

AMA American Marketing Association Summer Educators Conference 2012 Chicago

Does Web Site Engagement Lead To Making A Purchase?

Abstract

Engagement with a brand, company, product or consumption topic can be achieved through websites, a growing information source and purchase channel. As the number of websites and switching alternatives increases, companies need to engage visitors for achievement of their goals. Technology companies like Google or IBM have proposed engagement metrics albeit focused on root metrics. Grounded on an engagement with technology construct we propose a research model focused on the effects of being engaged with a website. Our approach differs from industry practice as we measure website engagement with likert scales.

It is expected that website engagement will have a positive influence on five consequences highly regarded by online marketers: purchase intention, web perceived value, non-switch intention, return intention and virtual branding potential. Simulating an online travel agency selling twelve holidays in the Seychelles Islands, we analyzed data from 336 Spanish-speaking respondents through partial least squares path modeling (PLSPM). Findings reveal that website engagement only directly leads to one of the hypothesized consequences, virtual branding potential. However, when mediated with web perceived value, it significantly leads to all the proposed consequences: purchase intention, non-switch intention, return intention and virtual branding potential. Our findings are relevant for both academia and for industry, as online marketers, who are capable of engaging consumers through web perceived value will obtain positive performance. From an academic point of view, this research emphasizes that website engagement construct has five formative dimensions: positive affect, focused attention, challenge, curiosity and involvement.

Practitioners and academic researchers are looking at ways to consistently keep consumers on Web sites (Li, Browne and Wetherbe 2006). Although Web sites can be designed and launched with relative ease, it is not sufficient anymore that they are just usable (Hausman and Siekpe, 2009) or fit for purpose (Hong, Thong and Tam, 2005). In the thriving online context, it is necessary that Web sites also engage consumers (Bakker and Sádaba, 2008). Both in academic literature and in industry practice, attention is being given to the term Web site engagement. To engage is to ‘involve (a

person or his or her attention) intensely' (Collins Essential English Dictionary, 2006). Academic research refers to an engaging experience as 'something that attracts and holds our attention' (Chapman, 1997) or that 'catches and captivates user interests' (Jacques, Preece and Carey, 1995). Grounded on an engagement with technology construct (O'Brien, 2008), Hyder (2011) suggested a Web site engagement construct revealing that it has five dimensions: positive affect, focused attention, challenge, curiosity and involvement. He concluded that when users become engaged with a Web site they experience these five qualities simultaneously and that it cannot be measured with information systems variables such as clickstreams (Bucklin and Sismeiro, 2009).

In this poster we propose a research model focused on the effects of being engaged with a Web site. It is expected that Web site engagement will have a positive influence on five consequences highly regarded by online marketers: purchase intention, Web perceived value, non-switch intention, return intention and virtual branding potential. Purchase intention can affect the revenue and profitability of an online firm (Ranaweera, Bansal and McDougall, 2008); perceived value of a Web site is an 'interactive, relativistic preference experience that results from visiting a Web site (Steenkamp and Geyskens, 2006); switching to competitor Web sites is relatively easy on the Internet, although it is expensive to acquire online customers and therefore online marketers wish to retain consumers as long as possible on Web sites exposing them to product information (Li et al., 2006); customer return intention is a common measure of online success (Karson and Fischer, 2005); and virtual branding potential is the ability of a Web site to gain recognition and establish its existence in the minds of consumers and public (Simeon 2001).

