A comparison of the marketing capabilities of SME websites in Australian and U.S. domains

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ABSTRACT

This paper provides information on the capabilities of small and medium enterprise (SME) websites in terms of three elements of marketing, online marketing communication, marketing channel or transactional aspects, and relationship continuity.

The content analysis process used a tool to determine a websites "marketing readiness". The sites were analyzes by two auditors and reconciled by a third. The domain names were selected from domain name listings of the ".com" domain managed by VeriSign Corporation and the ".com.au" domain in Australia managed by AUDA, resulting in 316 auditable sites across the two domains.

It was found that while the websites from the two domains are statistically similar in terms of the three marketing elements mentioned, they differ on many items. In both, the websites are more capable in terms of marketing communication than they are in their marketing channel and relationship continuity capabilities and are not fully optimizing use of the Web in marketing.

A limitation is that the sample size and industry types prevent generalization across domains.

The lower findings in the two capabilities beg the question as to whether increasing these would increase conversions and, therefore, marketing and financial performance of SMEs. The paper suggests that SME websites are not utilizing the marketing opportunities provided.

A major contribution of this study is that it analyzes the entire selected SME websites, using structured content analysis. It is hoped the study will simulate debate and further study using this methodology with subjective and objective data concerning return on marketing investment.

Keywords: Web, marketing, electronic marketing, digital marketing investment.

INTRODUCTION

In marketing, communicating about product offerings has become a matter of communication interactively with connected customers. While the elements investigated here (online marketing communications, channel transaction aspects and relationship continuity) do not encompass all marketing activities in SMEs (Walsh and Lipinski, 2009), they are central to online marketing (Adam, 2002, Adam et al., 2002). Shankar and Markhouse, 2009, Varadarajan and Yadav, 2009). Many terms have described the technical aspects in these stages (e.g., search engine optimization, sponsored search, "Googling", Adwords, VOIP, Web 2.0, blogs, wikis, and virtual worlds). The most recent and notable stage involves social networking as Deighton and Kornfeld (2009) point out; that while academicians saw Web marketing to be aligned mainly with direct and database marketing, consumers, saw new sources of comparative information for their search and decision-making. Consumer's feel that they, and not marketers, can best determine what information is conveyed and if it is facilitates comparisons. Also the information does not interrupt their entertainment while perhaps not even be focused on their interest. To youth less accepting of intrusiveness and more focused on computer, the future for Web advertising looks bright, with increasing outlays on digital ads by SMEs and others (e.g., Shoebridge, 2007).

In view of the number of articles concerning Web use and benefits for SMEs (e.g., Mehrtens et al., 2001, Taylor and Murphy, 2004), the present paper focuses on the capability of such sites to mazimize returns and on the increase of Web marketing.

2. LITERATURE SYNTHESIS AND ANALYSIS

The investigation of the literature concerns the three elements of online marketing already alluded to with hypotheses developed for each. The starting point is an examination of prior studies of content analysis of websites in order to ascertain their marketing capability.

2.1 Antecedent Studies Examining Website Content:

The purpose of Web audits may serve analysis purposes (positivistic) or evaluative purposes (normative), and may take the form of content analysis, mechanical observation or a mixture of the two. They may be undertaken manually, by automated software or by a combination.

Consulting firms provide tools to examine website capabilities. One example is the Gartner Group (Gartner, 2000), which provides tools, to enable clients to rate their own and competitive website(s). Researchers have developed such tools, often with commercial entities (Adam and Deans, 2000, Bauer and Scharl, 2000, Cullen and Houghton, 2001, Yeung and Lu, 2004). Content analysis tools may be a spreadsheet with categories and assigned weights, for different industries (Cullen and Houghton, 2001, Abernathy and Franke, 1996, Gartner, 2000). The user visits the desired target media, conducts content analysis using the supplied variables and descriptors, and enters 1 or 0 as appropriate. The rating is made using a weighting factor.

There are at least five types of Web audit typologies, viz., textual analysis; manual classification; statistical analysis; unsupervised learning and supervised based learning (Bauer and Scharl, 2000). For example, Benckendorff and Black (2000) completed a textual analysis of a small number of single industry sites (45 sites) using criteria deemed important in destination

tourism. Similarly, Baloglu and Pekcan (2006) examined the websites of 139 Turkish hotels, using 45 criteria. Both studies indicated poor website capabilities utilization for marketing.

Wan's (2002) study of Taiwanese tourist hotels was conducted by two auditors who resolved their differences in line with Kassarjian's (1997) recommended approach to content analysis, although the focus was on technical aspects rather than marketing capability. The items used as rating criteria were grouped into 5 scale type statements each, as follows: A. User interface**:** Ease of physical access to the websites; Ease of accessing specific information within the website. These exemplify the lack of marketing focus in this paper.

