Online Media as an Information Source: Some Preliminary Findings


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Abstract

Consumers need to understand the different options available to them in order to be able to make an informed decision when purchasing a product, and so will undertake some kind of information search. The growth of the Internet has greatly changed consumers’ ability to undertake information searches as well as enabling consumers to purchase products and services online. This paper aims to analyse the issue of the choice of information source when making a purchase decision. It will present the results of an exploratory study whereby 144 (52 male; 92 female) students were exposed to a situation where they could purchase a variety of goods or services, and analyses media choices for the respondents as well as the type of information required. The results indicate differences in the preferred choice of media across product categories, and that online media is not the only source of purchase information.
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Introduction

Previous studies on the consumer decision-making process indicate that as a potential purchaser actively considers purchasing in the category, he/she will undertake an information search on such issues as: what to purchase, which brand to buy, whether to search for further information, and when to or not to purchase (Urban, Hauser, and Roberts 1990; Urban, Hulland, and Weinberg 1993; Moorthy, Ratchford, and Talukdar 1997; Häubl and Trifts 2000; Strebel, Erdem, and Swait 2004; Waller et al. 2007; Elliott, Fu, and Speck 2012; Maity, Dass, and Malhotra 2014). Information search has been defined as “the degree of attention, perception, and effort directed toward obtaining environmental data or information related to the specific purchase under consideration” (Beatty and Smith 1987, p. 85). The motivation for the information search would vary depending on the person’s knowledge of the product/market, as well as the type of product or service being considered for purchase (Bloch et al. 1986; Steenkamp and Baumgartner 1992; Jiang and Rosenbloom, 2013). Making a new “high involvement” product purchase can involve a degree of risk and uncertainty, so by increasing information search a potential customer can decrease the amount of uncertainty (Urban et al. 1989; Murray 1991).

According to Strebel, Erdem and Swait (2004), “understanding the role of information channels during the purchase process for high technology durable goods is vital to the optimal allocation of communication resources” (p. 96). It is also noted that online sites that focus on information have an important role in the market, and suggests a changing role for sales people with more of a focus on demonstration and negotiation, rather than information and persuasion (Molesworth and Suortti 2002, p. 166). Therefore, the understanding of a consumer’s information search behaviour can assist in the understanding of consumer choice and also guide in the formulation of appropriate marketing communication strategies.

This paper will analyse the choice of information source for several types of product purchase decisions. The research objectives will be (1) to determine what are the main sources of
information used by people when they are in the market to purchase a high-involvement product (motor car; luxury fashion item); (2) to determine what are the main sources of information used by people when they are in the market to purchase a high-involvement service (holidays/travel; educational course); and (3) to discover what type of information would people want to assist in making such purchases. A survey of 144 university students was undertaken where they were exposed to a situation where they could purchase a variety of goods or services, and analyses was made for media choices of the respondents, plus the type of information required. From the results it is intended to identify the role of online media as an information source, and contribute to the discourse on consumer information gathering.

Background

Information search

According to Information Theory “the more information the consumer has, the better decision he/she will make” (Stigler, 1961). Before purchasing a new product, particularly high involvement products, potential purchasers typically undertake some amount of information searching. In fact, the process of diffusion of a new technology and the provision of information is intertwined, with Rogers (2003) describing diffusion as a process of “communication by which an innovation in the form of new ideas, practices or products, is spread, through certain channels, over time, among members of a social system” (p. 18). Importantly, different communication channels play different roles at various stages in the process, so the media channel chosen by one person could be different to the channel chosen by another.

Consumer information seeking may be motivated either by the desire to make better purchase decisions or by a more general interest in learning more about the environment (Steenkamp and Baumgartner 1992; Moorthy, Ratchford, and Talukdar 1997; Jacobsen and Munar 2012). Bloch, Sherrell and Ridgeway (1986) contrasted pre-purchase search, which is for the purpose of making a better purchase decision, with ongoing search, which is motivated by a desire to build a bank of information for possible future use or to experience fun and pleasure (a hedonic or recreational pursuit). Murray (1991) found that service consumers are inclined to seek additional pre-purchase information, and there were distinct information needs by
consumers depending on the level of service content (p. 19), so information search may also vary depending on the type of product (or service).

Making a new product purchase can also involve a degree of risk and uncertainty, so by increasing information search a potential customer can decrease the amount of uncertainty (Urbany et al. 1989; Murray 1991). In relation to this uncertainty, there are two general types: knowledge uncertainty (uncertainty regarding information about alternatives) and choice uncertainty (uncertainty about which alternative to choose). Choice uncertainty appears to increase search while knowledge uncertainty has a weaker, negative effect on search (Urbany et al. 1989, p. 208). Therefore, the reasons for searching for information can vary depending on the purchase context.

