Using Corporate Websites for Export Marketing

The internet is becoming increasingly important for exporters to reach or sell to potential customers in international markets. This study investigated how exporters could utilize different elements of their corporate websites to achieve either their communication or transaction objectives. First, relevant website attributes were identified and analyzed. Second, website content analysis was conducted on a random sample of exporters' websites selected from three countries: Canada, Denmark, and Malaysia. The study results highlighted important website attributes that are appropriate for exporters' online marketing objectives. Implications for export promotions on the internet and government policies are also discussed.
CORPORATE WEBSITES

(1997) argued that good exporters’ sites should be information rich, frequently updated, provide added value, be interactive and easily integrated with other marketing channels. This recommendation is consistent with other studies about website design and functional features, and their appeal to users (see, e.g., Chase and Don, 1998). On the other hand, developing a transaction-based website may require different emphasis on the websites’ design attributes as export transaction-specific information such as customs and taxes (Showmake and Sapp, 2000) need to be taken into account.

A clear understanding of the two online marketing models for export marketing allows exporters to select the focus of their export marketing programs in the online world. Subsequently, the decision to either emphasize communication or transaction in cyberspace will affect how exporters structure their websites to achieve different marketing objectives. Hence, exporters that emphasize website sales generation may favor certain genres of website features (e.g., detailed customer support information), while exporters that stress communication objectives may rely on their sites to build their images.

The above website design guidelines derived from the two types of online marketing models are useful but may be too broad for exporters to implement. In fact, despite exporters’ rising expectations about using websites in online export marketing programs, few studies have actually identified and examined websites’ functional features that are appropriate for the two different models. Lack of empirical evidence hinders our ability to pinpoint high-quality exporters’ websites for benchmarking purposes. It also impedes exporters’ ability to set a clear direction for building effective websites.

To illuminate how exporters can design effective websites for different online marketing models, the authors conducted a comprehensive content analysis of exporters’ websites based on a random sample of exporters from three countries that represent different levels of country internet literacy and economy reliance on exporting: Canada, Denmark, and Malaysia. The study first identified important website functional attributes that are associated with different online marketing objectives. Then empirical data were collected to examine how exporters were applying these site functional features and how exporters’ characteristics may influence sites’ features.

Our study results offer valuable direction for exporters in pursuit of the most relevant design for achieving marketing goals. Further, the empirical evidence provides quantitative data for export agencies (e.g., trade associations) or government agencies (e.g., foreign trade bureaus) to monitor and evaluate the current use of websites for export promotion. Finally, this study also fills a void in the emerging literature about customer-interface design online through the addition of an international angle.

The rest of this paper is organized as follows. In the next section, the relationship between export promotions and relevant website attributes is explored. The design of the empirical study is explained in the following section. Study results are next presented, and finally, we provide managerial implications and future research directions.

**EXPORT PROMOTION AND WEBSITE ATTRIBUTES**

A fundamental goal of export promotion is to clearly communicate an exporter’s offering to potential customers worldwide. Traditionally, there are two types of export promotions: government-sponsored and firm-initiated promotions (Johansson, 1997). Government-sponsored promotions often involve trade policies that are usually beyond exporters’ control. Firm-initiated promotions often include international advertising (Lewis and Houseman, 1998), sales promotion (Bennett, 1998), publicity, and personal selling (e.g., in trade shows). While these export promotion methods have contributed to the enhancement of firms’ exporting activities, they have also been criticized for a variety of reasons. For instance, they often require significant investment and do not conform to country-specific regulations; or are often run infrequently (see Lewis and Houseman, 1998; Bennett, 1998; Johansson, 1997).

Direct marketing (Johansson, 1997) is the newest global promotional tool adopted by exporters. Through the use of mail, telephone, fax, or more recently, the internet, exporters today can directly communicate with their customers and business partners. In fact, as traditional ways of export promotions have yielded mixed results and because of the fast growth of the global internet, exporters are increasingly looking at the internet as a viable medium for promoting their offerings directly to the global audience (Melito, Greve, and Sivadas, 1996).

