

EFFECTIVENESS OF A COMPANY'S PRESENCE ON THE WEB

(EVALUATION OF THE BRAZILIAN TOP 10 E-COMMERCE SITES' HOMEPAGES)

TRACK: INTERNET-ENABLED OPERATIONS

ABSTRACT: Companies develop sophisticated strategies and new business models for the Internet, but fail to implement homepages that are user-friendly and allow for an interesting navigation experience through the company's web site. This paper will discuss the issue and make suggestions to improve usability and the effectiveness of business homepages.

KEY WORDS: Internet, e-business, homepage usability.

ALEXANDRE REIS GRAEML¹

Doctoral Candidate at Fundação Getúlio Vargas (FGV-EAESP) – Brazil
Centro Federal de Educação Tecnológica do Paraná (CEFET-PR) – Brazil
graeml@fulbrightweb.org

KARIN SYLVIA GRAEML

Universidade Federal de Santa Catarina (UFSC) – Brazil
karin.graeml@per.com.br

¹ This paper was possible thanks to the support of the following agencies: CAPES (Brazil) and Fulbright (USA).

INTRODUCTION

This paper discusses the impressions a group of graduate students had about their experience with some of the most successful Brazilian e-commerce sites and, more specifically, with their homepages. A homepage is the first and major page on a company's Web site. After receiving the feed-back from students, with their observations about the visited sites, the authors reviewed the literature to check if their impressions matched the e-commerce literature. The authors noticed that most of the students' observations confirmed issues that Academia and business writers have been dealing with in their publications.

The electronic-commerce proved to be a revolutionary way to reach the consumers, directly, and to allow for automated transactions between organizations. Its growth along the first decade of its introduction has been astonishing. FORRESTER RESEARCH (1998) accounted more than 90 million Internet users only 3 years after the beginning of commercial use the Web. Today, there are over 700 million internauts, according to the e-Consulting Corp (2002). That is quite impressive, if one thinks that it took over 30 years for the radio to reach 60 million listeners and 15 years for TV to have that same number of watchers.

Companies do not want and should not stay away from this new channel. But, finding out the best strategy and the most effective deployment is not an easy task. Most companies have still not reached the "magic formula" to build their sites. According to MCKEOWN (2002), new web sites are currently being added to the Internet at a rate in excess of four million sites a day. By the end of 2002, the number of websites, probably, exceeded the world population. More than 80 percent of the pages on these sites will be no more than a year old. Costumers, thus, have plenty of places to spend their time and money on the Web. So the site must attract, reward, and bond, creating real, preferably long lasting, relationships.

HOMEPAGE AND SITE CHARACTERISTICS

ALBERTIN (1999) says that organizations should understand that customers visit a site on the Internet because it is there, but they will only come back if they find it worth it. It is, therefore, important to make a good first impression. There is a Portuguese adagio that says "the first impression is the one that lasts". Considering the number of possibilities available to the customer on the Web, it is good that the first impression is good enough to ensure the internaut will come back, again.

LOHSE and SPILLER (1998) and BURKE (1999) believe that now, more than ever before, the promise of electronic commerce and on-line purchases will rely, to a great extent, on the interface being used and the way people interact with the computer.

A good e-commerce site should provide the customer with a user friendly environment, which makes it easy to find and buy the products one wants. The customer should be able to buy the product after just a few clicks of the mouse (BROWNING, 1999). There are sites that request six or seven commands for a purchase to be processed. That is like having to go to six or seven counters in a physical shop. And that, of course, has to change.

Several researchers have been concerned with capturing the competence of organizations in addressing their virtual operations, in some cases trying to replicate their brick and mortar businesses

in a virtual environment and, in other cases, developing new businesses from scratch (BURKE, 1999; HO, 1997; WEBB AND SAYER, 1998; EVANS AND WURSTER, 1999; HO, 1997).

BROWNING (1999) says consumers should be able to find the products they want without having to go through several menus or searches. The product should pop up after just one or two clicks of the mouse. Otherwise, there is great risk the customer gives up. According to his research, 20% of the visitors leave the site each time they are asked to click further into the Web site.

Figures and charts help the customer to understand what is being offered. The easiest it is to find the information one is looking for, the greatest the level of satisfaction of the customer with the virtual shop, according to BAUER, GREYER AND LEACH (2000).

The homepage is like a business card to the site. It should, therefore, call the internaut's attention to what is inside. Keeping the customer navigating in the site has been one of the greatest challenges for the companies, and the homepage may be responsible for the customer's decision of staying or going away.

NIELSEN AND TAHAIR (2002) remind us that one doesn't know what the purpose of the user is. Sometimes a user arrives at a homepage to find out what the company does, in other situations s/he is researching a specific purchase or looking for service and support for products s/he already owns. According to those authors, the challenge is to design a homepage that allows access to all important features without cramming them onto the page itself.