Information sources
Marketing communications has long been recognised as providing consumers with information and facilitating comparisons among alternatives (Stewart and Pavlou 2002, p. 380). A number of studies have examined information channel usage and how search effort is influenced by consumer characteristics (Kiel and Layton 1981; Beatty and Smith 1987; Lee and Hogarth 2000; Steenkamp and Gielens 2003; Strebel, Erdem, and Swait 2004; Maity, Dass, and Malhotra 2014). The implication for marketers is to ensure that potential customers, regardless of their characteristics, have access to relevant information through the appropriate information channels or media during this time of information search. Strebel, Erdem and Swait (2004) found that increasing the quality of information obtained in an information channel increases the probability that consumers will access that information channel during the search process (p. 101). Therefore, if the marketers know which media potential customers use to gather information on a new purchase, they can focus on appropriately exploiting that media. In doing so, marketers of new technologies must also be mindful of how information channel usage changes across purchasing environments.

The types of information search that can be conducted include internal information search (from the potential customer’s memory as a result of previous searches, product experience or passively acquired) or external information search (advertising, magazines, and consulting with experts, sales representatives, family and friends, etc.) (Punj and Staelin 1983; Beatty and Smith 1987; Murray 1991; Lee and Hogarth 2000; Molesworth and Suortti 2002; Stewart
and Pavlou 2002). External search is a motivated and conscious decision by the consumer to seek new information from the environment, which can be marketer-dominated or from personal/impersonal communication (Murray 1991, p. 11). Lee and Hogarth (2000) classified the types of external information search as: seller-provided, personal or third party. Kiel and Layton (1981) identified four more specific factors: retailer search, media search, interpersonal search and time.

In this study respondents are asked about their information search based on nine channels across four categories:

1. Company-provided: i. Internet – company/manufacturer website; ii. Advertisements and brochures;
2. Media/third party: i. Internet – third party / review site; ii. Television/radio; iii. Newspapers/magazines;
3. Retailer-provided: i. Internet – retailer website, ii. Shop/retail displays; and
4. Personal: i. Family and friends (third party); ii. Sales assistants (retail provided).

Search channels
The growth of the Internet has greatly changed the purchase environment for many consumers (Klein and Ford 2003; Peterson and Merino 2003; Xiang and Gretzel 2010). Consumers can undertake information searches online as well as purchase consumer products and services online. The Internet provides a platform for producers, retailers and other interested third parties to provide information and opinion on products and this can assist in potential purchases (Kulviwat, Guo, and Engchanil 2004), although there can be the problem of having too much information available, or information overload (Nachmias and Gilad 2002). Still, the Internet is often used for product information search due to its easy access and efficiency (Moe 2003), and has been seen as a more innovative information search medium compared to other traditional mediums, like television and magazines (CyberAtlas 2000). There are differences, however, in the type of people likely to use the Internet for information search. Those customers who purchased products from the Internet are more likely to browse the Internet to gather product information than those who are only Internet browsers and traditional channel purchasers (Lee and Johnson 2002). Kaufman-Scarborough and Lindquist (2002) and Kau et al. (2003) also found that the sources used for information gathering varies depending on whether people were online or offline purchasers. Ratchford,
Talukdar and Lee (2007) reported greater use of the online channel by car purchasers who are male, have a higher level of education or have a higher income, and reported a decreasing use with age. There are also growing links between the Internet and other information channels, with other channels now often used to encourage people to search for particular websites. Therefore, while the Internet is an important source of information when it comes to online purchasing, it is also important to examine other channels of information which can also be used by potential purchasers.

While it is important to consider people’s first media choice, in reality people do not just look at one media as a source of information, just as most organisations do not just use one media in a promotional campaign. Rossiter and Bellman (2005) discuss media-type selection for a marketing communications campaign, and claim that an organisation can employ several primary media (e.g. television and newspapers) to reach the total target market and several secondary media (e.g. store displays) to boost communication effects, like category need, brand awareness, brand preference, brand action intention, and purchase facilitation (pp. 236–244). The idea of employing and coordinating several promotional activities in a campaign to communicate to customers is the central theme of integrated marketing communications (IMC) (Kitchen et al. 2004; Belch and Belch 2012). The IMC process involves planning, developing, executing and evaluating a coordinated program of brand communications activities aimed at consumers, and other internal and external audiences (Schultz 2004), so it is also important to identify media patterns that are more relevant to particular target audiences (Elliott, Fu, and Speck 2012). This is particularly important for digital distribution channels such as the Internet, where the information available about the effectiveness of alternative information channels is more limited.

