

# **Marketing Communications in Hypermedia - Literature Review**

Written by Clive Hoey  
Head of Internet Marketing and Development  
MCB University Press

## **Abstract**

A literature review from an MBA dissertation entitled Marketing Communications in Hypermedia. Explores the literature relating to Marketing Communications, Computer Mediated Communication, Virtual Communities and Diffusion of Innovation, with specific relevance to the impact of Internet growth on an innovative commercial publishing company.

## **Keywords**

Marketing communications, virtual communities, marketing strategy, Internet, electronic publishing

## **Introduction**

In this chapter, the Associate will identify the steps taken to ensure a comprehensive review of the body of knowledge relevant to this study. Selected 'key readings' will be summarised, compared and appraised in order to provide an understanding of the related theories, concepts and trends. This is with a view to identifying practical applications from the findings to the realities concerning the this project.

## **Planned Methodology**

The Associate planned to take the following steps to ensure that the review would be both comprehensive and focused:

- a) Consult with the Set Advisor, Project Supervisor and Client to determine the objectives, format, approach, and scope of the review.
- b) Find readings on the methodology for conducting a literature review - to provide a systematic and logical coverage.
- c) Having set the parameters for the review, the following sources of information were deemed appropriate: past action learning projects, reports, books, journals, abstracting databases, Internet searches, on-line papers, databases and electronic journals, conference material and reviews, newspapers, magazines and current awareness services.
- d) Define the key words and search terms to locate readings that firstly provide an overall context for the project, and secondly outline the fundamental concepts and theories relevant to specific areas of study.
- e) Write the review of the key literature with a view to applying selected theories and models to the action case.

## **Execution**

Having read several publications dealing with the recommended approach for effective literature reviews in management (Peters J and Howard K, 1990; IMC Courseware, 1992), the Associate located examples of recent successful MBA dissertations that focused on similar areas of research. These provided the Associate with an idea of the most suitable structure and coverage.

The general parameters for the literature review were discussed with the project client, Bev Bruce, and also with Jonathan Barker, MCB's Director of Publishing, and Dr John Peters. It was recommended that although as much 'wider reading' reading as possible should be conducted, the literature review itself should concentrate on a selection of 'key' theories and concepts.

The first level of the literature review was conducted using the Anbar and Emerald on-line databases. These were chosen because of their high quality content, scope of coverage, quality rating system, and immediate access to the Associate.

The following keywords (in various combinations) were used:

*electronic publishing, decision making, communication channels, electronic communication, e-mail, marketing communication strategy, supply chain management, value chains, virtual communities, diffusion of innovation, future of the Internet, managing change*

Not surprisingly this search brought up a large number of articles, which were narrowed down somewhat using the quality rating system on the database. In addition, the Associate utilised the resources at Bradford Management Centre Library, the J B Priestly Library at Bradford University, and the archives at International Management Centres. Various searches on the Internet were also conducted. This reading provided the foundation for the dissertation.

For the purposes of this literature review the Associate concentrated on the following areas:

- **Marketing Communications:** This is to explore the theory surrounding marketing communications, so that the use of computer mediated communication can be placed in context.
- **Computer Mediated Communication:** As a relatively new medium to MCB, a greater understanding needs to be gained in term of concepts, theories and applications.
- **Virtual Communities:** The development and potential of virtual communities, as the 'crystallisation' of business on the Internet, must be studied in order to capitalise on the opportunities presented.
- **Diffusion of Innovation:** This is to provide an understanding of the diffusion processes and how effective communication can be made possible through the various 'stages'.

## Literature Review

### Marketing Communications and the promotional mix.

Communication has been defined by William Schram (1955) as:

*'The process of establishing a commonness or oneness of thought between a sender and a receiver'*

Communication is a process which has elements and relationships that can be modelled in a structured manor (Delozier, 1976). Kotler and Armstrong (1991) observe that the two main parties in communication are the *sender* and *receiver*, the communication tools are the *message* and *media*, and the four major functions involved are *encoding*, *decoding*, *response* and *feedback*.

Delozier (1976) states that 'commonness of thought' implies that there must be a 'sharing' or 'understanding' relationship between sender and receiver. The role of marketing communications is to *'share the meaning of a company's total product offering with its customers in such a way as to attain their goals, and at the same time, move the company closer toward its own goals'*.

In the past, promotion was viewed as a firm's communication link with its customers. It is now evident that promotion is *one part* of the firm's overall communication with its customers (6, 7) The 'promotional mix' includes elements such as advertising, personal selling and publicity. Other communications elements with which promotion must be co-ordinated are price, product, retail outlets and all other company activities which affect the product offering.