336 Spanish-speaking respondents navigated on a data acquisition Web site that simulated an online travel agency selling twelve holidays in the Seychelles Islands. All data were obtained with an online questionnaire with 7-point likert scales previously used in recent literature. Data was analyzed through partial least squares path modeling (PLSPM) and parameters significance was obtained through bootstrapping (500 subsamples of the original sample size). Findings reveal that Web site engagement only directly leads to one of the hypothesized consequences, virtual branding potential. However, when mediated with Web perceived value, it significantly leads to all the proposed consequences: purchase intention, non-switch intention, return intention and virtual branding potential. Our findings are relevant for both academia and for industry, as online marketers who are capable of engaging consumers with their Web sites will simultaneously obtain five benefits: online purchases, Web perceived value, repeat visits to their sites, avoidance of switching to competitor sites and the establishment of brand value in the minds of their visitors. Web marketers wish to retain customers due to the elevated cost of acquiring online customers compared to conventional channels (Li et al., 2006) and need to obtain revenue and profitability (Ranaweera et al., 2008). It is known that repeat customers are five times more profitable than new customers (Gupta and Kim, 2007) and that it is easy for Web customers to switch to competing sites. When an e-commerce Web site is capable of engaging visitors, this also influences the virtual branding potential of the site. Furthermore, in this research we have also demonstrated how easy it is for online marketing companies to make use of science research in their Web sites. Whilst a substantial portion of Web sites are developed by Small and Medium Enterprises (SMEs) that usually have less resources compared to larger companies, SMEs can benefit from integrating the results of science research in their Web sites and avoid learning through trial and error as frequently occurs (Lee and Kozar, 2009). We recommend that in future research, the relationship between

Web site engagement and a Web site's brand and URL are studied over time, and we also suggest repeating this research with a different category of travel products as one of the limitations of this research is that we only conducted the empirical analysis with a travel package category sold on the Web site where our respondents navigated.

REFERENCES

- Bakker, Piet, and Sadaba, Charo (2008), The impact of the internet on users. In: Kung-Shankleman et al. (eds.), *The Internet and the Mass Media* (pp. 86-101). SAGE Publications Ltd.
- Bucklin, Randolph and Sismeiro, Caterina (2009), Click here for Internet insight: Advances in clickstream data analysis in marketing. *Journal of Interactive Marketing*, 23, 35-48.
- Chapman, P. (1997), Models of engagement: Intrinsically motivated interaction with multimedia learning software. Unpublished masters thesis. University of Waterloo, ON.
- *Collins Essential English Dictionary*, HarperCollins Publishers, 2nd Edition, 2006.
- Gupta, S. and Kim, H-W. (2007), The moderating effect of transaction experience on the decision calculus in on-line repurchase. *International Journal of Electronic Commerce*, 12(1), 127-158.
- Hausman, Angela V., and Siekpe, Jeffrey S. (2009), The effect of web interface features on consumer online purchase intentions. *Journal of Business Research*, 62, 5-13.
- Hong, Weiyin, Thong, James Y.L., and Tam, Kar Yan (2005), The effects of information format and shopping task on consumers online shopping behaviour: a cognitive fit perspective. *Journal of Management Information Systems*, 21, 149-184.
- Hyder, Antonio (2011), Proposal of a Web site engagement scale and research model. Analysis of the influence of intra Web site comparative behaviour. Doctoral thesis, University of Valencia

- Jacques, Richard, Preece, Jenny, and Carey, Tom (1995), Engagement as a design concept for multimedia. *Canadian Journal of Educational Communication*, 24, 49-59.
- Karson, Eric J., and Fisher Robert J. (2005), Predicting Intentions to Return to the Web Site: Extending the Dual Mediation Hypothesis. *Journal of Interactive Marketing*, 19, 2-14.
- Lee, Y., and Kozar, K. A. (2009), Designing usable online stores: A landscape preference perspective. *Information & Management*, 46(1), 31-41.
- Li, Dahui, Browne, Glenn J., and Wetherbe, James C. (2006), Why do internet users stick with a specific web site? A relationship perspective. *International Journal of Electronic Commerce*, 4, 105-141.
- O'Brien, Heather L. (2008), Defining and Measuring Engagement in User Experiences with Technology. PhD Dissertation, Dalhousie University, Halifax, N.S.
- Ranaweera, Chatura, Bansal, Harvir, and McDougall, Gordon (2008), Web site satisfaction and purchase intentions. *Managing Service Quality*, 18, 329–348.
- Simeon, Roblyn (2001), Evaluating the branding potential of web sites across borders. *Marketing Intelligence & Planning*, 19, 418-424.
- Steenkamp, Jan-Benedict E.M., and Geyskens, Inge (2006), How country characteristics affect the perceived value of Web sites. *Journal of Marketing*, 70, 136-150.