to summarize our analysis for this research question, we will be using a table in form of a matrix to conduct our cross-case analysis, where data form all our three cases. The matrix will show the theory stated compared to data derived from our three case studies:

Table: 6.8

Measurement	TeliaSonera	Pricerunner	AM Hultdin
Quantifiable			
<i>Repeat visits</i>	++	++	+-
<i>Minutes spent</i>	++	++	+-
<i>Time spent on main activities</i>	++	++	+-
<i>Number of visitors</i>	++	++	+-
<i>User behavior</i>	++	++	+-
<i>Number of e-mails</i>	+-	+-	+-
<i>Sales and income</i>	++	++	+-
Non-quantifiable			
<i>Customer satisfaction</i>	++	++	+-
<i>Management satisfaction</i>	+-	+-	+-

The matrix shows that TeliaSonera and Pricerunner are fundamentally using the exact same measurement tools to evaluate their web sites and both is generally very much in line with theory as well. Neither of them considers the number of e-mails as something that should be used as a measurement tool and neither do they think management satisfaction is very relevant, as that variable ties in to many other issues.

AM Hultdin has generating revenue as an objective with their Internet presence, which has been discussed earlier in this chapter. Despite that they do not even use that as a measurement tool, neither do they use any other tools at all. As mentioned earlier in this thesis, they are however planning to implement a system for evaluating the web site.

6.9 Summary

In this chapter we have analyzed the collected data, by comparing it to existing theory in a within-case analysis and then used cross-case analysis to compare the cases to each other. The following chapter will contain our own findings and conclusions of the research, as well as implications for management, theory and suggestions for further research.

7 Findings and Conclusions

In this chapter we will present our findings and conclusions from our research in the order of our four research questions. We will also present the implications of our research for management, theory and future research.

7.1 How can the objectives with marketing communication on the web be described?

In regard to this research question, our research indicates that the size of the company is tied in to the number of objectives as well as how well defined those objectives are. In our research, the larger the company is, the more objectives tend to be used and used in a more well-defined manner. Although the difference is not a major one, it is still quite obvious.

The objectives of generating revenue through the web site and image building are considered the major objectives in all our three cases. Generating revenue online is obviously the absolute overall top priority for an Internet company, since such a company generally has no business and means to make money outside the Internet.

Traditional companies in our study sees the Internet as new platform of generating revenue, which complements the existing platforms and in the future might even replace them, at least to some extent.

Reaching new target markets, customer service and awareness are also important in all or most of our cases to a varying degree. A tendency here is that small companies tend to emphasize customer service less than others. Sales promotion is not an objective for any of the companies in our study and online communities seems to be more important in pure Internet companies, than in traditional ones. That is due to that their whole customer base is online and communities are an efficient way to let them communicate with themselves and with the company, in order to strengthen the brand.

In conclusion, we have found these objectives to be the primary ones in our research, since they are considered to be the most important by all the companies in our study:

- Generating revenue
- Image building

Aside from the objectives mentioned above, we have found these ones to be secondary objectives, since they are important, but to a varying degree and not for all the companies in the study:

- Customer service is important for larger companies and Internet companies.
- Reaching new target markets are important for all the companies, but primarily for those who sell physical products online.

- Awareness is an important objective for all the companies, but to a lesser extent than generating revenue and image building.
- Online communities are important for internet companies, but not for traditional companies, regardless of size.

7.2 How can the web site's target audiences be described?

After analyzing our data we can conclude that there are some differences on how the companies try to reach and communicate with their target audiences. The most obvious information the data have given us, is the fact that if the company is large it needs to reach and communicate with a larger amount of target audiences. Furthermore, the larger company needs to spend a larger amount of resources to be able to reach their target audiences. The two smaller companies are not trying to reach the same amount of target audiences since they do not need to reach and communicate with shareholders/investors.

This shows that the state of the ownership of the companies has effect on the need to reach and communicate with the shareholder/investor target audience. Furthermore, the two smaller companies do have the same responsibilities to the local communities, which are shown by the fact that they have almost not considered this target audience. However, the larger company communicates with that target audience, since it needs to maintain its image in various ways. The development of the ethic program used is one example of how the larger company is trying to communicate and reach the local community target audience.

Other findings show that all three companies within this research consider the customer target audience as the most important to reach and communicate with. Furthermore, all three companies are interested in putting more effort into the communication with the customer target audience since it can be tied to increased image and revenues. The second most important target audience to communicate with is the media. The fact that two of the companies supplies large amount of information for the media to use, shows that they are very keen on reaching and communicate with the media target audience.

One other thing that shows in the research is the fact that the two companies that uses their web site as tool for selling products, does also communicate with the supplier target audience, which the third company does not do, since it does not have any suppliers in that sense.

In conclusion these are the most important issues regarding reaching target audiences.

- The amount of target audiences needed to be reached, depends on the size of the company. The larger size of the company, the larger amount of target audiences to reach and to communicate with.