The following tasks for the marketing communicator to undertake are defined by Kotler and Armstrong (1991) as:

- Identify the target audience
- Determine the response sought
- Choose a message
- Choose a media through which to send the message
- Select the message source

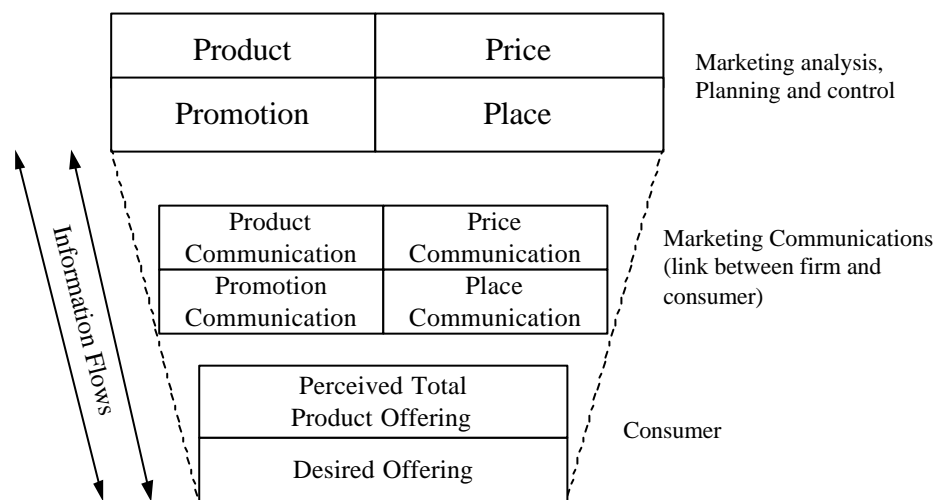
- Collect feedback

Once the target audience has been defined, the marketing communicator must decide which response is sought. Kotler and Armstrong (1991) identify that the target audience may be in any of six 'buyer readiness states':

- Awareness - about the product's existence
- Knowledge - about aspects of the product
- Opinion - in terms of liking or disliking the product
- Preference - in terms of alternative products
- Conviction - that the product will fulfil a need
- Purchase

Having defined the desired response (awareness, knowledge etc) the communicator has to develop an effective message. This should get *attention*, hold *interest*, arouse *desire* and obtain *action*. Obviously the message should be appropriate to the media.

The relationship between marketing and marketing communications is summarised in *Figure 3*. Marketing communications is defined by Delozier as 'the continuing dialogue between buyers and sellers in the marketplace'.



*Figure 3 - The relationship between marketing and marketing communications (Delozier, 1976)*

Staudt and Taylor (1995) concluded that marketing effectiveness depends significantly on communications effectiveness because any marketplace is 'energised' by information flows. The information available on the product offering (and the buyer's reaction to this) influences the buyer's perception of the product. Hence, as demonstrated by Delozier, all elements of the marketing mix must be effectively communicated through relevant channels of information.

Broadly speaking, there are two types of communication channel (Kotler P and Armstrong G, 1991). These are: *personal*, where two or more people communicate directly with each other allowing for personal addressing and feedback, and *non-personal*, which includes media, atmospheres and events.

Early thinking on the flow of information and influence attributed great power to mass media in directly affecting audience behaviour, however Kotler and Armstrong support Delozier's theory that there is the intermediary influence of 'opinion leaders'. These individuals are crucial to the effects of mass communications. They are characteristically more exposed to mass communications and carry messages to people who are less exposed to the media. People tend to pick up ideas from others like themselves, who are opinion leaders. Kotler and Armstrong state that '*mass communicators should aim their messages at opinion leaders, letting them carry the message to others.*' Figure 4 shows a simplified picture of mass media and the direct and indirect influence of opinion leaders.

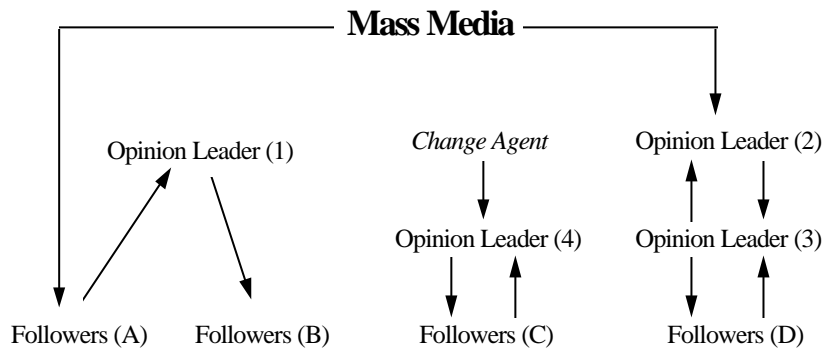


Figure 4 - The effects of opinion leaders on mass media communications (Delozier, 1976)

This also shows the influence of the change agent, who is a professional who influences innovation decisions (ie a company’s sales representative).

Once the desired communication channels, media and target market are established, the optimum promotional mix can be utilised. Factors that will affect this are:

- Type of product and market
- ‘Push’ or ‘pull’ strategy (ie ‘push’ through members of the distribution channel, or ‘pull’ by targeting the end users directly).
- The state of ‘buyer readiness’
- Product life cycle

### Marketing Communications in Hypermedia

This next section builds on the marketing communications literature, with the intention of showing the characteristics and potential of computer mediated communication.