The Marketing Readiness of Website Indicator (MRWI) used here draws mainly on the audits in earlier studies of mainly SME websites (Adams and Deans, 2000). After consideration of three of the above studies, all of which examined the marketing use of the Web in a single domain, a comparison between Web marketing in the .com domain with the .com. au domain is presented here. The discussion in these antecedent studies led to H1:

H1: SME websites registered in the global .com domain show greater use of marketing features than those registered in the regional .com. au domain.

2.2 Digital Marketing Communication Content Analysis:

Much of the work on the Web's use in marketing has focused on marketing communication, due to the new venues it provides (e.g., Sullivan, 2006 Berthon et al., 1996, Hofacker and Murphy, 1998, Hoey, 1998, Hoffman and Novak, 1996, Dou et al., 2002). This was followed by paid and unpaid search (Jansen and Spink, 2007, Jansen and Mullen, 2008, Featherstone, 2006) and overtaken by the social networking phenomenon (Constantinides and Fountain, 2008)

Adam and Deans' (2000) coding instructions for the content analysis tool were extended and pre-tested with websites using two auditors, and one author acting to resolve rating differences. Coding instructions were developed for the tool known as the Marketing Readiness of Website Indicator (MRWI) on an element-by-element basis as shown in the first 24 items in Table 2 in the Appendix to measure digital marketing communications. The following shows that coding instructions are more detailed:

A103 Logo presence (org/brand): Logo/brand/symbol presence on home page scoring: Logo + Brand(s) =3; Logo = 2; Brand (2) = 1; No logo/brand/symbol present= 0. Range =0-3.

The hypothesis developed regarding this marketing element is as follows:

H2: SME websites registered in the global .com domain show greater use of online marketing communication tools than those registered in the .com .au domain.

While the intention is to discuss the literature at the marketing element level, "information cues," warrant further discussion. Resnik and Stern (1997) used 14 evaluative criteria (termed information cues) to ascertain how informative various television commercials were. Given their frequent reuse as Abernethy and Franke (1996) attest, in the present study 10 of the 14 information cues are employed here. (Price; Quality; Performance; Components/Parts; Availability; Special offer; Warranty; Safety; Independent research and Company research). Okazaki (2005) probed Web based employed 12 of these cues, Harrison, Waite and Hunter (2006) employed 11 in their study of UK pension provider websites.

Using the MRWI instrument again and shown item-by-item by the first 24 items in Table 2 in the Appendix are the items used to measure digital marketing communications. From an examination of these studies concerning digital marketing communication employing Resnik and Stern's (1997) information cues, the following hypothesis was developed:

H3*:* SME websites registered in the global .com domain show greater richness of marketing communication content in terms of information cues than those in the .com. au domain.

2.3 Digital Marketing Channel Content Analysis:

In the context of e-commerce marketing readiness, the capability of the website to permit secure online transactions is examined (Taylor and Murphy, 2004), an aspect overlooked in previous studies (e.g., Wan, 2002).

The differences in Web traffic and SKUs on websites in favor of retailers which had a storefront presence first over those with total reliance on the Web, when Amazon is excluded, is well known (Rao et al., 2009). The Web has changed the behavior of consumers, mainly by enabled price comparisons and reducing psychic costs (Sharma and Sheth, 2004). This is only possible when the SMEs have developed lower consumer costs, with the co-ordination of online activities, and with secure transactions (Achrol and Kotler, 1999, Steinfield et al., 1995). Items twenty-five to thirty-six inclusive in Table 2 in the Appendix form the digital marketing channel content analysis.

From the literature, and recognizing the lack of scrutiny of this facet of digital marketing, the following hypothesis was developed:

H4: SME websites registered in the global .com domain show greater evidence of marketing channel capability than those registered in the .com. au domain.

2.4 Digital Relationship Management Content Analysis:

The third element of digital marketing using the Web is customer relationship management. This role assumes importance due to greater recognition of relationships in online marketing, (B2C), (B2B) and (B2G). Relationships are the glue that ensures continuing profitability and enhances the scope of business between the parties (Gronroons 1994, Gummesson, 1997, Mattsson.1997, Payne, 1997, Selnes, 1998, Palmer, 1997).

In their inter-country study, Adam et al. (2002) found that there were significant differences in using the Web to maintain relationships in the UK (59.4%), Australia (37.6%) and New Zealand (37.8%). These authors acknowledged that somewhat different terminology may have contributed to this result. Given the absence of content analysis studies examining this aspect, the study drew on the items used by Selnes (1998), Adam et al. (2002) and industry experts in digital research in framing the last fifteen items in Table 2 (Appendix).

