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### A study of the measurable benefits of "content" web sites for companies in the sports collectibles industry

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**A STUDY OF THE MEASURABLE BENEFITS OF  
“CONTENT” WEB SITES FOR COMPANIES IN THE  
SPORTS COLLECTIBLES INDUSTRY**

**BY  
BRIAN S. CAHILL**

**A Thesis**

Submitted in partial fulfillment of the requirements of the  
Masters of Arts Degree in the Graduate Division  
of Rowan University in  
May 1998

Approved by: \_\_\_\_\_  
Professor

Date Approved: 6/18/98

## **ABSTRACT**

Brian S. Cahill

### **A STUDY OF THE MEASURABLE BENEFITS OF “CONTENT” WEB SITES FOR COMPANIES IN THE SPORTS COLLECTIBLES INDUSTRY**

**1998**

Professor: Dr. Estelle Resnik  
Program: Master of Arts, Public Relations

Many public relations professionals have used the internet to feature information on “content” web sites. These sites, which companies were spending thousands of dollars per year to create and maintain, were not used for commerce, but for marketing and public relations use.

This study examined the measurable benefits of “content” web sites of companies in one industry, the sports collectibles industry. All companies in this industry were included in this study. This study used the sports collectibles industry as a microcosm of all companies which were using “content” web sites.

Through a mail survey, data were collected to reveal the measurable benefits of “content” web sites for companies in the sports collectible industry. This study concluded that the majority of these companies did not feel that the measurable benefits justified the expense of creating and maintaining their “content” web sites, and that it was not necessary to have a “content” web site to compete in the sports collectible industry.

## **MINI ABSTRACT**

Brian S. Cahill

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# CHAPTER I

## **BACKGROUND**

During the past decade, a new and relatively unexplored communications medium has developed, one which is affecting communication in areas ranging from the corporate world and the educational system to one-on-one communication between life-long friends. It is called the Internet.

As defined by John Hagel III and Arthur Armstrong in their book, *Net Gain*, the Internet is an electronic network that acts as a connective tissue to a system of interactive data bases.<sup>1</sup> This international network is composed of a vast collection of computer and communications systems providing software programs and text files. Through the Internet, users can access thousands of mailing lists and newsgroups, hundreds of library catalogs and electronic mail.<sup>2</sup>

Since 1970, scientists have used the Internet to share data, collaborate on research and exchange messages.<sup>3</sup> Unlike the use of the traditional physical campus, they used the Internet to form a variety of virtual communities. From these communities, a broad subculture of the Internet was born through which a wide range of people could interact

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1. John Hagel III and Arthur G. Armstrong. *Net Gain: Expanding Markets Through Virtual Communities* (Boston: Harvard Business School Press, 1997): 4.
  2. Daniel Dern, "Internet System Experiencing Meteoric Growth," *Infoworld*, (21 September 1992): 56.
  3. Hagel and Armstrong, *Net Gain*, 4.

As of August 1997, the scope of the World Wide Web had grown exponentially, with more than 40 million computer users world wide having access to this system.<sup>4</sup> This was not for only research but for communication, information retrieval and entertainment as well. This subculture is what is known today as the World Wide Web interactive system permits access for users to millions of individual data bases known as home pages or web sites.<sup>5</sup> Organizations large and small have turned to creating web sites as a marketing and public relations tool to reach these estimated 40 million users, and potential customers, of the Internet.<sup>6</sup>

### **EFFECTS OF WEB SITES ON PUBLIC RELATIONS**

Companies have used strategies such as advertising and public relations to disseminate messages. Rather than relying solely on paid advertising, companies have also used public relations tactics such as news releases, promotions, and press conferences in hope that their message will reach their desired audience. One problem that has faced public relations practitioners is that media act as “gatekeepers,” who control the flow of information.<sup>7</sup> The media set limits on the information disseminated by public relations practitioners, therefore often preventing the message from reaching the desired targeted audience.