**Roles of the internet in export promotions**

Effective websites add to the pool of controllable promotional tools for exporters. Therefore, it is crucial that exporters thoroughly learn about the various types of roles that the internet can play in their online marketing programs. The “Communication/Transmission” framework as discussed in Queich and Klein (1996) provides an initial foundation for understanding this issue.

The internet as a communication medium has some attractive features, such as interactivity (Hoffman and Novak, 1996), high-capacity information storage (Palmer and Griffith, 1998), and digitization ability.
enable exporters to build their corporate and brand images, enhance their relationships with foreign customers, and promote themselves to new prospects. One example is www.pg.com, which promotes Procter & Gamble and its products to consumers from 15 countries in their native languages.

The internet can also be used as a direct-marketing channel if the exporters' websites are enabled with e-commerce capabilities. Through their websites, exporters can generate sales leads, accept online orders, engage in online transactions with customers through secure online payment processing, or conduct transactions with suppliers through secure extranets. An example of this type of application is www.dell.com where customers from 86 countries (or regions) can buy Dell products priced in local currencies.

Naturally, these two different types of online marketing emphases call for different types of website features and functional attributes. In this study, we summarize and analyze a range of website functions and their marketing applications for online communications. The two lists of site components, based on relevant marketing theories and on insights from preliminary investigations of exporters' websites, are detailed below.

1. Trustworthiness of the company and its offering. To serve as a communication channel, the exporter's website has to build a reputable corporate image in cyberspace where few physical cues (e.g., magnificent bank buildings) exist to suggest the quality of the company behind the website (Hanson, 2000). This is especially important for first-time exporters that may not enjoy high brand recognition among international users. For instance, showing that the exporter has attained the internationally recognized ISO 9000 certification on its website may project an image of credibility to site visitors and potential customers.

2. Domain name type. The use of a separate domain name (e.g., www.mycompanyname.com), as compared to an affiliated domain name (e.g., www.aol.com/mycompany), often bolsters brand recognition and recall of the exporter's name (Wong, 2000). The sense of permanency associated with the independent domain name is likely to signal the exporter's commitment to its site visitors.

3. Product information. Displaying comprehensive product information on the exporter's website provides instant utility to prospects because they can access needed information right at the website. It also complements the corporate image information and allows site visitors to form an overall picture of the exporter's offerings. In contrast, an exporter's website with spotty product information (e.g., just a few lines of product descriptions) is likely to disappoint site visitors who expect to find tangible information about the firm's offerings.

4. Language options. Studies have found that global internet users prefer to browse websites in their own languages (Global Reach, 2000). Thus, it is important that exporters develop multilingual websites to appeal to potential viewers from different countries. Further, having a multilingual option itself may show that the exporter is sensitive to the cultures of international customers.

5. Personalization capability. Personalized web pages can enable the exporter to build a one-to-one relationship with its customers (Hanson, 2000). By tailoring web pages for different users who may have different information needs, the exporter can more clearly communicate its benefits to each unique buyer. Since an exporter's international user base is likely to be more heterogeneous than its domestic customer base (e.g., because of differences in country tariffs, usage occasions, etc.), the personalization capability may be even more valuable in online export marketing.

6. Contact information. As it is rare that all export transactions can be completed exclusively online, exporters need to provide means of contact for their website visitors. Different modes of contacting the exporter for in-depth negotiations are associated with different levels of speed and efficiency in communication. Online-based contact forms are the fastest and easiest for the visitor who can just send the inquiries right at the website. E-mails may facilitate text communications but require the operation of an e-mail program. Providing only traditional contact information (e.g., snail mail address) falls short of meeting the rising communication expectations of global internet users who demand quick answers.

Together, these six website components discussed above demonstrate the exporters' capability to fulfill the online communication objectives with their websites.

In a similar fashion, we identified the following important site design attributes for exporters that use the internet as a transaction channel:

1. Product information: Consumers often base their purchase decisions on comprehensive information searches, especially when they intend to purchase from foreign vendors. Spotty information about products on an exporter's site would most likely discourage potential buyers from moving closer to decision points.
2. Pricing information: Pricing information, coupled with product information, provides a basis on which potential customers may make quick initial value judgments about potential purchases. Without such information, potential buyers may be hesitant to explore further.