From these studies, the following hypothesis was developed:

H5: SME websites registered in the global .com domain show greater evidence of online relationship management capability than those registered in the regional .com. au domain.

3. METHOD

3.1 Sampling:

The unit of analysis was the entire selected SME website, and not simply home pages, from the two selected domains (.com and .com. au). The Internet is still growing strongly. Verisign (2007 and 2009), the global registry for .com and .net domains, reported 146 million domain name registrations worldwide across all of the Top Level Domain Names (TLDs) by September 2007 and187 million by September 2009. Of these, the top County Code Top Level Domain (ccTLD) is .com, standing at some 94 million when .net is included. Moreover, Verisign reported registry renewal at 74% for the two domains in the third quarter of 2007, (70 % in 2009), partly because 87% of these resolve to a website. Thus, it was imperative that the study examine 300 .com domain names randomly selected from the total 40 million population with Verisign's permission.

An editing tool was used to enumerate each record (domain name) in the working database, and to randomly extract 1,300 domain names in November 2006. These domain names resolved to 746 primarily SME websites. There were 335 active online business websites, and 411 were 'parked domains' or 're-directs of the query' from one domain name to another. These mainly function to earn income from visitor click-throughs. The high number of 'parked domains' indicates the emergence of a new business model on the Web (Featherstone, 2006), and were not included. Of the 335 sites checked for auditing, 165 could not be audited as it would not resolve to a website, where access was via username and password or were 'parked sites'

Given the reliance placed on e-business in the US relative to Australia, where bandwidth is soon to be expanded via a National Broadband Network (NBN), a two-domain/country comparative study of the marketing readiness of SME websites was initiated. The Australian Domain Name Administrator (AUDA) drew a random sample of 300 .com .au domain names in September 2006. Only registered businesses were able to register a .com.au domain name at that time, so fewer non-business 'parked domain' sites were expected. Surprisingly, of the 300 .com.au sites, only 151 could be audited, for the same 'parked sites', 'redirects' reasons.

3.2 Measurement:

The MRWI audit tool used calls for the following allocation of points for: marketing communication (50 points, 25 items); marketing channel fulfillment, including online order-processing (25 points, 12 items); and relationship continuity / social networking (25 points, 16 items).

Two independent auditors analyzed manually the 600 US and Australian SME websites to which the selected domain names resolved. The two separate audits were conducted and a third auditor, the training researcher, resolved discrepancies (Kassarjian, 1997). The disappearance of twenty-two .com and seven .com. au websites between the first and second audits, which all remained dormant caused some discrepancies.

Agreement between the auditors was at 85 % before the third auditor determined the item ratings. The items which caused discrepancies were those where a degree of subjectivity was involved, i.e., A106 -Layout and image continuity; B103 – Delivery details, and B104 - Merchant services and credit card details and C114 - Relationship management indicator-caused discrepancies because it required counts of forms, and e-mail addresses ('mail to'). Google's

internal search string was employed when possible. To search for price on the abcxyz.com site, the string would be "price" site: abcxyz.com. The auditors used an Excel spreadsheets.

Okazaki (2005) assumed that it should be possible to classify the websites using Multiple Discriminant Analysis. This approach was used to classify the websites between the two domains. Tests for skewness and kurtosis of the variables and Box's M test results found no evidence of the basic assumptions of Discriminant Analysis (Hair Jr. et al., 2006). Discriminant Analysis using SPSS 17.0 was used.

4. Findings and discussion:

At the outset, it became apparent that not all SME websites in either domain are equal in their use of marketing capabilities. Internet domains differ between countries, but for convenience, country names are used to describe the two domains from this point. However, many Australian SMEs have registered .com domain names, and US SMEs have registered .com. au domain names. For example, the Australian company Dark Blue Sea has some 550,000 domain names in various domains, valued at over half a million dollars (Sexton, 2008).

Before getting to the point of undertaking the content analysis, however, in each domain nearly half the sampled registered domain names visited did not resolve to an auditable website. An explanation is needed for this seeming anomaly, the emergence of new Web business models.