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4. Susan L. Clayton, “Are You on the Web Yet? The Benefits and Costs of Designing and Maintaining a Web Site,” 59, *Corrections Today*, (August 1997): 64.
  5. Gloria G. Brame, “Net Profits,” *Working Woman*, 21 (June 1996): 4.
  6. G. A. Marken, “Getting the Most from Your Presence in Cyberspace,” *Public Relations Quarterly*, 40 (Fall 1995): 36.
  7. James E. Grunig and Todd Hunt. *Managing Public Relations* (Philadelphia: Harcourt Brace Jovanovich College Publishers, 1984): 223.

Unlike the traditional forums of communication, a web site has the potential to be an effective public relations tool because it does not require the use of the media to disseminate information. The type of web site that is used by public relations practitioners is called a “content” web site, meaning that the web site is used solely for informational purposes, not direct retail sales, which would be the alternative to a “content” web site.<sup>8</sup> With a “content” web site, a company can post news releases on products, product enhancements, strategic relationships and financial earnings without a gatekeeper.

Through these sites, public relations practitioners can manage communication and a desired message for a specific target audience - but at what cost? A basic web site can be created and serviced for as little as \$500; however, a sophisticated web site could cost in excess of \$100,000.<sup>9</sup> There are also additional staffing costs for employees who are responsible for the web site. Salaries for these “Web Masters” range from \$30,000 to potentially \$100,000.<sup>10</sup>

Have the public relations benefits of “content” web sites proved to justify such a large financial commitment? To date there is no answer to this question.

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8. Profitability of World Wide Web Ventures. “Four More Years of Red Ink,” *Mediaweek*, (8 July 1996): 26.

9. Brame, “Net Profits,” 45.

10. John Bigness, “Companies Turning to Older Hands to Run New Ventures on the Web,” *Philadelphia Inquirer*, (2 November 1997): Final Edition.

## **IMPORTANCE OF STUDYING WEB SITES FOR PUBLIC RELATIONS**

Unlike print and broadcast media, about which there has been extensive research compiled, studies on the value of web sites for corporate public relations are in their beginning stages. Companies have demonstrated a desire to be a part of the Internet and a willingness to invest millions of dollars on web site design and maintenance with no absolute answer as to the effectiveness of this participation.

Examples of this spending include Clearly Canadian Beverage Corporation and Redwood Systems , which have spent \$50,000 and \$15,000, respectively to create their web sites.<sup>11</sup> Another example is National Geographic, which has spent \$3 million in generating and maintaining its web presence.

According to Gartner Group in Stamford, Connecticut, 80 to 85 percent of Fortune 1,000 companies have a web presence. More than a thousand businesses a month are creating web sites, yet these businesses have no hard numbers to justify the expense.<sup>12</sup> Mark Stahlman, president of New Media Associates states, “One has to have a presence on the web because there’s so much momentum around it being the next big thing in technology. It is mandatory, whether it’s profitable or not, that you participate.”<sup>13</sup>

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11. Patrick Thibodeau, “Sites Don’t Tow the Bottom Line,” *Computerworld*, (29 September 1997): 49.

12. Brame, “Net Profits,” 46.

13. Ibid.



How long will companies continue to spend large amounts of money on web sites for public relations use without knowing the clear cut result? Conducting a study to examine the benefits of these costly web sites is essential to the future of public relations on the World Wide Web.

### **PROBLEM STATEMENT**

Companies seem willing and eager to invest in web sites as a public relations tool with little or no knowledge of their return on their investment. Without this knowledge, it appears that companies are wasting money that could be better spent on other public relations efforts.

What, then, are the known benefits to have a “content” web site?

### **DELIMITATIONS**

To answer this question, this study will focus on the web sites of a particular industry, and companies in this industry will be surveyed to discover the benefits of investing, creating and maintaining a web presence. The industry which will be examined in this study is the sports collectibles industry.