3. Distributor information: As potential customers move further along the decision process, “where to buy” information becomes more critical (Engel et al., 1995), particularly if the exporter delegates the actual selling to its foreign distributors. Since very few exporters actually sell their products exclusively from the internet, this site attribute may be critical for the perspective buyers who are serious about buying from the exporter.

4. Purchase assistance: For consumers, buying from a foreign exporter may involve a lot more steps than buying from a domestic firm (Johansson, 1997). A considerate exporter can provide details about customs, taxes, exporter authorizations, and import quotas (Kill, 2000) on its website so potential consumers may be encouraged to make faster purchase decisions because the exporter has taken care of the “technical” considerations.

5. Technical support: “Technical support” sections, such as Frequently Asked Questions, can often solve the common problems encountered by consumers who may have shown initial interest in the product. Having this option on a website is also reassuring for potential buyers as they know technical help is just a click away.

6. Extranet capability: An extranet is a secure information network for exporters to communicate and engage in business transactions with their suppliers, partners, or customers (Kleinull, 2001). Companies in the business-to-business marketing sector often use it. Providing extranet capability on exporters’ websites facilitates secure web-based business transactions with exporters’ trade partners, such as freight forwarders, carriers, and foreign distributors.

Together, the above components demonstrate the capability of an exporter’s website to fulfill its transaction objectives online.

Research objectives

The website attributes summarized above provide a starting point from which exporters may devise their websites to conform to the requirements of the two online marketing models for exporters. Yet, to test the veracity of these identified site attributes, it is necessary to examine the actual usage of these attributes by exporters on their websites. Further, we must also investigate the factors that may affect an exporter’s choice about the mix of the two categories of online marketing models to use.

Quelch and Klein (1996) posited that well-established multinational exporters (e.g., Phillips) tend to adopt the communication model while start-up companies tend to adopt the “transaction” model. In their definition, a start-up refers to a pure “internet” company such as amazon.com. In reality, most exporters are not pure internet companies; yet not all of them may have broad enough market exposure worldwide to be classified as true multinationals either. Therefore, the distinction between “a multinational and a pure internet company” and its impact on the choice of online marketing models is not directly applicable for this study on online export marketing. Instead, a number of additional constructs, which we believe to be important, were identified and analyzed. Further, a number of research hypotheses were proposed based on the analysis.

First, exporters from internet-advanced countries, such as the “Top 15 Internet Countries” as evaluated by Computer Industry Almanac (2000) based on criteria such as “per capita internet usage,” are likely to have adopted the internet for business transactions earlier than their counterparts from internet-developing countries. Internet-developing countries are those who are still experimenting with using their sites as glorified electronic brochures to showcase their companies, which was the original use of the commercial internet. Hence, exporters from internet-developed countries are more likely to feel comfortable employing websites for transaction objectives. Thus:

H1: Exporters from internet-developed countries are more likely to employ the “transaction” feature in their websites than exporters from internet-developing countries.

Second, exporters from internet-advanced countries, in addition to their relative familiarity with using their sites for transaction purposes, are also likely to be more sophisticated at employing more communication features in websites. This is true because the overall quality of website design in those internet-developed countries may be higher, and the benchmark for comparison may also be higher. On the other hand, exporters in internet-developing countries may have lower expectations about their sites’ communication capabilities as the overall website design benchmark may be low (e.g., due to the lack of experience in design) and competitors with cutting-edge websites are relatively rare. So, simpler “brochure” websites are likely to be observed for these exporters from internet-developing countries. Thus:

H2: Exporters from internet-developing countries are more likely to employ the “communication” feature in their websites than exporters from internet-developed countries.
H2: Exporters from internet-developed countries are more likely to employ more "communication" features in their websites than exporters from internet-developing countries.

Third, buyers of business products (e.g., commercial plants) often require detailed negotiations with sellers ( Moriarty, 1983) and such complexities are less likely to be tackled easily in an online environment. In contrast, transactions of consumer products (e.g., fruit candies) are likely to be quick and relatively straightforward over the internet. Therefore, it is natural that exporters selling consumer products are more likely to emphasize transaction features on their sites, at least at this stage of e-commerce development. Thus:

H3: Exporters that sell consumer products are more likely to employ the "transaction" feature in their websites than exporters that sell business products.