### Computer Mediated Communication

Handy (1993) speculates that the ‘communications revolution’ is the first clue to the future of organizations. He observes that computer mediated communication (CMC) is, in general economic terms, becoming cheaper, as well as more adaptable and relevant to our needs. This is in comparison to physical distribution costs which are constantly increasing. CMC, is explained by I A Rudy (1996) as ‘any kind of communication involving the transmission of electronic signals between computers’.

Businesses use a wide variety of media to communicate with their customers. Hoffman and Novack (1996) observe that this traditionally follows a ‘one to many’ communication model, whereby ‘a firm reaches many current and potential customers, segmented or not, through marketing efforts that allow only limited forms of feedback from the customer’. Figure 5 below, demonstrates a simplified model of mass communication following this principal, whereby the firm transmits content through a medium to consumers.

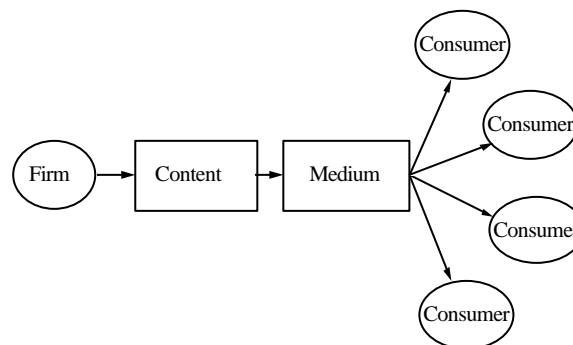


Figure 5 - Traditional One to Many Marketing Communications Model for Mass Media (Hoffman DL, and Novak T P, 1996)

It is this ideal with which MCB is most familiar, as the company has, for many years promoted its products primarily through the use of direct mail.

The Internet, on the other hand facilitates an interactive multimedia ‘many to many’ communication network, thus radically altering the way in which firms can do business with customers and suppliers. The model presented by Hoffmann & Novak (1996) outlines interpersonal and computer mediated communications. This model incorporates a feedback view of interactivity, and is representative of both e-mail communication and electronic communication that is facilitated via an Internet site. Both allow for immediate response and the opportunity for the recipient (or reader) to add their own ‘content’ through the relevant medium.

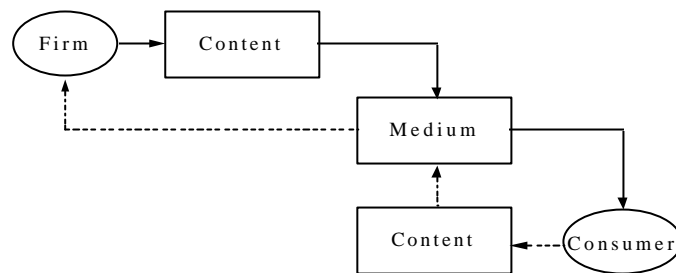


Figure 6 - Model of Interpersonal and Computer Mediated Communication (Hoffman D L, and Novak T P, 1996).

Hoffman and Novak recognise the fact that the full implications for this model will be played out in as yet unknown ways for years to come. In the meantime, however, it is evident that marketing managers must form a greater understanding of the true nature of commerce on the Web, particularly from the perspective of using it as a marketing communication medium. This is illustrated by Berthon, Pitt & Watson (1996) who state that the Web is not a transient phenomenon and warrants the serious attention of both marketing academics and practitioners, and postulate that ‘among other key activities, academics will need to build models and theories of how the medium works and how buyers will interact with it; practitioners will need to set objectives for their use of the medium as a corporate communication tool and measure their progress toward reaching those objectives’.

Clearly, as illustrated in figure 6, the key difference between computer mediated communication and ‘traditional’ mass media is the element of interactivity. Blattberg and Deighton (1991) define this as ‘the facility for individuals and organizations to communicate directly with one another regardless of where they are or when they wish to communicate.’ Hoffmann and Novak identify the key distinguishing feature as ‘person-interactivity’, which may be unmediated, as in the case of face to face communication.

To assess the nature and possibilities of this interactivity, it is necessary to look more closely at the ‘hypermedia environment’ which is provided via the Internet. Hypermedia is explained by Bornman and von Solms (1996) as the combination of *hypertext*, which allows the user to connect information together via different paths or links, and *multimedia* which allows interactive access to both static (text, images, graphics) and dynamic (audio, video, animation) content. Thus the medium can also provide the content. Hoffmann and Novak place the interactivity both *with* the medium and *through* the medium. Figure 7 demonstrates their model for marketing communications in a hypermedia environment.