Previous studies of the use of online or offline media have mostly considered only use per channel (e.g. Montaya-Weiss, Voss, and Grewal 2003; Vermeir and Van Kenhove 2005), with usually a focus on purchase, or sometimes on the use of a mix of channels, but very few seem to have looked at how different media are used in combination, or even better, how they are used in sequence. An exception is the study by Verhoef, Neslin and Vroomen (2007) into the ‘research shopper’ phenomenon, which describes a detailed investigation into the attractiveness of each channel for search and for purchase. It focuses on attitude formation towards each channel, but does not take into account the sequence in which different
channels may be used during the information and purchase stages. While it is important to study consumers’ overall channel preference, in reality many people do not just look at one media as a source of information, just as most organisations do not use one single media in a promotional campaign.

The present study aims to consider the various information sources as media choice options people use as channels to gather information on the purchase of a new product. In particular, it will examine differences in online/offline media choice when exposed to a situation where people could purchase a variety of goods or services.

Methodology
To determine which media channels people use to gather information on the purchase of a particular product, data was collected from a sample of undergraduate business students from a major metropolitan Australian university. The questionnaire was distributed in a classroom environment and it took approximately 10 minutes to complete. The students understood that the study was voluntary and the responses would be analysed anonymously. A total of 144 usable responses were received, from which 52 were male 92 were female. The main question (Appendix 1) presented a situation in which the respondent was ‘in the market’ for a particular product, and asked “If you were in the market to buy the following goods/services, what information source would you use to assist the purchase? What would be the Main Media? What would be the Secondary Media?” They were also asked “What type of information would you want to have to assist the purchase?” They were offered a variety of ‘products’: goods (motor car; luxury fashion items) or services (holidays/travel; educational course); as well as nine information sources (Internet – company/manufacturer website; Internet – retailer website; Internet – third party / review site; Family and friends; Shop/retail displays; Sales assistants; Advertisements and brochures; Television/radio; and Newspapers/magazines).

Results
To assist in analysing the results and answering the research objectives, each product will be discussed separately, and a summary of the top three responses, or top four if there was a tied score, is presented in Tables 1 and 2.
**Motor car:** When in the market for a motor car, respondents indicated the main source of information was the manufacturer’s website, which would provide a lot of detailed information about the car models, features, accessories, etc. This was followed by electronic media (television/radio) and family and friends. As for a secondary media, the Internet was again the most popular, but not the manufacturer’s website, rather the third party / review websites. Family and friends and company websites were also popular secondary media. This combination of online and offline media supports Kulkarni, Ratchford and Kannan (2012). The main type of information was price, followed by features, reviews and specifications.

**Luxury fashion items:** For a luxury fashion item, the retailer plays a vital role. Shop/retail displays topped the main and secondary media for information, and the retailer website was also mentioned in both lists. According to Kim and Ko (2012) there has been an increasing use of social media marketing activities by luxury brands. Print media and sales assistants were also mentioned. A reason for this could be that the retail outlet is the place where respondents browse for luxury items, try them on, and make the final decision to purchase. For some customers the traditional store is preferred to an online store (Kacen, Hess, and Chiang 2013). Price was again the main type of information sought by the respondents.

**Holidays/travel:** The Internet played a bigger role as an information source when purchasing a holiday or travel. The third party / review sites topped the list for both main and secondary media. Company websites came second as a main media. The use of the online media sources could be due to the Internet being a major way for people to purchase airline tickets, hotel rooms, etc. (Xiang and Gretzel 2010; Jacobsen and Munar 2012), so it would be convenient to use the Internet as a media source before buying tickets. Family and friends, and advertisements and brochures, were also popular on both lists. Once more price is a main type of information sought.

**Educational course:** By more than double the next media, the organisation website was perceived as the main source of information for selecting an educational course. Interestingly, there was a strong consistency from the student sample, with both lists containing third party / review sites, family and friends, and advertisements and brochures. This provides a clear message to educational institutions as to which media channels they should use to target
students. While price/fees are second on the list of the type of information sought, the course information was the most popular.