4.1 Emergent Business Models:

When conducting audits of websites in the two domains, it was found that while 52% of the 600 domain names resolved to auditable business websites, 21% did not resolve and 11% of Websites that were in the main "parked domain names" or in many cases "re-directs" of the query of one domain name to another. A parked domain name is a website that is hosted by a specialist service provider, often the Website host. Often, such sites have been developed for the parked domain names, e.g., Hoteldeals.com. These sites generate revenue for domain name owners by establishing symbiotic relationships with advertising aggregators like Google, Hitfarm and Yahoo!, which display their ads on websites such as Agoga.com (Sloan, 2007)

Such sites' pages are dynamically created using procedures provided by the hosting service provider. Domain name owners such as the Dark Blue Sea Company employ this business model and typically depend on direct navigation to their sites. Thus, they frequently employ a very generic domain name, such as "kitchenfurniture.com", a common misspelling of a popular term "voyuer.com," or the misspelling of a common domain name, as in the case of Amazon's use of "smazon.com". Paper.cm is a is a misspelling of Paper.com, and, in this case, the Cameroon government's servers do a query redirect to Agoga.com servers in Vancouver, Canada. From this point the hapless user clicks through to one of the listed sites, and usually earns the aggregator a payment from Google, Yahoo! or Hitfarm (Sloan, 2007). The latter, in turn, charge their advertiser clients who may have bid for various keywords' association with their website.

In short, while the owner and purpose of a domain name may not always be obvious to visitors, arguably, someone has monetized most sites that people visit given the scale of domain name parking and query redirects. It is concluded that search engine marketing has spawned new business models not commonly discussed by various researchers (e.g., Rappa, 2001).

4.2 Website Audit Findings:

When examining each of the three main elements of online marketing analyzed in the study in the study, no statistically significance difference between the two domains was found. The mean rating for .com.au (n=151) and .com (n=165) websites are shown in Table 1 in the Appendix, alone with the Manova results for the three elements and the overall MRWI ratings. It was found that the websites could have been located in either the .com or .com.au domain based on discriminant analysis for the overall MRWI rating. This is shown by the Grouped Classification of 51% for the overall MRWI rating, which is discussed in detail in a later section.

These findings do not support H1 to H5. That is, they do not support the contention that the audited websites in the two domains would differ in their online marketing capabilities. In effect, the websites from the two domains compared are similar in their marketing capabilities, and statistically speaking, could as easily assigned to one domain group as the other in the case of this sample.

Table 2 in the Appendix presents the findings for the individual items making up the three elements, Discriminant analysis was used to identify whether websites in both domains differed in their approach to online marketing. If a standardized approach were taken to both domains, no discriminant function would be found.

The narrative which follows is based on the analyses of the individual items that comprise the three marketing elements: marketing communication capability, online marketing channel capability, and online relationship management capability.

4.3 Online Marketing Communication Capability:

The online marketing communication capability shown by commercial websites in this study is statistically similar for the two domain groups, and showed that they are more capable in this regard than they are in the other two capabilities. Discriminant Analysis of marketing communication capabilities shows that the discriminant function is statistically significant ($p=0.000$). So, there are items that discriminate between the two domains. However, inspection of Table 2 in the Appendix indicates that of the 24 items, only five significantly contribute to the discriminating power of this marketing element ($p<0.050$.

A comparison of the MRWI ratings of the sampled SME sites are more capable in their marketing communication than in marketing channel or relationship management capabilities. To a degree, this finding aligns with user search patterns, where informational queries are more prevalent than either navigational or transactional queries (Broder, 2002, Jansen and Spink, 2007). It follows that SME websites are better equipped to communicate than to transact. Their lesser capability in maintaining relationships requires further comment later in this section. In terms of the overall MRWI rating, the audited sites are far from optimized, based on the findings in the present study. While the capabilities of the US and Australian registered websites were statistically similar in aggregate, therefore not supporting the given hypotheses, there were notable exceptions on an individual item basis. This lack of support suggests that U.S. and Australian Websites are similar in their functions, but they are nevertheless weak in terms of the marketing capabilities they show.

Arguably, brand names are valuable assets as commercial (e.g., Interbrand, 2007) and academic studies (e.g., Ambler and Kokkinaki, 1997, Amber et al., 2004, Kaplan and Norton, 2004) show. As others have argued, a domain name which evokes a company and/or brand

name, preferably both, is an important part of the brand value (e.g., Rowlye, 2004). However, the findings (t-tests) do not reflect this: only 82.8 % of US domain names match a company and/or brand name, only 69.7% of Australian names do so ($p< 0.01$). Moreover, only 61.6% of US and 47.9% of Australian domain names could be successfully guessed with one attempt. In fact, 21.2 % and 30%, respectively, could not be guessed in three attempts. This lack of matching between domain, company and brand names may mean an SME must reconfigure website content and spend more on search engine marketing (e.g., Google's AdWords) to attract Internet users. In the case of large multinational organizations with globally recognized brand, neither of these matters would be such an issue.

Resnik and Stern (1977) used 14 evaluative criteria (termed information cues) when they initially set out to ascertain how informative various television commercials were at the time. The criteria have been used in many subsequent studies Abernathy and Franke (1996). Given this, 10 of the 14 information cues were employed here and are shown in Table 3. At the time of their initial study, Resnik and Stern (1977) were "startled" by the paucity of marketing information carried in advertisements. Resnik and Stern classified an advertisement as informative if it carried one information cue. Even with this liberal criteria, fewer than half were informative.