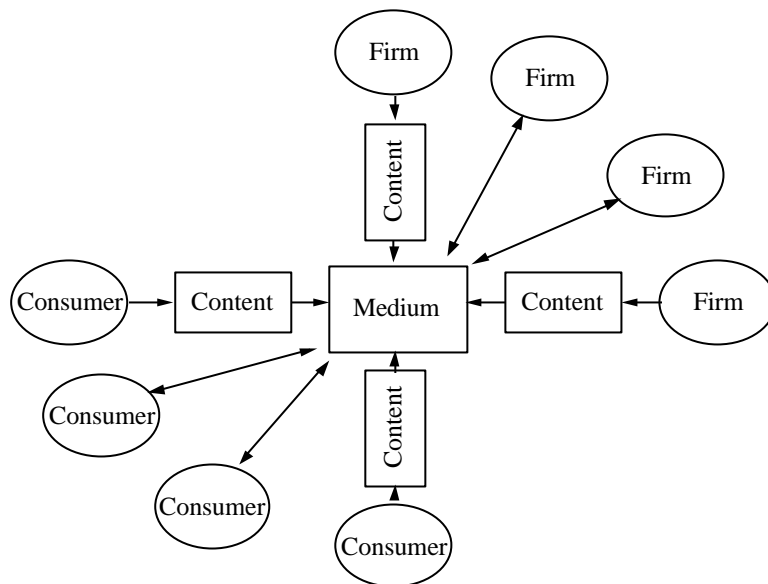


Figure 7 - A model of marketing communications in a hypermedia CME  
(Hoffman D L, and Novak T P, 1996)

Here, the content is hypermedia and the medium is a distributed computer network. It should be noted that this model represents the possibilities for communication as illustrated in the previous two diagrams. Thus the communication is possible both person to person and through the media, as well as potentially supporting one-to-many mass communication.

Having explored the basic principal of CMC, the two key areas relative to MCB, are:

- Web site communication and marketing
- E-mail communication and marketing

Obviously there is substantial cross over and interaction between these (i.e. Internet conferencing), however both have different characteristics and advantages.

### The Web Site and the Marketing Mix

Sandelands (1997) observes that marketing managers and researchers are using the Internet like never before, as it is now *'being embraced by a plethora of providers and users'*. Indeed, in the space of a just few years, the Internet has transformed from a research orientated network for scientists and academics into something that Paterson and Brown (1996) describe as *'the most powerful global network on the planet, linking people and organizations from all walks of life'*.

Hoffmann & Novak (1996) suggest that the Internet is an important focus for marketers for several reasons, the first of which is that consumers and firms are conducting a substantial and rapidly increasing amount of business on the Internet. It is estimated that the web has well over 30 million users around the globe, is growing at about 50% per month, and the number of sites is doubling every 53 days (Berthon P, Pitt L, Watson R, 1996). It is forecast that the total core economy for electronic commerce on the Internet will approach \$45.8 billion by the year 2000 (Modhal M, 1995). Currently, the total Internet economy is estimated at \$2 billion.

Secondly, the market prefers the decentralised, many-to-many Web for electronic commerce to the centralised, closed access environments provided by the on-line services (i.e. America On-Line, Prodigy, Microsoft Network etc.). In reaction to this all the major services now offer Web access to their subscribers.

Thirdly, the Web provides an efficient channel for advertising, marketing and distribution of certain goods and information services. Verity and Hof (1994) suggest that it may be nearly one-fourth less costly to perform direct marketing through the Internet than through conventional channels.

Having realised the astonishing growth and importance of the Internet, marketers are challenged with its effective integration into their marketing communication mix. Berthon, Pitt and Watson

(1996) describe the Web as a cross between an electronic trade show (with buyers and sellers, browsing, searching and interacting) and community flea market (which is open and informal). In *figure 8*, they show the Web site as a marketing medium in the contexts of buying and selling processes and industrial and consumer marketing.

| New Customer/<br>Prospect<br>Buying Phase                                                                                                                                  | Complex<br>Consumer<br>Buying Process | Key Seller<br>Communications                 |                                           | Relative<br>Communication<br>Effectiveness |      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|----------------------------------------------|-------------------------------------------|--------------------------------------------|------|
|                                                                                                                                                                            |                                       | <i>objectives</i>                            | <i>tasks</i>                              | Low                                        | High |
| 1. Need recognition                                                                                                                                                        | Awareness of needs                    | Generate awareness                           | Prospecting                               |                                            |      |
| 2. Develop product specifications                                                                                                                                          | Information processing                | Feature comprehension                        | Opening relationship, qualifying prospect |                                            |      |
| 3. Search and evaluation of suppliers                                                                                                                                      | Evaluation of purchasing              | Lead generation                              | Qualifying prospect                       |                                            |      |
| 4. Evaluation                                                                                                                                                              | Purchase decision                     | Performance comprehension                    | Presenting sales message                  |                                            |      |
| 5. Supplier selection                                                                                                                                                      | Purchase                              | Negotiation of terms / offer customerization | Closing sale                              |                                            |      |
| 6. Purchase feedback                                                                                                                                                       | Post-purchase evaluation              | Reassurance                                  | Account service                           |                                            |      |
| <p><i>Sources: Robinson, Faris &amp; Wind 1967, Schoell and Gultinan 1992, Churchill, Ford and Walker 1993, Kotler 1991. Adapted by Berthon, Pitt and Watson 1996.</i></p> |                                       |                                              |                                           |                                            |      |