YESIL (1999) argues that the best way to turn web-surfers into customers in the long run is to achieve their trust. Whatever a company can do to become more trustful to the customers is a step in the right direction.

After reviewing the literature, the authors realized that there are many possible problems that may happen, related to companies' sites and homepages, and decided to create a common script with a checklist of items to be evaluated in the homepages the students would analyze for the purposes of this study. All homepages that were examined had the same items checked. The checklist was based on items mentioned by NIELSEN AND TAHAIR (2002). Those authors claim that the homepage is the most important page in any website.

From all items mentioned by NIELSEN AND TAHAIR (2002), the following were chosen for analysis in this study:

- window title;
- URL address;
- logo;
- promotions
- links;
- departments/sections.

HOMEPAGES CHOSEN FOR THE STUDY

According to eMarketer and Jupiter Media Metrix (EXAME NEGÓCIOS, 2001), although the Internet only became relevant in Brazil during the second half of the 1990's, there were more than 6.1 million users in the country, in 1991. That is a large number and companies are attempting to recruit at least part of those internauts as customers. But, in order to do that,

companies need to know who those users are and what they think about the navigation and other site and homepage features.

According to YESIL (1999), virtual shops should concern themselves with navigation issues and the users' comfort and convenience, so that s/he spends enough time in the site to buy and also to become interested in coming back again in the future.

In Brazil, there is an organization called *ebit* (www.ebit.com.br) that dedicates itself to studying the behavior of the Brazilian Internet customer. Ebit interviews e-consumers about their purchases, values spent and items purchased. It also requests that people express their feeling about their purchase experience in e-commerce sites that are partners to the research organization, among which all major Brazilian sites.

The authors included in this study the 8 most visited Brazilian sites, according to Ebit. Those sites are:

- www.americanas.com.br – virtual department store
- www.submarino.com.br – virtual department store
- www.pontofrio.com.br – apparell, electronics and computer
- www.magazineluiza.com.br – furniture, apparell and electronics
- www.somlivre.com – books and CDs
- www.siciliano.com.br – books, software and CDs
- www.paodeacucar.com.br – virtual supermarket and grocery

Each one of them had its homepage evaluated by the group of students participating in the project, who commented about the pros and cons of each site.

SITES' PERFORMANCE WITH RESPECT TO CHOSEN CHARACTERISTICS

Window title

NIELSEN AND TAHAIR (2002) say that each homepage needs a simple, straightforward title. Titles play a critical role in book marking and finding the site with search engines. When users bookmark a site, the window title becomes the default bookmark name, so the title should begin with the word that users will most likely associate with the business when they are scanning through a bookmark list.

Siciliano's site (www.siciliano.com.br) has a simple and objective title, very suitable to its business, which is the commercialization of books through the Web. The title says: "Siciliano: your bookstore in the Internet". A short description of the company's business as part of the title doesn't do any harm and may help customers locate the site again from a list of bookmarks, according to NIELSEN AND TAHAIR (2002). Ponto Frio and Americanas (www.pontofrio.com.br and www.americanas.com.br) go even further. Ponto Frio tries to send a message of diligent and trustful delivery: "ponto frio.com: you click and we deliver" and Americanas emphasizes the convenience of buying from its site: "americanas.com: Americanas inside your house." Magazine Luiza and Pão de Açúcar (www.magazineluiza.com.br and www.paodeacucar.com.br) only mention the name of the company in the Homepage's title, there is no description of the company's business or any other attempt of conveying impacting messages.

Proceedings of the Fourteenth Annual Conference of the Production and Operations Management Society, POM-2003, April 4-7, 2003, Savannah Georgia.

URL address

Americana's URL address is long and confusing. It should be just www.americanas.com but, as soon as one types it and presses <ENTER>, the URL box shows *http://www.americanas.com.br/cgi-bin/WebObjects/AcomHome.woa/wa/default*. The customer may get suspicious and think that s/he has been redirected to a clone site with dubious purposes. People are each time more concerned about security issues regarding Web navigation and on-line transactions. The www.pontofrio.com and www.paodeacucar.com sites also have "polluted" URLs. NIELSEN AND TAHAIR (2002) remind us that, once users locate a website, a simple homepage URL helps them quickly understand that they are in the right place, whereas complex URL can make them wonder if they're indeed where they intended to be.

All other studied sites have simple and clear URL addresses, comprising the name of the company, followed by *.com* (indication of a commercial site) and *.br* (indication that the site is located in Brazil).

Considering that Brazilians frequently visit American Web sites, it often happens that they forget typing *.br* at the end of the intended URL address. As a consequence, many companies also register the American *.com* URL address, in order to avoid that potential customers end up being lost. Most evaluated companies registered the equivalent *.com* address to their *.com.br* site. Only www.saraiva.com.br, www.paodeacucar.com.br and www.siciliano.com.br cannot be accessed from an equivalent *.com* URL address.