This study will examine the benefits of “content” web sites. Web sites that generate revenue from direct sales, which are known as “retail” web sites, will not be examined. Because none of the companies featured in this study are direct retailers, none of these companies have set up retail web sites. Each company does, however, have a “content” site.

This study will include all of the 14 major companies in the sports collectibles industry, as stated in three leading publications, *Beckett Publications*, *Krause Publications* and *Tuff Stuff Publications*. The sources surveyed for this study are not a limited sample. Rather, they represent the entire universe of companies meeting the specific criteria of sports collectible companies that have a “content” web site. This study will provide an analysis of the measurable benefits of “content” web sites for the major companies in the sports collectible industry.

## **PURPOSE**

The purpose of this study was to determine whether or not there are benefits for companies in this industry to have a “content” web site. Further research will be needed on other industries to fully determine the true benefits of a “content” web site for all corporations.

The first group of companies, Topps, Upper Deck, Pacific, Playoff, Fleer/Skybox, Score Board, Pinnacle, Press Pass, MotionVision and Corinthian Marketing, are manufactures who each have a web presence. The second group, *Beckett Publications*, *Krause Publications*, *Tuff Stuff* and *Trading Card Collector*, are four major publications which concentrate solely on the sports collectible industry. A representative from each of these companies’ sales and marketing departments were surveyed to discover benefits, if any, of their web sites, and to see if the costs incurred with these web sites, are justified with increased sales and the generation of new business.

## **HYPOTHESIS**

The hypothesis is that the measurable benefits of “content” web sites for companies in the sports collectible industry do not justify the expense of their creation and maintenance. The independent variable for this hypothesis is the existence of “content” web sites for companies in the sports collectible industry and the dependent variable is the measurable benefits of these sites.

To measure the benefits of these “content” web sites, each company was asked to provide information on the cost of creating and maintaining its site, and then comparing that investment with incremental sales and new business generated from the site. A positive return on investment would justify the existence of the content site, while a negative yield would lead to a conclusion that the cost of these sites is not justified.

This hypothesis is based on several studies conducted about web sites in other industries. For example, according to World Wide Web forecaster, Forrester Research, typical “content sites” will not make money until the year 2000. These sites will lose 3.9 million before turning a profit.<sup>14</sup> Though these sites may eventually prove to be profitable, at the current time, they are not.

Another example is the closing of *Out* magazine’s web site. This site, although frequently visited, closed because costs of maintaining the site, including production

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14. Profitability of World Wide Web Ventures, 26.

equipment, promotions and legal fees, outweighed the measurable benefits. The publishers had no means of tracking any new subscriptions or advertising revenue that may have been generated from the site, while the editors believed that time dedicated to maintaining the web site took away from producing its magazine.<sup>15</sup>

With more than 40 million computer users having access to the World Wide Web, there is great potential for companies to practice public relations via “content” web sites. The challenge lies in measuring the benefits of these sites to justify the expense of creating and maintaining them.

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15. Henry E. Scott, “Out of the Web: Not Only Were We Overestimating Our Success, but Further Inquiry Showed That We Were Underestimating Our Costs.” *Folio: The Magazine for Magazine Management*, (1 May 1997): 50.

## TERMINOLOGY

The following are terms relating to the Internet, the World Wide Web, web sites, surveys and public relations that will be included in this study:

- **Bookmark:** A function which allows a user to store desired web sites for immediate retrieval.<sup>16</sup>
- **Browsers:** Software that allows internet users to cruise the World Wide Web, such as Netscape Navigator and Mosaic.<sup>17</sup>
- **Chat Rooms:** The use of E-mail to participate in discussion with one or more users.
- **Click:** The use of a computer mouse to access a desired area on the computer screen.
- **Closed-Ended Question:** A question in a survey which contains limited responses, such as circling a number or checking a box.<sup>18</sup>
- **Cybermall:** Virtual storefronts that are maintained by a host for a commercial use.<sup>19</sup>
- **Cyberspace:** See World Wide Web.
- **E-mail (Electronic Mail):** Communication system that allows one to exchange messages electronically through the Internet or other connected computer network.<sup>20</sup>

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16. Dern, "Internet System Experiencing Meteoric Growth," 56.