Fourth, the purchase of customized products (e.g., landscaping for a new stadium) often requires detailed face-to-face negotiations with the seller about contract details, so the process is less likely to be undertaken online. On the other hand, buying standardized products with clear and near-universal product specifications (e.g., a car stereo set) is likely to be quick and relatively straightforward over the internet, even for international buyers. Therefore, exporters that sell customized products are more likely to emphasize transaction features of the site. Hence:

H4: Exporters that sell customized products are more likely to employ the "transaction" feature on their websites than exporters that sell standardized products.

Finally, high-transaction-capability websites are likely to be associated with more advanced site designs. Hanson (2000) classified websites into three different stages: simple publishing, interactive, and personalized, with each stage emphasizing different levels of design sophistication. A "simple publishing" website is primarily a "brochure" website, thus it is generally not capable of enabling online transactions. An "Interactive" website allows site users to actively control information retrieval (e.g., search function) or voice their views through online-based forms. A "personalized" website is designed to display web pages that are customized to the unique needs of its registered members. Compared to "simple publishing" sites, "interactive" and "personalized" sites contain more tools (e.g., online product inquiry forms) for interested consumers to further explore their purchase decision process. Such capability can be especially powerful in "personalized" websites where individualized product recommendations can be tailored to each registered customer, thus enhancing the likelihood of online purchase. Consequently, if an exporter intends to emphasize transaction features on its site, then the corresponding website design should be more advanced. Hence:

H5: Exporters that emphasize transaction features of the site are more likely to employ advanced site designs.

STUDY DESIGN

An empirical study was designed to examine how exporters are using their websites for export marketing and to test the research hypotheses. Three random samples of exporters were selected from each of the three countries: Canada, Malaysia, and Denmark, which represent economies in three different regions—North America, Asia, and Europe.

Canada was selected because it is ranked number one in per capita internet usage (Computer Industry Almanac, 2000). Denmark was selected because it is ranked high in per capita internet usage (No. 6) and also because of its economy's heavy reliance on exports (its 1999 exports were $49.5 billion, about 38.8 percent of its GDP; World Fact Book, 2000). However, Malaysia's internet development is not yet as advanced as the other two. Overall, the three countries selected represent three different geographic regions and different levels of internet or economic development. In addition, all three countries have put comprehensive and official directories of exporters on the web that served as our sampling frames.

Sampling

An extensive internet search was conducted and inquiries were made to the three countries' trade bureaus to pinpoint the best sampling frame; this lead to the discovery of three comprehensive online directories of exporters for each country. Each exporter listed in these directories has at least a rudimentary web page.

The Canadian directory (www.worldexport.com) was published by International Publishing & Development (IPD) and endorsed by the federal and provincial government of Canada. It indexed more than 5,000 Canadian exporters in a variety of industries from agriculture to telecommunications. The Danish Exporter's Directory is an official directory of products and services from Denmark published by the Royal Danish Ministry of...
Foreign Affairs, containing more than 100,000 Danish exporters. The Malaysian list of exporters—Malaysia Manufacturers and Exporters website (http://aiaep.com/my)—was endorsed by the Minister of Malaysia International Trade and Industry to promote Malaysia’s products to international customers. This comprehensive list covers a wide variety of industries from abrasives to zinc and includes thousands of companies.

To ensure the generalizability of our study results, we chose to employ the random sampling method. Also, because of the significant amount of time (about 15-20 minutes) involved in analyzing each website, we decided to randomly select around 150 exporters from each country. This approach takes into account the resource limitations of the researchers and the fact that a roughly equal sample size facilitates the cross-country comparison.