Logo

From all studied homepages, the only one that doesn't show the company's logo is www.magazineluiza.com.br. All other homepages show the company's logo on the upper-left corner of the page, in a suitable size for good visualization and identification. NIELSEN AND TAHAIR (2002) suggest that the identity area doesn't need to be huge, but it should be larger and more prominent than the items around it, so it gets first attention when users enter the site. The upper-left corner is usually the best placement for languages that read from left to right and top to bottom.

The logos used in the Web sites are the same as those used by the companies' physical counterparts, when they exist. That contributes to easier brand recognition and reduces security concerns when the customer intends to perform an on-line transaction. FORTES (2000) highlights the fact that e-commerce is getting into a new stage in which companies mix real and virtual. Americans started playing with words, calling the trend: bricks and clicks. Traditional "brick" companies will explore the credibility of their brands to give impulse to their virtual initiatives, while virtual companies will start investing in physical assets to be perceived as more "concrete" by the customers.

From the 8 Web sites comprising this study, only www.submarino.com.br and www.somlivre.com.br don't have a physical counterpart to their virtual operations. All other sites belong to companies that operated only from a physical infrastructure prior to the advent of the Internet and now use the Web as an additional business channel.

Promotions

All studied homepages use pop up windows for some kind of promotion, regardless of being it product advertisement or proposition of services. For example, www.americanas.com.br, www.submarino.com.br and www.siciliano.com.br didn't charge extra for the delivery of products, during Christmas season. That information was available to the buyers through pop up windows.

NIELSEN AND TAHAIR (2002) don't believe pop up windows to be effective. They say that extra windows keep users from getting to your site content, and even if such windows contain valuable information, users are likely to dismiss them immediately as ads.

The homepages of the companies that were investigated all positioned promotions at the central part of the screen, with a brief description of the product and the price. The authors and students agreed that www.paodeacucar.com.br could make better use of its promotion space. It only had 4 items in promotion, despite of the large available area. On the other hand, www.pontofrio.com.br and www.americanas.com.br have far too many promotions, which makes it difficult to visualize and concentrate on any one of them in particular. The authors think www.magazineluiza.com.br and www.submarino.com.br were the sites that had the best designed promotion areas, considering the balance between available space and the number of items being contemplated. The layout on those sites allowed for good quality description of the products.

Promotional banners are also present in all studied homepages. Most of them have banners in a very bad position, right below the upper menu with links to other pages of the Web site. There is great risk that those banners make important information less evident, as customers often ignore anything within or above a rectangular shape at the top of the screen. That is known as "banner blindness".

NIELSEN AND TAHAIR (2002) emphasize that companies should avoid putting any top horizontal navigation above graphical treatments such as horizontal rules or banner areas. Nevertheless, from all visits sites, only www.somlivre.com positioned the major banner right at the top of the page, separate from important links, reducing the probability of such links (that are placed below) being obscured by banner blindness.

Links

NIELSEN AND TAHAIR (2002) say that links are not unique to homepages, but because homepages serve as the portal to the site, and thus tend to have more links than typical site pages, following design guidelines for homepage links is especially crucial to user success.

All studied homepages have too many links, in the authors' opinion. They also have redundant links and links to pages without reasonable content, in many cases. Some of them, like www.saraiva.com.br and www.siciliano.com.br have links to the same pages from two different places in the homepage, one at the top of the page and the other at the bottom. That does not seem necessary and may get the customer mixed up. At the left side of the page, a premium area that provides the best visibility, there are links that add little value to the customer's purchase decision. Such links take space and waste the customer's time.

Submarino's site (www.submarino.com.br) also has redundant links. The customer can access the departments of the site from a menu at the top of the page, which doesn't have subdivisions

for the internal sections, or s/he can go directly to the internal sections of the departments, by clicking on the links at the left of the page.

Magazine Luiza's site (www.magazineluiza.com.br) has 3 links at the upper left corner: "talk to us", "complaints and compliments" and "on-line chat" that allow the customer to get in touch with the company. It seems too much! And the most interesting thing is that the 3 links take the customer to the same place. Many times customers click on the different links just to find out how they differ and end up just wasting their time.

NIELSEN AND TAHAIR (2002) suggest companies should avoid multiple navigation areas for the same type of links.

At Pao de Açúcar's home page (www.paodeacucar.com.br) there are many links that take the customer to pages about the company's social projects. That kind of link is good to improve the customer's good will about the company and its brands. But, again, it seems too much! We are talking about the company's e-commerce site, where it should present its products in the most convenient way and try to sell them to the customers. The company's social projects would fit better the institutional web site, where they wouldn't waste precious selling space.