Rajiv M. Rao, "Webmasters: Deciding the Fate of the Internet Universe," *Fortune* (15 April 1996): 46.

17. R. B. Rubin, A. M. Rubin and L. J. Piele, *Communication Research: Strategies and Sources* (New York: Wadsworth Publishing Company, 1996): 221.

18. Jill H. Ellsworth, "Three Routes to a Web Presence," *PC Magazine*, (16 May 1995): 224.

19. Dern, "Internet System Experiencing Meteoric Growth." 56.

20. Ibid.

- **Hit:** A visit to a web site.
- **Internet:** An electronic network that acts as a connective tissue to a system of interactive data bases.<sup>21</sup>
- **Links (of Hotlinks):** Text or highlighted words on a web site which function as electronic doors. Users can click on the highlighted link and be automatically moved to the linked site.<sup>22</sup>
- **Open-Ended Question:** A question in a survey which results in a wide variety of responses, such as fill-in words, or sentences. <sup>23</sup>
- **Public Relations:** The management of communication between an organization and its public.<sup>24</sup>
- **Search Engine:** Resource catalogs containing web site names and descriptions which users can use to locate a particular web site, subject information or data base. <sup>25</sup>
- **Surfing:** Gaining access to the World Wide Web and visiting one or more web sites. <sup>26</sup>
- **Tracking:** A system that provides daily, weekly and monthly response reports, which show the number of hits and click-throughs for each advertiser. <sup>27</sup>

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21. Hagel and Armstrong, *Net Gain*, 4.

22. Brame, "Net Profits," 45.

23. Rubin, Rubin and Piele, *Communication Research*, 221.

24. Grunig and Hart, *Managing Public Relations*, 6.

25. Dern, "Internet System Experiencing Meteoric Growth." 56.

26. Marken, "Getting the Most from Your Presence in Cyberspace," 36.

27. David Bardes and Roy Scwedelson, "Internet a Big Hit at Florida Days." *Direct Marketing*, (March 1997): 10.

- **Web Master:** A person who creates and manages content on the web such as a home page.<sup>28</sup>
- **Web Site:** An individual data base on the interactive World Wide Web. Also known as a home page.<sup>29</sup>
- **World Wide Web:** A broad subculture of the internet resulting in the creation of interwoven virtual communities. These virtual communities allowed a wide range of people to interact on specific areas, known as web sites.<sup>30</sup>

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28. Rao, "Webmasters," 46.

29. Brame, "Net Profits," 48.

30. Hagel and Armstrong, *Net Gain*, 4.

## **CHAPTER II**

### **BACKGROUND**

The 14 major companies in the sports collectible industry have invested in creating and maintaining “content” web sites. This thesis examines whether or not there are measurable benefits for these companies to create and maintain “content” web sites. A “content” web site is defined as a web site in which no retail transactions are conducted. “Content” web sites feature items such as company history, press releases, contests, promotions and new product information; they serve as corporate marketing and public relations tools.

### **PREVIOUS WORK**

There has been no previous research conducted on this specific topic. Two possible reasons for the lack of research are the limited scope of the sports collectibles industry, and the fact that corporate “content” web sites have only become widely used within the past decade.

### **RELATIONSHIP OF STUDY TO PREVIOUS WORK**

Through the specific field of “content” web sites for the sports collectible industry is unexplored, many studies have been conducted on the benefits of “content” sites for



other industries. The research for these thesis examines the findings of studies on the measurable benefits of “content” web sites for other industries, and it will be these findings which will serve as the foundation for this study.