*Figure 8 - The Web Site as a Marketing Medium (Berthon P, Pitt L, Watson R, 1996)*

This shows the effectiveness of the Web site relative to mass advertising and personal selling, which is questioned graphically, depending on unknown factors relevant to the product and market. It also indicates the possibilities in terms of the various phases for both buying and selling (summarised from Robinson, Faris and Wind, Schoell and Gultinan, Churchill, Ford and Walker, and Kotler).

Berthon, Pitt and Watson further describe the web applications for the marketing mix as:

- Providing detailed product information and specifications
- Gaining access to previously unknown or inaccessible buying influences
- Projecting a favourable corporate image
- Fostering and encouraging customer involvement with the product range
- Establishing interactively, offering product samples and building a customer database
- Providing product distribution

All of these are fundamental to MCB's marketing communications activities.

### **E-mail and the Marketing Mix**

Like the Internet, e-mail is a relatively new tool for the purposes of marketing communications. It predates the Internet (and has more users) however, with the explosion of the World Wide Web, it

has soared to dizzying heights in terms of its adoption by both businesses and consumers. Over 30% of US households are now equipped with PC's and 45% of these have modems (Armstrong A, Hagel III J, 1996).

As the Internet continues to diffuse on a global scale, so too will e-mail availability and usage. Sullivan and Rayburn (1993) suggest that the preference for using e-mail in routine communication tasks will increase along with its ease of use and efficiency. Richard Topping (1996) states that *'falling prices and corporate acceptance have made e-mail the most prevalent communications tool for companies competing on a world stage'*.

To compare e-mail to other forms of communication, Sullivan (1995) assesses it in terms of 'media richness'. This is based on work by Daft and Lengel, whereby media is distinguished as either 'lean' or 'rich'. Sullivan surmises that *'face-to-face provides the 'richest' form of communication, while other mediated channels are relatively 'leaner' due the limitation that each medium places on the full scale of communication behaviours'*.

Communication channels, are ranked by Trevino, Lengel, and Daft (1995) in the following order of richness: face-to-face, telephone, electronic mail, letters, notes and memos. E-mail falls between telephone and letters because it facilitates interactivity, even though it is a written form of communication.

Sullivan states that the different communication activities in which people engage can influence a person's preference for e-mail. Rice (1993) ranks communication activities on the degree of social presence. On this scale, decision making demands considerable personal interaction, while electronic document delivery requires little. This suggests that e-mail is more influential in the decision making process than paper communications (because of the richness provided by interactivity).

E-mail, in marketing terms, is generally seen as another string to the marketing communications bow, and of considerable importance because of its unique attributes and one-to-many capabilities. Topping (1996) generalises that *'e-mail doesn't necessarily replace the telephone or the fax. It is additional form of communicating.'* This is supported by Wills and Wills (1996) who state that *'computer mediation in marketing is not an end in itself; it is one more, and uniquely different, element of the marketing mix'*.

Commercial e-mail (dubbed d-mail) has come a long way since the early days of the Internet yet marketers need to proceed with caution. Griffith (1996) prophesises that d-mail will define itself over the next few years, and believes that if companies step lightly, it could turn into a sophisticated way of targeting likely clients. On the other hand, misuse could lead to an adverse and potentially damaging reaction. The danger is of 'information overload' which is summarised by Rudy (1996) as: the more contact than a person desires leads to 'invasion'; less contact than desired leads to 'isolation'. Rudy states that the introduction of new media to the mix must be *'implemented with a clearly defined vision and strategy, and put into practice with guidelines that your staff understand, and with which they agree'*.

### **Virtual Communities and Cybersociety**

In order to understand how best to utilise CMC for marketing purposes, it is necessary to explore the social phenomenon facilitated by the Internet, which is dubbed by Steven Jones (1995) as Cybersociety. Just as the telephone and TV have influenced society, in terms of communications, social interaction, community, entertainment and business, so will the Internet. Jones observes that frequently, fewer comments are being made about the wonders of technology and more about the new forms of community brought about by CMC and explores, at great depth, the nature of society on-line. The key point relevant to MCB is, as explained by Sproull and Kiesler (1991) that *'the organization of the future will depend significantly not on just how the technology or networking evolves, but on how managers seize the opportunity it presents'*.

Communities formed by CMC are described by Stone (1991) as *'incontrovertibly social spaces in which people still meet face to face, but under new definitions of both 'meet' and 'face''*. Armstrong and Hagel (1996) believe that electronic communities will emerge in the next 12 months to revolutionise on-line services.