A systematic random sampling method was used to extract a random sample of 157 Danish exporters from the alphabetical list in the Danish directory. As the Canadian exporters’ directory was arranged by industries, a proportional sampling method was used to ensure that the number of exporters drawn from each industry was proportional to the total number of exporters listed for each industry. Within each industry, a systematic random sample (with a calculated spacing to get the desired number of exporters) was then drawn from the alphabetically listed exporters. The final sample of randomly selected Canadian exporters consists of 154 companies. The Malaysian exporters’ directory was arranged alphabetically by product category. We again applied the systematic random approach (with a calculated spacing to get the desired number of exporters) and selected a total of 151 Malaysian exporters. While differences in the directory format forced us to use slightly different sampling methods, all three samples of exporters are nonetheless random in nature.

Data collection
A website content analysis procedure (see, e.g., Philport and Arbittier, 1997; Griffith and Kramp, 1998) was adopted to analyze the attributes of the exporters’ websites in the three samples. A detailed coding sheet (available from the authors upon request) was developed first and the researchers practiced independently coding 12 randomly selected exporters’ sites from the three countries (four each). Then the coded results were compared and differences were reconciled through discussions. This step ensured the consistency of coding results. In addition to collecting data about the different website design components in site communication and transaction functions, we also collected information about the following variables:

1. The nature of the exporter’s business: Will the exporter’s products be used by businesses, ordinary consumers, or both? The classification here was based on whether the main product offered at the site was intended for use by ordinary consumers, organizational buyers, or both.
2. Exporter’s product line characteristics: Is the exporter’s major product line standardized, customized, or both? If product specifications were clearly shown as the only available options for potential buyers (e.g., 12 V car power adapter), then we consider the product line to be primarily “standardized.” On the other hand, if the exporter clearly mentioned its ability to customize products to suit different needs of buyers, we classified the product line as “customized.” Lastly, we concluded that the exporter’s product line is both “standardized” and “customized” if the exporter listed standard models and also clearly stated its ability to customize products for user needs.
3. Stage of website design: Is the exporter’s site a “brochure” type, “interactive,” or “personalized”? The guidelines used here were directly from Hanson (2000): a “brochure” site lacks any element of interaction, an “interactive” site allows users to perform certain tasks; and a “personalized” site typically has a login function to differentiate its registered users.

The complete data collection process lasted from September to October 2000.

RESULTS
Descriptive results of this study are presented first, followed by hypothesis testing results.

Characteristics of the exporters
Table 1 provides a breakdown of exporters based on nature of the export business and degree of standardization of the product line for each country. Exporters selling business products outnumbered those selling consumer products, which is consistent across the three countries and coincided with statistics reports that global B2B e-commerce is bigger than the global B2C e-commerce (eMarketer, 1999). We also found that exporters that produce relatively standardized products outnumbered exporters that sell products requiring individual customization (e.g., individual installations). Because personalized websites are still rare for exporters (less than 3 percent in our samples), those exporters might have decided that if they had to meet the unique information needs of clients through building expensive personalized websites, they may just as well stick to the traditional communication means (e.g., personal selling) instead of using the web.
TABLE 1
Characteristics of Exporters from Three Countries

<table>
<thead>
<tr>
<th>Nature of Business</th>
<th>Both Business and Consumer Products</th>
<th>Product Standardization Level</th>
<th>Both Standardized Products</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Business Products</td>
<td>Consumer Products</td>
<td>Both Business Products</td>
</tr>
<tr>
<td>Canada</td>
<td>99</td>
<td>1</td>
<td>54</td>
</tr>
<tr>
<td>Denmark</td>
<td>108</td>
<td>33</td>
<td>16</td>
</tr>
<tr>
<td>Malaysia</td>
<td>101</td>
<td>23</td>
<td>28</td>
</tr>
<tr>
<td>Total</td>
<td>308</td>
<td>57</td>
<td>98</td>
</tr>
</tbody>
</table>

Exporter's website communication and transaction capability

In this study, an exporter's website's capability to "communicate" with potential users and engage in transactions with potential customers was quantified using the Communication Index and the Transaction Index, respectively.