In order to fully understand the genre of a “content” site, it is necessary to examine its opposite, or what is known as a “retail” web site. Companies using a “retail” web site can sell products directly over the Internet. Unlike a “content” web site, the measurable benefits of a “retail” web site can be demonstrated based on the sales generated from the site.

The research section of this thesis is provided in four subsections. The first section examines several examples of positive “content” web sites and some of the benefits companies have derived from them. The next subsection examines the negative feedback of “content” web sites, and how they may not be beneficial to a company’s bottom line. The research then discusses the positives and negatives of “retail” web sites. This research will provide an overview of the success and failures of corporate web sites as of December 1997.

## **RESEARCH**

### **Contact Web Sites: Positive**

Many corporations are satisfied with the contribution their “content” web sites have made to building their company’s profits, customer service and image.

## Advertising

One method for which a company can use a “content” web site is selling advertising on its web site. According to Harold Wolhandler, Director of Research at ActivMedia, in Petersborough, New Hampshire, 239,000 sites, or about 15 percent of all web sites, carry some type of advertising. “Anywhere they’re passing hundreds of eyeballs through, they’re pretty much offering advertising.”<sup>31</sup>

Selling advertising has been a source of revenue for many “content” web sites, including Yahoo and ESPN’s SportsZone. The Internet’s most visited “content” web site, Yahoo, collected \$214 million in advertising revenue in the second quarter of 1997.<sup>32</sup>

ESPN’s web site, SportsZone, attracts more than 140,000 users on a typical weekday, and as a result has one of the highest advertising rates on the web. SportsZone charges up to \$100,000 for three months of online advertising exposure.<sup>33</sup>

Advertising on its “content” web site has also been effective for the National Hockey League. The NHL’s web site generated more than \$300,000 in advertising revenue between October 1996 and December 1996, says Charles Schmidt, General Manager and Executive Produce of NHL ICE, in New York.<sup>34</sup>

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31. Dylan Tweney, “Making Money on the Web: What is Really Working?” *Infoworld*, (8 September 1997): 63.

32. Howard Millman, “Profit Ploys for Increased Income,” *Infoworld*, (3 November 1997): 83.

33. Marc Gunther, “Web+Sports=Profit, Right?” *Fortune*, (4 March 1996): 197.

34. Paul Krill, “NHL Skates to Boost Profile,” *Infoworld*, (6 January 1997): 18.

### Commissions

Another method through which a company can generate profits from a “content” web site is by offering commissions to other sites selling products that are featured on the “content” site. Amazon.com, an Internet book seller, offers an associates’ program to any web site that sells books to its visitors. Amazon.com pays a 15 percent commission of the sale price for the 400,000 books currently in its catalog.<sup>35</sup>

### Cost Savings

Companies can also attribute measurable benefits of their “content” web sites through recovering costs such as those for long distance phone calls and faxes through the use of the web site’s free E-mail. Via E-mail, users can exchange messages with any of the several million people directly connect to the Internet.

Communicating via E-mail is economically sound. E-mail is cheaper than a long distance call, it is more flexible than a fax, and it allows you to send in seconds a 150 page document that might otherwise have required FedEx delivery.<sup>36</sup> According to Joel Maloff of Ad-Vanced Networking Services in New York, at least one university has recovered the entire cost of its monthly Internet connection through reductions in phone calls.<sup>37</sup>

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35. Millman, “Profit Ploys for Increased Income,” 84.

36. Matthew Hawn, “Stay on the Web: Make Your Internet Site Pay Off,” *Macworld*, (April 1996): 94.

37. Dern, “Internet System Experiencing Meteoric Growth.” 56.

### Customer Service

The majority of business are using the Internet to increase customer satisfaction rather than for online commerce.<sup>38</sup> Cisco Systems reported that they have saved \$250 million in telephone calls for customer service. Two-thirds of the company's customer service calls are handled through the web site.<sup>39</sup>

Customer service can also be improved at no cost on a "content" web site that features a FAQ (Frequently Asked Questions) section. The FAQs are inquiries which have been received by multiple customers. The questions are posted on the web site along with the answer or solution.