On-line chat links work well for the Magazine Luiza (www.magazineluiza.com.br), Submarino (www.submarino.com.br) and Siciliano (www.siciliano.com.br) sites. Several questions were made about products and how to locate them in the sites and answers were always diligent and clear.

Departments and sections

Products are organized in departments of sections, in a hierarchical way, in all sites. For example, Submarino's homepage (www.submarino.com.br) has a link to the computers' department and, from there, one can go to palms, printers or monitors.

Sites that sell books and CDs have more detailed sections, such as: children, international, bossa nova etc. for CDs and fiction, romance etc. for books. There are also links to best sellers and recently issued items.

Pao de açúcar has an even more segmented virtual shop. That's because its business is in the supermarket industry, which has a very broad range of products. The company's site has many section levels, which demand that the customer really dig into the Web site to get all the information s/he wants and to purchase.

FINAL CONSIDERATIONS

This study has been carried out with a very limited number of Web pages, but it was enough for the authors to realize that there is still a lot to be done, in order to make e-commerce more practical and agreeable. The issue, definitively, requires further research, so that companies can rely on precise information about what customers want, when they buy through the Internet, what their difficulties are and how Web sites can add convenience to the customers. Good understanding of those issues may be the key to the deployment of successful web sites.

While there isn't enough information to support corporate decisions about the best way to implement Web sites, the recommendation of those who participated on this project is to keep things simple and functional.

The authors hope to have contributed, even if in a modest way, to make other researchers aware and interested on the issue, which we consider to be extremely relevant, now-a-days.

There is no magic formula in order to achieve a good Web site. Good sense is important, but it is not enough, since it is based on previous direct or indirect experience, and there is little tested experience in the field.

To benchmark against other successful implementations may be a good strategy, but companies should not be afraid to experiment on their own, as that is what everyone else is doing. But, in doing so, they should try to get as much feed-back as possible from the users, who may become important allies in tuning the site up and improving this fascinating new channel for the commercialization of their products and direct contact with end customers.

REFERENCES

ALBERTIN, Alberto L. **Comércio Eletrônico: modelo, aspectos e contribuições de sua aplicação.** (Electronic commerce: model, issues and contributions of its use). São Paulo: Atlas, 1999. 220p.

BAUER, Hans; GREYER, Mark; LEACH, Mark. Customer Relations Through the Internet, 2000 (mimeo).

BROWNING, Bob. Electronic Commerce Tutorial. **Web Developers Journal**, Sep/02/1999. Available at: <<http://www.WebDevelopersJournal.com/columns/ecommerce1.html>>. Last accessed: January 31, 2003.

BURKE, Raymond R. Virtual Shopping: Breakthrough in Marketing Research. **Harvard Business Review**, p.120-131, March/April, 1999.

E-CONSULTING CORP. 2002. Available at <http://www.econsultingcorp.com.br/insider_info/indicadores.shtml>. Last accessed: January 31, 2003.

EVANS, Philip; WURSTER, Thomas P. Getting Real About Virtual Commerce. **Harvard Business Review**, p. 85-94, November/December, 1999.

EXAME NEGÓCIOS. Aldeia Digital: um raio X do uso da Internet mundo afora. (Digital community: an X-ray of the use of the Internet around the world). Year 2 # 5, p.82-83, May 2001.

HOF, Robert D.; MCWILLIAMS, Garry and SAVERI, Gabrielle. The click here economy. **Business Week**, p. 64. June 22, 1998. Available at: <<http://www.businessweek.com/1998/25/itspc98.htm>>. Last accessed: January 31, 2003.

FORTES, Débora. Mercadores do século 21. (Merchants of the 21st century). **InfoExame**, São Paulo, ano 15, nº 170, p.66-76, maio 2000.

HO, James. Evaluating the World Wide Web: A Global Study of Commercial Sites. **Journal of Computer Mediated Communication**, v. 3, n. 1, p. 1-32, June 1997.

LOHSE, L. G. and SPILLER, P. Electronic Shopping: designing on-line stores with effective customer interface has a critical influence on traffic and sales. **Communications of the ACM**, v. 41, #7, July 1998.

MCKEOWN, Max J. **Why they don't buy.** Londres : Prentice Hall, 2002.

NIELSEN, Jakob and TAHAIR, Marie. **Homepage usability: 50 websites deconstructed.** USA : New Riders Publishing, 2002.

Proceedings of the Fourteenth Annual Conference of the Production and Operations Management Society, POM-2003, April 4-7, 2003, Savannah Georgia.

WEBB, Brian; SAYER, Ruth. Benchmarking Small Companies on the Internet. **Long Range Planning**, v. 31, n. 6, p. 815-827, 1998.

YESIL, Magdalena. **Criando a loja virtual**. (Creating the virtual store). Rio de Janeiro : Infobook, 1999. 339p.