The Communication Index (or CI) was constructed by totaling the codes for different components within this index. For instance, exporters that have adequate information about their trustworthiness (e.g., through customer testimonials) were assigned "1" for this attribute and otherwise assigned "0." Those with independent domain names were assigned "1" and others were assigned "0." Exporters that have adequate or comprehensive information about their products were assigned "1" for this attribute and otherwise they were given "0." Those with pricing information were assigned "1" and others "0." Exporters that have distributor information were assigned "1" and others were assigned "0." Those with purchase assistance were assigned "1" and otherwise "0." Those with a section dedicated to technical support on the site were assigned "1" and those without were assigned "0." Consequently, the larger the CI, the better an exporter's website can communicate its offering to site visitors. According to this coding scheme, the maximum value of CI for an exporter's website is 6.

The Transaction Index (or TI) was constructed in a similar way. For instance, exporters that have comprehensive or adequate information about their products were assigned "1" for this attribute and otherwise they were given "0." Those with pricing information were assigned "1" and others "0." Exporters that have distributor information were assigned "1" and others were assigned "0." Those with purchase assistance were assigned "1" and otherwise "0." Those with a section dedicated to technical support on the site were assigned "1" and those without were assigned "0." Consequently, the larger the TI, the better an exporter's website can facilitate transactions with site visitors. The maximum value of TI for an exporter's website is 6.

Country internet development level and website capability

Given the uneven distribution of countrywide internet usage (Computer Industry Almanac, 2000), we explored whether exporters from internet-developed countries are more sophisticated in developing comprehensive websites that have more site communication or transaction components, as proposed in Hypotheses 1 and 2. Our empirical data supported these hypotheses. Interestingly, the combined CI and TI value for more than 85 percent of exporters' websites is less than 6, indicating that a large percentage of exporters' websites are weak in both dimensions. At the country level, Canadian and Danish exporters performed better than their Malaysian counterparts on both of the indices. For instance, the average Canadian and Danish exporter's website has two to three communication or transaction components in its site design. However, a typical Malaysian exporter's website has only one communication site design feature and one or two transaction site design features.

An ANOVA test was conducted with the null hypothesis that the average of the communication (transaction) index is the same for exporters' sites from the three countries. Both of the tests for the communication and transaction index returned a p-value of 0.00, suggesting the rejection of the null hypotheses (see Table 2). Thus, we conclude that there are significant differences in site communication or transaction capability between exporters from internet leading countries (i.e., Canada and
TABLE 2
ANOVA Tests of H1 and H2

Null Hypothesis for H1:
Mean Communication Index (Cl) Value

<table>
<thead>
<tr>
<th>Danish Exporters</th>
<th>Canadian Exporters</th>
<th>Malaysian Exporters</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.23</td>
<td>2.07</td>
<td>1.17</td>
</tr>
</tbody>
</table>

ANOVA Test P-value 0.000

Conclusion: Reject null. Mean Cl value is higher for internet-developed countries than for internet-developing countries.
H1 strongly supported.

Null Hypothesis for H2:
Mean Transaction Index (TI) Value

<table>
<thead>
<tr>
<th>Danish Exporters</th>
<th>Canadian Exporters</th>
<th>Malaysian Exporters</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.37</td>
<td>2.33</td>
<td>1.53</td>
</tr>
</tbody>
</table>

ANOVA Test P-value 0.000

Conclusion: Reject null. Mean TI value is higher for internet-developed countries than for internet-developing countries.
H2 strongly supported.

In summary, our empirical testing results strongly support Hypotheses 1 and 2.

Nature of exporting business, product-line type, and website transaction capability

Exporters may find the internet more appropriate for selling or promoting certain types of products. Hypotheses 3 and 4 posit that exporters selling standardized or business products are more likely to use a greater number of transaction features in their websites. The empirical data and statistical tests provided strong support for H3 and marginal support for H4, as summarized in Table 3.

For exporters that engage in selling consumer products, the average mean Transaction Index is 2.33, higher than the average for those exporting businesses selling primarily business products. This data confirms that because business-to-business transactions tend to be more complex and require personal interactions, exporters selling business products are inclined to place less emphasis on the transaction features of their websites than their counterparts that vend consumer products.

TABLE 3
ANOVA Tests of H3 and H4

<table>
<thead>
<tr>
<th>Nature of Business</th>
<th>Product Standardization Level</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Business Products</td>
</tr>
<tr>
<td></td>
<td>1.98</td>
</tr>
</tbody>
</table>

ANOVA Test P-value 0.002

Conclusion: Differences in the mean TI values among the three different export businesses are statistically significant.
H3 strongly supported.