Nearly 80 percent of all customer service inquiries can be solved this way because the questions have been asked before and the solutions are known.<sup>40</sup> Web sites are also popular with customers because they are accessible 24 hours a day, seven days a week.<sup>41</sup>

Another customer service feature of a "content" web site is the ability to have two-way communication with one's customers. For example, Toyota asks its site visitors to "tell us what you like and tell us who you are." In exchange for this information, customers receive information about their particular interest and also receive a free CD-ROM with news about the company.<sup>42</sup>

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38. Rachel Parker and Lynda Radosevich, "Web Presence is the Point," *Infoworld*, (23 December 1996): 1.

39. Doug Arnold, "Profit for the Internet: Is It Fact or Fantasy?" *Philadelphia Business Journal*, (24-30 October 1997): 43.

40. Marken, "Getting the Most From Your Presence in Cyberspace," 37.

41. Hawn, "Stay on the Web," 50.

42. Brame, "Net Profits," 46.

Another example is Sun Microsystems's use of its "content" web site for customer service. Sun's round-the-clock technical documents service has decreased customer phone calls by at least 20 percent. A final example is Silicon Graphics, which estimates that the tip users exchange via its newsgroups save the company \$4 to \$5 million per year in customer service calls.<sup>43</sup>

### Marketing Research

Companies can also take advantage of this two-way communication to conduct various types of market research. Most surveys suggest that people who browse the web are well-educated and have ample disposable income.<sup>44</sup>

The following is a description of when Polaroid used its web site to host a survey for its customers. This survey was to measure the effectiveness of its advertising campaign.

"Eight months into the campaign," wrote Carol Phelan, Senior Marketing Communications Manager for Polaroid in Cambridge, Massachusetts, "we conducted a sweepstakes on Parent Group on our web site which included a survey. The results of the survey included that 64 percent of the group were Polaroid users, and that 68 percent said they would either purchase a Polaroid

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43. David Kirkpatrick, "As the Internet Sizzles, Online Services Battle for Stakes," *Fortune*, (1 May 1995): 86.

44. Hawn, "Stay on the Web," 50.

camera or continue to use a Polaroid as a result of this campaign.” After conducting this survey, Phelan concluded that “it makes sense for Polaroid to continue moving forward in this new medium (World Wide Web) because that’s where our world is.”<sup>45</sup>

### Promotion of Catalog Sales

Companies can also use “content” web sites to promote sales of items featured in direct mail catalogs or through the company directly with an 800 number. Even if a company never intends to sell online, it can reach many customers who may buy products off-line. Godiva Chocolatier, for example, has a web site that mirrors the product catalog, but the site also offers stories and a clever E-mail reminder service that can prompt one to purchase for one’s sweetheart chocolate two weeks prior to Valentine’s Day. While Godiva realizes no profits from direct sales online, the company attributes a marked sales increase in their stores from the web site.<sup>46</sup>

Another company reaching out for sales generated from its “content” web site is L. L. Bean. The site was originally created to provide a catalog to millions

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45. Internet Advertising, *Mediaweek*, (5 May 1997): 62.

46. Hawn, “Stay on the Web,” 51.

of people without having to spend excess postage for mailing the catalogs. L. L. Bean, Inc. views the Internet as a way of giving its worldwide catalog customers the same service they would receive if they walked into the company's store located in Freeport, Maine.

“We look at this as an extension of our current business,” wrote Steve Roberts, Senior News Media Analyst at L. L. Bean. “The Internet is a great place to further describe who we are as a company, project our brand name online and also cut some costs.” Roberts feels that the site is beneficial because those not purchasing online use the site to gather information which eventually leads to sales through the mail.<sup>47</sup> According to Harold Wolhandler, Director of Research at ActivMedia in Petersborough, New Hampshire, “Some people only think of online transactions as my selling you a CD and then billing a credit card number. I'd say that's wrong. What we're looking at is the business impact of having a web presence. For example, a business-to-business web site can increase sales by giving product information to supplement phone-based sales or by taking orders billed through conventional means,” Wolhandler added.<sup>48</sup>

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47. Mitch Wagner, “L. L. Bean Puts Folksy Feel into its Web Site,” *Computerworld*, (23 June 1997): 47.