**Conclusion**

The findings indicate that the information source varied depending on the item being considered for purchase. Importantly the online media, the Internet, was not the first choice for information in all four situations, and when it was chosen there were differences on whether the online information originated from the manufacturer, retailer or a third party review site. For the services, the same media channels were chosen for both the main and the secondary sources of information, which indicate a consistency of media choice. Also, it would seem that a pattern of company/organisation websites and personal sources were favoured for information. Further, the type of information varied, although price was a major concern.

Gathering information about purchase intentions provides organisations with information about the potential demand of different media channels, which can lead to the potential for more efficient matching of the information search with different online and traditional offline media in future marketing communication campaigns (Waller et al. 2007). Therefore, the implication for organisations is to ensure the most relevant information is made available to potential purchasers through the media on which they prefer to find information.

A limitation for this exploratory study is that it is based on a sample of undergraduate business students, and there is the concern that they may not base their answers on experience but on what they think that they would do in the given situation. Further research is therefore recommended in the area of information sources, in particular to go beyond the specific information channels, like online media, and investigate the media choice patterns for particular products and a broader range of customers. Research could also test the effectiveness of integrating several media channels in a campaign, as well as testing different messages used in the specific channels. While the Internet is important as a source of information and place of purchase, there are other offline media channels that purchasers can use which can assist and support purchase decision-making. Understanding the role and influence such media channels can have on various market segments can assist marketers in building appropriate communication strategies. Such research will improve the efficiency of
the use of marketing resources that will not only benefit new product marketers but also potential customers.
References


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Appendix 1: Question as Presented in the Survey

The following will aim to match a product purchase with information from particular media. If you were in the market to buy the following goods/services, what information source would you use to assist the purchase? What would be the Main Media? What would be the Secondary Media? What type of information would you want to have to assist the purchase? To answer, write the relevant number of the information source in the box in the table.

Information sources:
1. Internet – company/manufacturer website; 2. Internet – retailer website;
3. Internet – third party / review site; 4. Family and friends;
5. Shop/retail displays; 6. Sales assistants;
7. Advertisements and brochures; 8. Television/radio;

<table>
<thead>
<tr>
<th>Type of product to purchase</th>
<th>Main Media</th>
<th>Secondary Media</th>
<th>Type of Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor car</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Luxury fashion items</td>
<td></td>
<td></td>
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<tr>
<td>Holidays/travel</td>
<td></td>
<td></td>
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<tr>
<td>Educational course</td>
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Table 1: Media for Information Search – Product

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<thead>
<tr>
<th></th>
<th>Motor Car</th>
<th>Luxury Fashion Items</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Main Media</strong></td>
<td><strong>Number</strong></td>
<td><strong>Main Media</strong></td>
</tr>
<tr>
<td>Internet – company/manufacturer website</td>
<td>32</td>
<td>Shop/retail displays</td>
</tr>
<tr>
<td>Television/radio</td>
<td>22</td>
<td>Newspapers/magazines</td>
</tr>
<tr>
<td>Family and friends</td>
<td>15</td>
<td>Internet – retailer website</td>
</tr>
<tr>
<td><strong>Second Media</strong></td>
<td><strong>Number</strong></td>
<td><strong>Second Media</strong></td>
</tr>
<tr>
<td>Internet – third party / review site</td>
<td>27</td>
<td>Shop/retail displays</td>
</tr>
<tr>
<td>Family and friends</td>
<td>19</td>
<td>Internet – retailer website</td>
</tr>
<tr>
<td>Internet – company/manufacturer website</td>
<td>17</td>
<td>Sales assistants</td>
</tr>
<tr>
<td><strong>Type of Information</strong></td>
<td><strong>Type of Information</strong></td>
<td></td>
</tr>
<tr>
<td>Price</td>
<td>16</td>
<td>Price</td>
</tr>
<tr>
<td>Features</td>
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<td>Looks</td>
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<tr>
<td>Reviews</td>
<td>6</td>
<td>Trends</td>
</tr>
<tr>
<td>Specifications</td>
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<td>Quality</td>
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</table>
Table 2: Media for Information Search – Services

<table>
<thead>
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<th>Holidays/Travel</th>
<th>Educational Course</th>
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<tbody>
<tr>
<td><strong>Main Media</strong></td>
<td><strong>Number</strong></td>
</tr>
<tr>
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</tr>
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<td>Internet – company/manufacturer website</td>
<td>18</td>
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<tr>
<td>Family and friends</td>
<td>17</td>
</tr>
<tr>
<td>Advertisements and brochures</td>
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<td><strong>Number</strong></td>
</tr>
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<td>Advertisements and brochures</td>
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<tr>
<td><strong>Type of Information</strong></td>
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</tr>
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<td>Location</td>
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