- The state of the ownership of the companies affects the target audiences that it wants to reach. The shareholder audience is for instance more important to publicly owned companies than for private ones.
- The most important target audience to reach for all companies within this research is the customer target audience.
- The second most important target audience to reach is the media target audience.
- Larger companies have a greater concern for ethical issues and interaction with local communities than smaller companies.

7.3 How can the integrated marketing communication tools used on web sites be described?

The data that is displayed shows that all three of the companies are using IMC tools on their web site. Furthermore, all three companies are considering their web site to be an IMC tool. The one thing that affects the amount of IMC tools used upon the companies web sites, is the amount of target audiences that they need to communicate with. This lead to the fact that the larger a company is the more of IMC tools used. The largest company within our research needs to use more IMC tools on their web site. The larger company is using almost every IMC tool stated in the conceptual framework. This shows that they need to spend more resources on their web site than the two smaller companies. However the smaller companies are not using a specific model when it comes to the use of IMC tools. They are using the tools which will make their day to day work more easy and efficient.

The use and frequency of certain IMC tools such as public relations, is also an evidence of the size of the target audiences and the size of the company. The smaller company does not need to use the same amount of public relations on their web sites since they do not have the same amount of target audiences. Furthermore, the smaller companies are keener on using the same IMC tools as their competitors use. Also to be concluded is that the more IMC tools used on the site, the more integrated it becomes.

The two companies that are using their web site for selling purpose are more alike since they need to advertise and use more sells promotion to increase revenues. However there are differences between these two companies as well and it is the amount of IMC tools used as described earlier in the paragraph above. An example of these differences is the use of the rebate system that the larger company supplies for their customers, which shows that they have more resources than the smaller company.

Almost everything that has been brought up in the conceptual framework has been used at various times, of the companies in our research. However, interstitials and coupons are things that neither of the companies has used.

In conclusion these are the most important issues regarding IMC tools used.

- The size of the company affects the amount of IMC tools used on the company's web sites. The larger company, the more tools tends to be used.
- The frequency within each area of the IMC tools used is affected by the company's size, as larger companies tends to have more depth in the use of the various IMC tools.
- The amount of target audiences needed to reach affects the amount of IMC tools used. The more target audiences, the more IMC tools.
- The amount of resources within the company affects the IMC tools used. The more resources, more IMC tools are used and to a larger extent.
- Smaller companies chose their IMC tools depending on what IMC tools their competitors use and are more reactive than larger companies in that sense.
- The more IMC tools used on the site, the more integrated it becomes.

7.4 How can the evaluation of the effectiveness of web sites as marketing communication tools be described?

Regarding this research question, it could be seen in our study that smaller companies have much less developed systems for evaluating their web sites from a marketing perspective. This is due to the fact that small companies have less time and resources on their hands and perhaps also due to that they do not consider evaluation to be much of a priority.

The companies in our study that actually conducts various forms of evaluation, uses both quantitative measurements as well as non-quantitative. Most of the common types of quantifiable measurements are used and considered to be important, such as number of hits, visitors, the amount of sales made through the site as well as the visitors' behavior on the site. The number of e-mails received is not important for the companies in our study as an evaluation tool though.

When it comes to non-quantifiable tools, the emphasis by to companies in our study lies more on customer satisfaction, rather than management satisfaction, which is considered too hard to measure since it tends to tie into various other issues and measurements. To achieve customer satisfaction, the companies aims towards having the content and services that the customer requests on their web site or that is considered appropriate for the particular customer segments.

Thus following is concluded:

- Small companies tend to lack time, resources and interest to conduct relevant evaluation of their web site.
- Both quantitative measurements as well as non-quantitative are used within the companies that conduct evaluation.

- Many different tools are used for quantitative measurements. The number of hits, visitors, sales and tracking of the user's behavior are the most important ones.
- Customer satisfaction is more important than management satisfaction for companies in our study and easier to measure

7.5 Implications for management

First of all when it comes to implications for management, it is of importance to state that the objectives of establish a web site and the usage of it for integrated marketing communication, should be a proactive decision by the company, rather than a reactive. This is obviously something that Internet companies such as Pricerunner has been successful with, while traditional companies might establish a web presence as a response to a threat from Internet companies.

Smaller companies should, in regards to our study, improve the evaluation of the web site. There is really no point with for instance setting revenue objectives with the web site and then not even actually evaluate how much revenue to site generates.

One marketing communication tool that could be developed further on web sites is personal selling. It is already used to some extent, but with advancements in tracking customer preferences and behavior online even further, together with technological developments, there is a huge amount of unused potential in the personal selling tool online that should be further explored by companies.

It is also of course of great importance that companies takes advantage of the opportunity to use web sites in a integrated way in the marketing communication to reach the maximum potential of the site from a communications perspective. This is something that the companies in our study do in a very good way. Regardless of the type or size of the company, they have managed to create a seamless integration between the different IMC tools although some companies use some IMC tools more extensively than other ones.