The .com and .com. au domains could be statistically identified by discriminant analysis slightly more than by chance, as the Grouped Classification of 58% presented as part of Table 3 in the Appendix illustrates. It was not surprising to find 87.7% of 316 auditable SME sites across both domains carried at least one of the information cues shown in Table 3 in the Appendix. The greater surprise was to find that the mean count of four information cues applied to each domain in the present study. Resnik and Stern (1977) found that only 1% of the sampled commercials carried three information cues. A meta-analysis of 117 datasets by Abernethy and Frank (1996), wherein only 33% of ads carried three or more of the cues from the expanded set also supports this. Relative to the media covered in the original studies by Resnik and Stern (1977), the sampled websites are more informative. Arguably, this outcome is due to the type of website content given the nature of hypermedia and the ability to link to all manner of downloadable and streaming content such as company ads.

Not surprisingly, the mean number of cues found in the present study is lower (4 out of 10) than reported by Harrison, Waite and Hunter (2006) (7 out of 11) in their study of a small number of specialist UK pension provider websites. Arguably, websites in single industries tend to be more homogenous, and in their overall structure (Adam and Featherstone, 2007).

Many positive developments were noted, such as the fact that 83.5% of audited websites carried images that supported the textual content, and that 89.9% of sites presented a layout and image in keeping with their market offerings. Surprisingly few (21.8%) presented media releases, and only half presented details of new processes, location, products, ancillary services, personnel and the like. The widely recognized Frequently Asked Questions (FAQ) facility was provided in only one third (36.4%), of websites. Some 63.2% of sites carried information on contacting company officers, with a few (3.5%) carrying none.

While not intended to evaluate website usability per se, the MRWI includes examination of some aspects of website operationalization. Very few websites (5.4%) could to adapt to the user's browser type, an issue for some users. However, on the positive side, very few (3.8%) claimed best results for their site with one brand of browser. A key issue for many SME websites is catering to the visually challenged, particularly those offering time-critical/personal services, such as banks. Only two .com. au and one .com site carried a rating by a professional

organization (e.g., WebXACT, formerly Bobby), with 39.2% using a multi-column format, and 38.9% using frames, Flash or images in such a ways to make it impossible for the visually challenged to use. Many sites (AUS 49.0%, and US 32.7%, t=-29.7, p<0.01) had the foresight to provide links to add-ons/ plug-ins.

Search engine marketing has grown largely with Google and AdWords in paid searches. However, websites focus on paid search rankings, rather than organic rankings. This is based on the finding that 33.9% of the sampled websites do not use Meta search tags as, "Meta name= "description" and/ or "keywords", "date," only 19.0% carried three of more specific Meta tags, while 14.5% used one, and one third used two. Since organic rankings are also important in search marketing, many companies may be wasting some investment and losing performance in search engine marketing. Interestingly, most websites (76.6%) did not feature an internal site search function. However, nearly all of the websites allowed escaping to conduct an external search.

Over 60% of SME websites failed to disclose when their website was last updated. This aspect is important, particularly since some users may have arrived at the website by a keyword search and the site may be very out of date.

Another aspect of marketing communication capability examined here is the provision of a multilingual choice and therefore an international focus. In the case of the two domains studied, some 90% of websites are offered in English. Small numbers offered a second language (4.1%) and third or more languages (5.1%). This finding may surprise some, given Australia's its dependence on exports to Japan and China, and the proximity of many U.S. SME's to Spanish-speaking countries.

4.4 Online Marketing Channel Fulfillment Capability:

Marketing channels involve many functions including the bi-directional flows of products, information, payment and credit, among other aspects in the co-ordination of network partners (Eng, 2008). From the Discriminant Analysis involving online marketing channel shown in Table 2 in the Appendix, it can be seen that only two of the twelve items significantly contribute to the discriminating power of the online marketing channels element, but they are important to this element. Websites in the US domain show higher ratings due to Extranet and Intranets, and online order-processing. The discriminant function here is statistically significant (p<0.01).

Item-by-item, the first MRWI item in this category involves being able to identify the website's served market, whether a simple public website, or one offering an Extranet an Intranet site. There are statistically significant differences between the two domains as the market served could be identifies in most US sites (98.2%), but only 78.1 % of Australian sites. Moreover, more US sites (21.8%) than Australian sites (13.2%) offered an Intranet or Extranet, while a similar proportion (4.8% and 5.3%) offered both (X^2= 32.79, p=0.00).