Armstrong and Hagel also observe that electronic communities have existed for many years, however, in general, these are non-commercial and exist for communication, entertainment and



information. They believe, however, that new kinds of community that are more commercially focused will soon emerge. This will happen as communities more effectively integrate communication, information, entertainment and transactions. As this happens, dominant communities will emerge in each topic area. They state that *'companies that learn how to merge communications with other content in a commercial environment will be well positioned to become early organisers of strong communities. These first movers will also enjoy a more enduring competitive advantage, since they will have a head start in building a critical mass of community members.'*

Armstrong and Hagel identify four basic types of community among on-line users. These are:

- Communities of relationship (amongst people with commonalities)
- Communities of transaction (trade focus)
- Communities of fantasy (entertainment environments)
- Communities of interest (defined by subject matter)

In terms of value creation, there are also four basic models:

- Accessed based (via time based usage fees)
- Content based (allowing access to desired information)
- Commerce based (drawing on transactions and advertising for revenue)
- Synergistically based (taking advantage of synergy's with other businesses)

Neither the elements of community types or value creation are mutually exclusive.

Companies wishing to capitalise on the opportunities presented by virtual communities must tackle the issues of identifying target communities, designing the community, managing the community, planning a competitive strategy, and devising ownership and participation structures. It is believed, however, that communities will have a *'profound effect on marketing in general'* (Armstrong A, Hagel III J, 1996) as they will become a highly effective way to reach customers and allow them to move seamlessly from finding out about the product to making a sale.

### **Diffusion of Innovation**

Diffusion is a special type of communication, defined by Rogers (1993) as 'the process by which an innovation is communicated through certain channels over time among members of a social system'.

The relevance to this project is twofold. Firstly, there is the innovation of a 'new' media environment facilitated by computer mediation. It is necessary to explore the way that this is likely grow in order contextualise the impacts on MCB's future interaction with its customers and suppliers (and how they will interact with each other). Secondly, there is the innovation in terms of MCB's new and future product offerings, which also capitalise on the developments, acceptance and growth of computer mediated communication.

Rogers states that the main elements of the diffusion of new ideas are (a) an innovation which is (b) communicated through certain channels (c) over time through a (d) social system.

Technological innovation creates uncertainty because of its newness to the individual and, according to Rogers, motivates the individual to seek out information by which the idea may be evaluated. This is termed 'innovation-evaluation information' and leads to a reduction in uncertainty about the consequences of 'acceptance'. This is key to MCB's marketing communications, where the company is dealing with both the diffusion of electronic media and the acceptance of electronic journal delivery. The innovation-evaluation information must be inherent in the communications mix in order to overcome uncertainty.

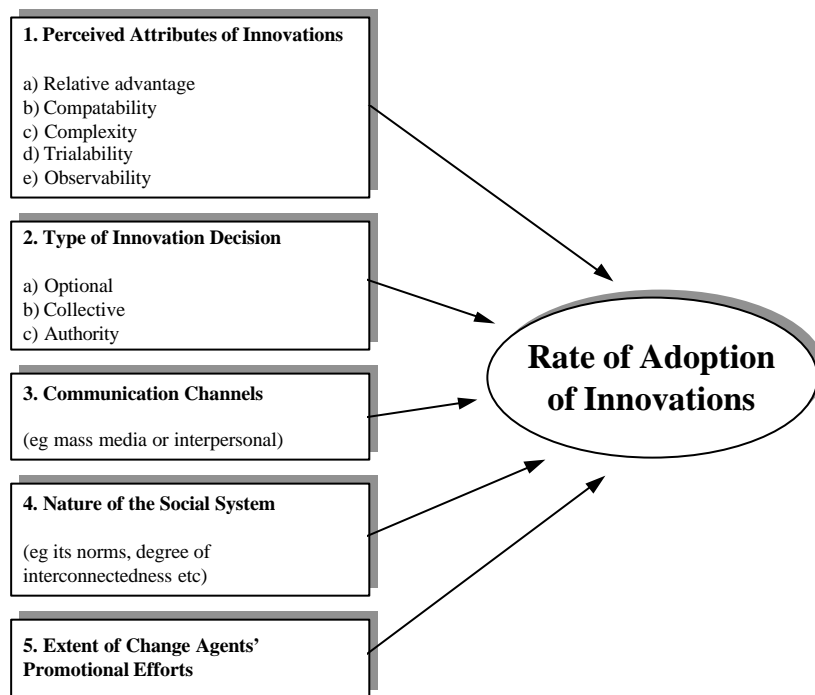
The attributes of innovation are summarised as relative advantage, complexability, competability, complexity, trialability and observability. These are effected by:

- **Re-invention:** The degree to which an innovation is changed or modified by the user in the process of its adoption and implementation.
- **Communication:** It is necessary for MCB to capitalise on the various media choices available at different stages of the diffusion process. Rogers states that mass media channels are more

effective in creating knowledge of innovations, while interpersonal channels are more effective in changing attitudes (thus influencing the decision to accept or reject).