Conclusion: Differences in the mean TI values among the three different export businesses that emphasize different product lines are marginally significant.
H4 marginally supported.

Exporters with different types of product lines (i.e., standardized versus customized) also exhibited different transaction features in their website designs. The average TI for exporters that sell standardized products is 2.09, while the average for those that sell customized products or services is 1.85. The difference can probably be explained by the different requirements of potential customers buying products from foreign exporters. Buying customized products or services certainly requires more personalized attention or services before the potential consumers can even think about purchasing decisions. Thus, it makes more sense for those exporters to install more transaction-facilitating features in their websites. Nevertheless, the differences as demonstrated by the empirical data are marginally significant statistically.

Website design stage and transaction index

The testing of H5 should lend credence to the validity of the Transaction Index construct. Our data showed that for about 89 percent of the exporting websites with Stage I website design, the average TI was 1.98, while for about 10 percent of the
websites with Stage II design, the average TI increased to 2.96. Finally, for the less than 1 percent of exporting websites with Stage III website design, the average TI rose further to 3.33. The differences among the TI values for websites in different design stages were also significant statistically with a p-value of 0.0 (see Table 2). Therefore, it can be concluded that the construct Transaction Index is consistent with other site design indicators. This conclusion also supported H5.

In summary, the empirical data provided clear support for most of the research hypotheses. Implications of the results are discussed below.

DISCUSSIONS

The internet is quickly changing the export marketing domain (e.g., Hamill, 1997; Samiee, 1998), spurring both business interests and academic attention. The “Communication/Transaction” framework proposed by Quelch and Klein (1996) serves as a useful starting point for understanding the roles the internet can play in exporters’ online marketing programs. This study empirically investigated the appropriateness of this framework, and it added a number of new perspectives to the framework. A number of important website design attributes were also identified. Managerial implications for exporters engaged in online marketing are detailed below.

Enhancing the communication or transaction capability of exporters’ websites

To help exporters communicate effectively with their potential consumers online, this study has identified the following critical website components: tangible evidence of trustworthiness, independent domain name, comprehensive product information, multiple languages, customization capability, and electronic contact information. Unfortunately, the empirical data collected showed that exporters were quite deficient in their communication capabilities, averaging slightly fewer than two (1.83) communication components in their websites. This often translates into exporters’ websites that: (1) fail to demonstrate their trustworthiness in cyberspace; (2) have an URL affiliated with somebody else’s domain name; (3) provide sparse information about their products; (4) offer single language web content; (5) have no customization capability for different types of site users, or (6) do not provide electronic means of contact. Those problems will inevitably harm the effectiveness of the electronic communications that can be completed at the exporters’ websites. Thus, we recommend that exporters, especially those pursuing the communication objective, should significantly improve the communication capabilities of their websites by adding more communication components in their websites.

A successful example of using websites for communication by an exporter examined in our study illustrates our points above. Sweetwater Technology A/S is a Danish exporter that produces portable water purification systems for business and government buyers. The firm has an independent URL, www.sweetwater.dk, which is easy to remember. The website is offered in both Danish and English to suit international audiences. The trustworthiness of the company and its products is shown through the downloadable original government lab test results of its equipment. Product information presented at the website is comprehensive with detailed product specifications. Finally, the site can be customized to suit the unique information needs of its registered member users. Overall, the exporter’s website is very effective in communicating its corporate image and products to online visitors.

Examination of the use of transaction components in exporters’ websites told a similar story. The study pinpointed six essential components: comprehensive product information, prices, distributor information, purchase assistance, technical support, and extranet capability. Yet, the empirical data showed that on average exporters’ websites employed just two transaction components. This often leads to sites that have limited product information, no pricing information, no distributor information, little help for calculating customs, taxes, etc., no technical support for product-specific questions, or not extranet-enabled. Those deficiencies are certainly going to impede the potential customers’ purchase decision-making process. For exporters pursuing a transaction orientation, the detrimental effects to their online marketing efforts and bottom lines could be significant.