There was a statistically significant difference in the proportion of US sites involving other marketing channel members (wholesalers, retailers, etc.), among U.S. sites (73.9 %) while 63.6 % of Australian sites did so (t=-1.99, p = 0.05). Both domains were equally poor in advising about delivery (20.6%), meaning a low proportion (18.4%) advised what services were on offer. Similarly, a low proportion in each domain (15.2% overall) advised of transaction security. Few (14.2% overall) advised about returns and refunds and advised of their warranty policies.

Of the SME websites audited, only 14.9% provided a shopping cart. The study examined online order-processing by user-entry (Table 4 in the Appendix). There is no significant difference in the provision of online order-processing in the domains, with 60.8% not providing online order-processing and only 12.0% offering secure processing (X^2=4.70, p=ns). This means that a minority of SME websites (<20%) offered order tracking, whether by email or self-enquiry.

Many web users undertake comparison-shopping via the Web, either by using specialist comparison service provides (e.g., ShotBot.com. au, ShopFerrent.com. au) or specialist categories across goods and services. Despite this, over half (56.3%) of the audited sites display no prices. While only 5.4% of the websites claimed subscribers (Extranets) can view prices, many more may do so, so the study may be understating the true proportion of SME websites presenting prices.

The Internet is a global medium, and one indicator of this is the inclusion of currency exchange information, even a currency converter. Based on the low proportion of sites (3.5%) providing this service, it is concluded that there is no statistically significant difference between the two domains audited and that most SME sites appeal to "local" markets. This is further supported by the fact that 90.0% of the audited sites present in one language.

4.5 Online Relationship Continuity Capability:

The 2004 A.M.A. definition of marketing focuses on relationship marketing and includes, "managing customer relationships in ways that benefit the organization and its stakeholders," even though the term "relationships" was not included but alluded to. The definition now highlights providing value for specific entities: "customers, clients, partners, and society at large" (AMA, 2008). Since relationship management has been featured in the academic literature for many years, it further warrants inclusion (e.g., Hunt and Morgan, 1994, Dwyer et al., 1987, Garbarino and Johnson, 1999, Peppers et al., 1999 Selnes, 1998). Also, database use is involved in many aspects of modern marketing, ranging from customer profiling to website delivery.

Relationship management was an aspect of Web use that respondent managers mentioned during the survey and personal interview stages of development of the MRWI. In this section, discussion turns to the audit results on the 16 items in this category that lead to the awarding of a possible 25 points.

Presented in Table 2 in the Appendix, the Discriminant Analysis of the of the online relationship capability function variables, only three of the 16 significantly contribute to the discriminating power of this element. Again, it is the US sites which make more use of Guest books, online chats with personnel, and the various facets of social marketing. (Parise and Guinan, 2008).

The use of Web forms and e-mail permit SMEs to seek commentary on various marketing issues. These include innovations (new products), media campaigns and, indeed, the organizations' websites. While digital technologies allow this, only 24.4 % of firms sought new product ideas. Moreover, only 15.8 % displayed media advertising and even fewer (3.5%) sought commentary on their marketing communication. No doubt, these proportions would rise when examining large marketing organizations like Proctor & Gamble's product sites.

While Godin (1999) popularized the term 'permission marketing' before the rise of online social networking, here the study focuses on the permission that firms must seek from individuals before contacting them. In Australia, The Privacy Act (1988), the National Privacy

Principles (2001) and the enactment of the Spam Act (2003) and Do-Not-Call-Register Act (2007) mean that marketing organizations have to think long and hard about the information they gather, how they gain it, and way they use it. The Spam Act requires that individuals opt-in to receive commercial electronic messages, but only 13.9 % of the audited Australian websites sought opt-in permission and a statistically similar proportion of the US sites (17.6%) did so. It may be that this permission is only sought from subscribers, but in this regard, only 23.8 % provided an Extranet, or secure access to other areas by subscribers (customers) and employees alike.

The Internet is well suited to use by direct and online database marketing but only 14.2 % of SME websites enabled a direct link with a community of product users. Guest books were provided in only 10.6% of US and 23.0 % of Australian websites ($t=-3.00$, $p<0.01$). Surprisingly few (38.6%) audited sites provided an online directory of company officers, and much fewer (3.8%) provided any information on financial details, years in business or markets served. Given this paucity of disclosure, in the publicity and marketing intelligence sense, it is hardly surprising that a minority of websites (19.0%) sought comment on the organizations' performance.

The rise in the popularity of social networking sites such as MySpace, and the use of Skype to maintain contact, SMEs would be expected to adopt of these as marketing tools. Yet, results for the audited websites in the present study are proof that SMEs have yet to adopt these as tools. Only 4.0 % of the audited US websites and 10.9 % of the Australian websites enabled chat between community members ($t=-2.46$, $p<0.05$). Overall, 7.3% of SMEs sought comment on their websites, which is a small percentage.