- **Time:** Innovation decisions are made through a mental process in which the individual (or decision making unit) passes from awareness to a decision forming attitude toward the innovation, then to a decision to either adopt or reject. This process has an obvious time implication, which also follows on to the rate of adoption once a decision has been made. The steps involved in this process can be identified as knowledge, persuasion, decision, implementation, and confirmation.

The rate of adoption (the relative speed with which an innovation is adopted by members of a social system) can be measured as the number of individuals who adopt a new idea within a specific period. The factors affecting this are outlined in *figure 9*.



*Figure 9 - A paradigm of variables determining the rate of adoption of innovations (Rogers E, 1993)*

Here, it can be seen that in addition to the 'perceived attributes of innovations' (such as the innovation's relative advantage), the adoption rate is also affected by the type of decision, communication channels, nature of the social system and 'change agents' efforts.

It is generally believed that an individual-optional decision will be adopted more rapidly than when an innovation is adopted by an organization. Obviously, in an academic library environment there can be a number of people involved in the DMU and, as a central resource, the decision to adopt can, either directly or indirectly, effect the entire organization. Rogers suggests that one route to solving this problem is to attempt to reduce the number of people involved. This means directly identifying, focusing on, and targeting the decision makers (Hoey C, 1994). MCB cannot influence the internal purchase mechanics of its customers, however it can attempt to more specifically identify and communicate with the DMU in an attempt to quicken the diffusion process.

The effects of communication channels on the diffusion process need to be further explored. Delozier (1976) surmises that interpersonal and mass media channels perform different functions in the diffusion process, although both are essential to the rapid adoption of innovations. He states that mass media is comprised of impersonal, one way channels that do not allow for instantaneous feedback, and that this is of most use at the 'knowledge' stage when less detail is required. However, the Associate appreciates that the advent of computer media communications create opportunities which allow for interactively within a mass media environment. This is in addition to the provision of information both through and with the medium.

Bass (1969) built on Rogers' work and defined two groups of adopters; 'Innovators and Imitators'. This has been summarised as follows: Innovators are influenced by mass media communication

(external influence) while imitators are influenced by word of mouth (Flett P, 1992). Also, innovators can and do adopt at any stage in the diffusion process.

Interpersonal communication with change agents was found by Rogers to be more effective for innovations that are complex and / or involve a change of attitude. Indeed, MCB has recently found that messages pertaining to complicated product packages (for example: the cost benefits associated with the 'up-selling' of journals to an electronically delivered product suite) have been less than successful through mass communication media, but have received considerably more interest as the result of personal visits. Delozier (1976) builds on this, by observing that there tends to be a greater pay-off from change agent activity at certain stages of an innovation's diffusion. Obviously this is most effective when the change agent is able to directly influence an opinion leader.

The degree to which an individual is relatively earlier in adopting new ideas than other members of a social group is known as 'innovativeness'. Broadly speaking, there are five 'adopter' categories (Rogers E, 1993):

Firstly, *innovators*, who are eager to try new ideas and are suitably financially placed to take risks. They will introduce the innovation by importing it into his social system. Once the innovation has been introduced, the *early adopters* will be the next to catch on. These have the greatest degree of opinion leadership (as they are not too far ahead of their peers) and will be sought by the change agents to speed up the diffusion processes.

The *early majority* adopt new ideas just before the average number of the social system, and following these (unsurprisingly) the *late majority*. These tend to adopt due to economic necessity or increasing work pressure. Finally come the *laggards*, who tend to resist innovation in favour of tradition.

Figure 10 shows a stereotypical distribution of these categories within a social group.

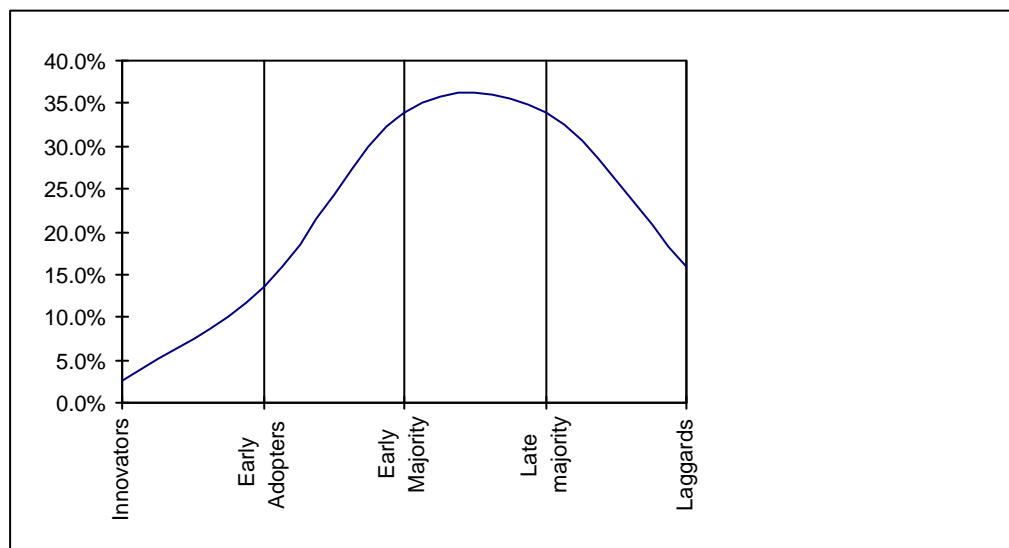


Figure 10 - Adopter categorisation on the basis of innovativeness (Rogers E, 1993)

This provides the basic picture of the innovation adoption over a period of time which is essential to the timing, methods and subsequent success of the marketing communication process.