In online marketing communication, Internet is both the medium and the message, which has correlated very much to the reality of our study. Companies in our study, regardless of size or field of business has realized that customers should be able to interact with company as well as other customers as well as in some case themselves provide content to the site, for instance in the form of reviews or testimonials. The purpose of getting customers or other target audiences to interact with the company or themselves through the web site is to strengthen the brand, build trust and to create loyal customers. Which in the long-term perspective should increases sales as well. All of this is an implication of great importance to bear in mind for managers in every company that has a web site or plan to start one.

Another implication is that the bigger the company is, the more and larger target audiences needs to be reached and therefore the web site has to be developed in terms of expanding the amount of IMC tools used on the site and use those tools in an integrated manner to communicate effectively.

7.5 Implications for theory

The purpose of this research is to explore and gain a greater understanding within a specific area of research. Our goal was to gain a deeper and greater understanding about this phenomenon by answering the four research questions about how web sites are used as an integrated marketing communication tool, and by doing this we will hopefully contribute to previous research. In the end we draw conclusions from the data given from our three cases and try to explain the certain phenomenon, but of all, which need further research considerations.

Looking at the theory used in our research, we have found that it connects well with our three cases. Furthermore, there are many other theories to choose from, but the theory used in the conceptual framework was accurate, some factors brought up in theory were not used in none of the three cases. However, the nature of the business of the three cases is the fact that explains this.

The theories in our research are accurate now, but the fact that the nature of the business within our research is in constant development and rapid change, makes it difficult for the theories to keep up with the pace. However, since more and more research within the area of IMC is conducted, the development of new theories that are accurate will be supplied.

7.6 Implications for further research

The integration of marketing communication has become more and more important for the companies in today's rapidly changing business. The fact that time is money in business today, gives the companies that are using IMC tools a competitive edge. Therefore we have tried to investigate how companies use their web sites as a form of integrated marketing communication, in this research. However, it is beyond the scope of this study to be able to look deeper at every factor within each IMC tool used as well how IMC is conducted offline. The development of each IMC tool online is also something that deserves a deeper study in the future, particularly personal selling, which has an interesting potential as an important tool for companies as the technology develops further.

While conducting this research we have found that several things within the area of research are interesting, and could be an implication for further research. These interesting things are listed below:

- How can the companies develop their instant communication with their customers?
- How can the internal and external public relations be developed as an IMC tool?
- How can the strategy for using IMC tools be described?
- How the relationship between online and offline IMC can be described?

- How can the IMC tools online be used further, particularly personal selling?

7.8 Summary

In this final chapter of the thesis, we have provided our findings and conclusions of the study and the end of the chapter, the implications for management, theory and future research.

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Appendix A: Interview guide

General Information

Name of the company:

Number of employees in the company:

Turnover of the company:

Name of the respondent:

Position of the respondent:

Background to Internet and web sites within the company

1. When did you start using web sites as a marketing communication tool?
2. At that time, what were the main reasons for starting the web site(s)?

RQ 1- Objectives

3. Which are your marketing communication objectives with your web site?
 - Generate brand and/or product awareness
 - Reaching new target markets
 - Image building and public relations
 - Customer service
 - Sales Promotion
 - Generate direct income and sales
 - Online communities to strengthen customer relationships
4. Do you consider your web site as a form of integrated marketing communication?
5. Is there anything that you would like to add regarding objectives?

RQ 4- Evaluation

6. How do you quantifiably measure the web site's effectiveness?
 - The numbers of repeat visits
 - The number of minutes spent by the user
 - The number of minutes the visitor spends on average on the main activities of the web site
 - The number of individual visitors
 - The user's behavior at the web site

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- The web site that the user thinks of first
 - The number of e-mails received from customers
 - The web site's sales and income
7. Do you use non-quantifiable forms of measurement as well?
- Customer satisfaction
 - Management satisfaction
8. In case non-quantifiable forms are used, how are they used?
9. Is there anything you would like to add regarding evaluation?

Appendix B: Observation checklist

RQ 2- Target audiences

- *Customers*

Site content for customers:

- Online events
- Brochure ware
- Product information
- Store locators
- Testimonials
- Customer service
- Activities*
- Other

- *Suppliers*

Site content for suppliers:

- New-product
- Information
- Company news
- Other

- *Employees*

Site content for employees:

- Employee-
- Accomplishments
- Employee benefits
- Employee directory
- Company information
- Training materials
- Other

- *Shareholders/investors*

Site content for shareholders/investors:

- Financial Reports
- SEC filings
- Management changes
- Company Activities
- Other

- *Media*

Site content for media:

Press releases/news
Media kit material
Contact information
Other

- *Local community*

Site content for local community:

Social programs
Local news relating to firm
Employment opportunities
Other

RQ 3- IMC Tools

- *Advertising*

Advertising content:

Banners
Buttons
Interstitials
E-mail
Bulletin boards
Sponsorships
Other

- *Public Relations*

Public Relations content:

Bochureware
Feedback forms
Instant communication

Press releases

Employment information
Other

- *Sales Promotion*

Sales Promotion content:

Coupons
Sampling
Sweepstakes/contests
Refunds/rebates

Special offers
Other

- *Personal selling*

Personal selling content:

Customer database
Personalized offers
Sales history
Other