A successful example of using a website for export transactions was identified through our study. Better Living Products International is a Canadian exporter (www.dispenser.com) that primarily engages in consumer business; it clearly adopts a transaction orientation in its online export marketing. The company’s website offers comprehensive information about various types of dispensers, complete with product specifications, photos, and warranties. Technical questions about the products can be answered using the “Troubleshooting” section, which even lists replacement parts information. Pricing information is clearly presented at the website. Currently, customers from Canada or the United States can buy the dispensers online. The U.S. customers are shown a separate page that includes the customs, tax, and international shipping information. Overall, the design of the exporter’s website seems to be capable of significantly facilitating online transactions with international buyers.
CORPORATE WEBSITES

Transaction index or communication index: Which direction to pursue?
While an exporter can certainly choose to strengthen its communication and transaction capabilities at the same time, for exporters with limited resources (e.g., time and financial) targeting one of the two orientations may be a more efficient and quicker approach to take. The study shows that exporters selling consumer products (e.g., canned fruits) tend to emphasize the transaction capability in their websites more than those selling business products (e.g., wood mill equipment) do. Further, exporters selling standardized products (e.g., batteries) are more likely to enhance their site transaction features than those selling customized products (e.g., landscaping green plants for sports stadiums). As no significant interaction effects were found for the two variables, exporters could carefully evaluate the nature of their business or product type to decide whether or not to strengthen website transaction capability.

Country differences and policy implications
The study results also provide important policy implications for governments that intend to keep their economies in step with the global e-commerce trend. The Malaysian government, for example, is renowned for its internet push (Business Times, 2000). Yet our empirical results showed that the websites built by Malaysian exporters lag significantly behind their Canadian and Danish counterparts both in terms of site transaction and communication capabilities. As exporters’ websites deficient in either capability are not likely to be attractive to visitors, it is quite possible that a portion of potential customers might have been turned away by poorly planned websites that fail to engage them. Thus, a government push for the internet should go beyond urging companies to set up websites. Rather, efforts should be directed at helping exporters fully utilize the communication or transaction capabilities of the web. For instance, a government may sponsor website benchmark studies or propagate best practices for building effective websites for exporting companies. For countries such as Malaysia, whose economies rely heavily on exporting, such policies will most likely make a big difference in this digital age of global trade.

Limitations and future research
This present study was based on three random samples of exporters’ websites from online directories for three countries: Canada, Denmark, and Malaysia. Though the three countries were selected to represent a mix of internet-advanced and internet-developing countries, extrapolating the conclusions reached in the study to other economies should be done with caution. Further, as the three sampling frames consist only of those exporters with web pages, exporters that do not have any web pages yet were excluded. Nonetheless, we believe the percentage of excluded exporters from each country should be relatively small as the commercial internet has been around for more than six years.

This study investigated the “communication versus transaction” framework by Queleh and Klein (1996), which provided a ready model for this study. However, alternative or more specific theoretical constructs should be explored for developing effective online marketing strategies for exporters. The content analysis procedure used in the study, while providing much useful information about the design components of the exporters’ websites, leaves a number of questions for future studies. Future studies can send surveys to exporters that have differing levels of transaction or communication capabilities. Then, the quantitative outcome variables such as website visit rates, number of online inquiries and sales leads, or online sales volume can be used to evaluate whether websites with better communication or transaction capabilities indeed perform better.

The internet has blurred the geographic boundaries of world trade and made exporting to worldwide consumers more accessible. To fully utilize its potential, however, exporters first have to design winning websites with either effective communication or transaction capabilities. Consequently, they should either communicate their product benefits to potential buyers in cyberspace or directly market their offerings to international internet users.

Wenru Dou is assistant professor of marketing at the University of Nevada-Las Vegas. His previous publications have appeared in the Journal of Advertising Research, Industrial Marketing Management, and Quarterly Journal of E-Commerce, among others. His main research interests include marketing communications on the Internet and customer interface design.

B齐型 "Qici" Nestor is marketing manager at ALTO CSI, Inc. He holds an MBA degree from St. Cloud State University.

Chee Ming Tan holds an MBA degree from St. Cloud State University.

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CORPORATE WEBSITES