The content analysis involved a count of Web forms, interactive scripts and 'mail to' links as a further indicator of the relationship management capability of the audited websites. A spider or bot would have provided the most accurate counts. Nevertheless, manual counts reveal that, overall, 7.9% of websites provided none of these, the highest proportion (44.6%) provided at least two such mechanisms, while 38.0% provided one. Coupled with this measure, the study also examined complaints handling to find that only 9.5 % enabled complaints handling via Web form or e-mail, and a further 1.2 % invited this via telephone or fax. Therefore, an astonishing 87% made no effort to advise how complaints would be handled. Where the method of complaint handling was communicated, very few SMEs (2.2%) used a language other than English.

5. Concluding Remarks:

The study reported in this paper concerns an examination of the SME websites resolved to from 300 .com and 300 .com .au randomly selected names. In all, 316 of the 600 sites were capable of a meaningful audit employing the Marketing Readiness of Website Indicator (MRWI).

The manual content analysis of the sites by two independent auditors was followed by resolution of any discrepancies by a third 'master auditor'. The content analysis tool entails allocating: 50 points for marketing communication capability (25 items); 25 points for marketing channel fulfillment capability, including online order-processing, (12 items); and 25 points for relationship continuity capability including social networking features (25 points awarded across 16 items). The final MRWI rating out of 100 points over 53 items indicates the capabilities of the companies' websites.

The lower than expected transactional and relationship continuity capabilities findings raise further question as to whether increased capabilities would increase conversions. And also

would this increase both the marketing and financial performance of SMEs sooner rather than later? As matters stand, the sampled websites are not as developed in marketing capabilities as they could be. To probe this underlying situation, it is suggested that both survey research and personal interviews will be required. The management of the SMEs owning the domain names to which the audited websites resolved, or their equivalent, may then comment on their firm's current and future digital marketing aims and performance expectations. These data can then be compared with website capabilities. At the personal contact phase, a comparison of the actual site capabilities with their intended use and outcomes can be undertaken and analyzed.

Because the MRWI audits are, of necessity, conducted manually, and even with the involvement of three independent auditors, there is room for error. It is only with continual usage that such tools as the MRWI can be further validated, and their reliability improved.

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APPENDIX

TABLE 1: MANOVA, AND MRWI RATINGS BY DOMAIN

	Domain	n	Means	Standard Deviation	Standard Error Mean	Wilks Lambda	Manova	
							F	df
Marketing Communications	.com.au .com	151 165	24.84 23.7	6.69 6.28	0.55 0.49	0.992	2.444	1
Marketing Channels	.com.au .com	15 165	4.42 5.16	4.67 5.09	0.38 0.39	0.994	1.806	1
Relationship Capabilities	.com.au .com	151 165	3.85 4.49	3.35 4.05	0.27 0.32	0.993	2.33	1
	.com.au .com	151 165	33.113 3.35	12.24 12.09	0.99 0.94	1.0	0.31	1

TABLE 2: SUMMARY OF MRWI ITEMS BY MARKETING ELEMENTS AND DOMAIN

ITEM	DESCRIPTION	.COM (n=165)	.COM.AU (n=151)	DISCRIMINANT STANDARDIZED COEFFICIENT	SIGNIFICANCE
ONLINE MARKETING COMMUNICATIONS: (RATING IS 0-1 UNLESS SHOWN)					
A101	URL Guessability (0-3)	1.73	2.13	0.153	0.006
A102	Company/Brand Name	0.70	0.83	0.081	0.006
A103	Logo Prominence (0-3)	2.34	2.46	-0.023	0.226
A104	Images support text	0.84	0.83	-0.172	0.727
A105	Product Info. Cues	3.89	3.81	-0.048	0.806
A106	Layout image continuity	0.87	0.93	0.082	0.110
A107	Media releases	0.22	0.21	-0.013	0.792
A108	'What is new?'	0.51	0.52	-0.006	0.895
A109	FAQs	0.41	0.31	-0.077	0.063
A110	Related product links	0.76	0.71	-0.172	0.291
A111	Contact details (0-4)	3.15	3.38	0.138	0.077
A201	Browser Adaptive	0.02	0.09	0.151	0.003
A202	Browser dependence	0.97	0.95	0.084	0.457
A203	Visual disability catered for (0-3)	0.81	0.87	0.054	0.530
A204	ALT tags	0.33	0.29	-0.060	0.424
A205	Navigation three deep (0-3)	1.61	1.62	0.030	0.918
A206	Search (Meta) tags (0-3)	1.36	1.38	0.034	0.836
A207	In site search	0.24	0.23	-0.054	0.924
A208	External Search	0.04	0.03	-0.041	0.552
A209	Third party add-on/plug-in links	0.67	0.51	-0.196	0.003