### Summary of Learning

This literature review has provided the Associate with a sound appreciation of the issues fundamental to the success of MCB's current and future CMC activities.

In summary, the principal learning points are as follows:

- Firstly, the promotional mix has been placed within the context of the overall marketing communications process. This shows how promotional activities fit within the 'big picture' of dialogue between buyers and sellers in the marketplace. The impacts of personal and non-personal channels of communication in terms of influence have been explored in terms of their

effectiveness. The main learning point from this was the influential effect of media-exposed 'opinion leaders' on the flow of communications.

- The interactive nature of CMC has been identified, whereby content is provided both with the medium and through the medium, and retains characteristics and benefits of both personal and mass communication. In terms of the marketing communications mix, corporate objectives must be set to ensure that CMC is complementary to the 'traditional' activities and processes.
- The role of the Web site has been questioned in terms of buying phases and processes in relation to selling objectives and tasks. It has been established that communications through the site need to have high mass media effectiveness at the prospecting, need recognition and awareness stages, moving to increased personal communication at the evaluation, purchase decision and post purchase stages.
- E-mail, as a marketing communications tool has been evaluated in light of increasing acceptance and use by both consumers and businesses. It is a unique media in that it is comparatively 'rich' as a result of its interactive properties. Because of this it is more likely to be used for decision making than paper media. Companies must use e-mail with caution, however, for although it has great potential for marketing, misuse could prompt an adverse reaction.
- The social phenomena of community on the Internet provides marketing managers with the prime opportunity to capitalise on the information needs of emergent interest groups. Early organisers of communities who can provide value to 'focus groups' with connectivity, communication, trade, information or entertainment will be best positioned to take advantage of the inherent marketing opportunities.
- The process of diffusion can often be seen to follow a recognisable model in terms of the 'rate of adoption'. A number of variables have impact on this, including the channels of communication in terms of both interpersonal communication and mass media. These become effective at different stages of the diffusion process.

## Project findings

The main findings from the completed dissertation were:

The growth of the Internet, as a common platform for information dissemination, has had significant impact on libraries world-wide. The 'diffusion' process is well underway, and the indications are that the adoption of electronic information by libraries is set to continue apace. Use of CMC amongst the academic community, as a means of communicating with peers, is widespread and still increasing, as is the acceptance of electronic journals, and the use of the Internet as a serious research tool. CMC is far from being the dominant form of communication, however, and the level of adoption varies considerably. The rate of 'growth' thus far suggests that CMC will soon become a preferred media choice - however this will not happen over night. No two academic institutions are identical in terms of their rate of adoption of electronic media or the composition and dynamics of their decision making processes affecting this. Also, the innovation decision process is influenced by 'opinion leaders' and 'early adopters', who are more susceptible to mass media. This highlights the need for a more intelligent approach to marketing communications involving innovations.

MCB's Internet site has been assessed in terms of marketing communications. The site assists all aspects of the buying and selling process, communicates all aspects of the marketing communications mix, and provides a seamless link between customer and product. The Internet site brings together all elements of MCB's value chain, and this 'connectivity' further enhances the benefit of the site to visitors.

The connectivity provided by conferences and forums are core to the success of the site as a marketing tool. Here content is supplied both *with* the media and *through* the media, providing high 'value added' benefits to the visitor. The resultant information flows, generated by communications between key parties, are immersed in content and inherent marketing messages. Also, through this connectivity, visitors are exposed to opinion leaders and early adopters, who will influence their propensity to purchase.

The most effective media to bring customers into this environment is via e-mail. E-mail has direct mass media potential combined with information rich qualities which are more conducive to decision making than paper communications. This is because e-mails can be annotated, effortlessly forwarded to interested parties, and provide instantaneous access to the Internet site and ultimately

the product. It also has the potential to form a direct link between MCB and the readers of the journals, and consequently those individuals who have influence over the purchasing decision. The dissertation concludes by appraising MCB's mass e-mail capabilities in light of its importance to assisting the adoption process. The need for a more 'intelligent' method of email communications is needed, and the future possibilities for marketing via this media are investigated. The recommended option is to capitalise on necessary hardware upgrades to provide MCB with the facilities to build an on-line e-mail database, using standardised information gathering formats to enhance marketing intelligence and targeting.

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