TABLE 2 (CONT'D.) ONLINE MARKETING COMMUNICATIONS:

A210	Update details (0-3)	0.67	0.68	0.006	0.899
A301	Multilingual choice	1.16	1.09	-0.065	0.244
A401	Personal information capture	0.08	0.65	0.944	0.000
A402	Privacy policy	0.32	0.33	-0.078	0.852

Discriminant Analysis: Wilks Lambda = 0.583; Chi-Square = 163.043; df = 24; sig. = 0.000

ONLINE MARKETING CHANNELS :

B101	Public Internet/ Extranet/Intranet	1.30	1.02		0.000
B102	Marketing Channel Links	0.74	0.64		0.047
B103	Delivery details	0.21	0.21		0.987
B104	Merchant services & credit cards	0.20	0.17		0.431
B105	Security	0.19	0.11		0.063
B106	Returns, refunds % warranty	0.13	0.16		0.423
B201	Shopping carts or equivalent	0.16	0.13		0.438
B202	Online order-processing (0-5)	1.22	1.03		0.341
B203	Order-Tracking (0-2)	0.30	0.19		0.049
B204	Pricing (0-2)	0.47	0.52		0.460
B301	Currency converter (0-3)	0.10	0.10		0.968
B302	Multi-country processing	0.15	0.15		0.997

Discriminant Analysis: Wilks Lambda = 0.013; Chi-Square = 28.048; sig. = 0.005

ONLINE RELATIONSHIP MANAGEMENT:

C101	Visitor ideas or products	0.27	0.22		0.321
C102	Media Campaigns displayed	0.16	0.16		0.974
C103	Visitor comment on media	0.14	0.03		0.442
C104	Permission marketing (0-2)	0.38	0.39		0.916
C105	Extranet provided	0.27	0.20	0.123	
C106	Personal interaction with community enabled	0.18	0.11		0.077
C107	Guestbook	0.23	0.11	0.003	
C108	Directory of company officers	0.41	0.36	0.447	
C109	Financial status	0.03	0.05	0.457	
C110	Comment on org. performance Invited	0.23	0.15	0.056	
C111	Online chat with org. personnel	0.11	0.04		0.020
C112	Online chat with community members enabled	0.08	0.02	0.017	
C113	Comment on org. Website invited	0.08	0.07		0.669
C114	Relationship management indicators, Forms, e-mails, scripts	1.59	1.60	0.882	
C201	Satisfaction/complaints invited	0.23	0.22		0.863

Discriminant Analysis: Wilks Lambda = 0.931; Chi-Square = 22.036; df = 16; sig. = 0.142

TABLE 3: STANDARDIZED CANONICAL DISCRIMINANT COEFFICIENTS FOR INFORMATION CUES

	.com, n=165		.com.au, n=151		
Information Cues	Count	Percent	Count	Percent	Function 1
Price/Value	102	61.8	101	66.9	-0.293
Quality	90	55.2	78	50.3	0.278
Performance	44	26.7	44	29.1	-0.208
Components/Parts	52	31.5	61	40.4	-0.532
Availability	94	57.0	99	65.6	-0.686
Special Offers	107	64.8	89	58.9	0.515
Warranty	57	34.5	42	27.8	0.365
Safety	39	23.6	25	16.6	0.448
Independent Research	29	17.6	20	13.2	0.097
Company Research	28	17.0	19	12.6	0.200

Note: Eigenvalue = 0.067; Canonical Correlation = 0.250; Wilk's Lampda = 0.937; Chi-Square = 20.023; Sig. = 0.029; Grouped Classification = 2%. None of the percentages for each cue shown in Table 3 differed statistically for the .com or .com.au domains at the 0.05 level

TABLE 4: ONLINE ORDER-PROCESSING BY DOMAIN

Items		Audited .com sites	Audited .com.au sites	Total
No Provision for Ordering online	Count	90	102	192
	% in domain	59.6%	61.8%	60.8%
Offline ordering details advised	Count	30	21	51
	% of domain	19.9%	12.7%	16.1%
Online for faxing	Count	1	1	2
	% of domain	7%	6%	6%
Online form request	Count	10	9	19
	% of domain	6.6%	5.5%	6%
Online, but no security	Count	6	8	14
	% of domain	4%	4.8%	4.4%
Online Secure payment	Count	14	24	38
	% of domain	9.3%	14.5%	12%
Total	Count	151	165	316
	% of domain	100%	100%	100%