48. Tweney, “Making Money on the Web,” 63.

### Image Building

“Content” web sites can also be image builders for small companies. The strength of a web site is that any organization, regardless of size, can look as good or as bad as any other firm on the Internet.<sup>49</sup>

The most successful web sites are those created by smaller companies. “You can have a site on the Internet and use your home as your headquarters,” says Ursula Kuehn, Owner of She Sails, a clothing retailer that targets women sailors. She spent \$3,000 translating her catalog to an online page, and pays a Webmaster \$300 per month for maintenance, and asks her customers to call her with their orders. She is experiencing the same level of business success as when she used a mailing catalog, which cost \$20,000 to produce and ship. In 1996, she saved \$13,600 by creating a “content “ web site.<sup>50</sup>

### Subscription Fees

While visitors can browse most web sites at no cost, some of the more popular sites are charging an access fee to its visitors. This access fee is a way for a company to recoup some of the costs for creating and maintaining the “content” web site. While most of its web sites are open to everyone, SportsZone began charging a monthly fee to diehard fans who want access to a premium service.

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49. Marken, “Getting the Most from Your Presence in Cyberspace,” 37.

50. Brame, “Net Profits,” 45.



For example, 2,000 customers paid \$40 each to participate in the web site's Fantasy Football season, and insiders say that about 20,000 subscribers are paying \$39.95 per year for full access to the site and its interactive games. With these revenues from advertising and subscriptions, the web site is projected to turn a profit in 1997.<sup>51</sup>

### *Just To Be There*

Many experts believe they should have some type of web presence because they want to be a part of the technological age. "One has to have a presence on the Web because there is so much momentum around it being the next big thing in technology," wrote Mark Stahlam, President of New York Media Associates. "The next original big thing was the CD-ROM, which has lost more money that it earned. Then came interactive television. The Web is the hype that came next. So it's mandatory, whether it's profitable or not, that you participate."<sup>52</sup>

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51. Gunther, "Web+Sports=Profits, Right?" 198.

52. Brame, "Net Profits," 45.

Geri Spiler of the Garther Group, Inc. in Stamford, Connecticut agrees. “If I call you and you don’t have voice mail, I think you are really out of it. The same perception applies to web sites.”<sup>53</sup>

Some businesses believe that corporate “content” web sites should not be expected to be income producers. “Expectations should be that it’s there to maintain contact and provide a base for new people to start gaining contact with your company. There should not be an exception of monetary gain,” wrote Henry Fenik, an Analyst at Zona Research, Inc. of Redwood, California.<sup>54</sup>

### *Uncertainty in Advertising*

Though many “content” web sites sell advertising, many ad buyers are uncertain as to the effectiveness of advertising on the web. According to Poppe Tyson, one of the big three interactive advertising agencies, it is difficult to predict with any assurance whether the Internet will be a viable commercial marketplace.

This uncertainty is demonstrated in Poppe’s filing with the Securities Exchange Commission which shows that profit margins have declined in the two years since Poppe became involved in Internet advertising, and that Internet advertising is only two percent of the agency’s total revenues.

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53. Thibodeau, “Sites Don’t Tow the Bottom Line,” 49.

54. *Ibid.*, 50.

One example is the ad campaign for milk. According to Kurt Graetzer, Executive Director of the Milk Board's Education Program. "The Milk Mustache ad campaign is budgeted for \$110 million in 1997, but less than one percent of that is allocated to the milk web site. I don't think anybody has a clue where web sites will fit into the marketing equation. I'd feel comfortable if I get 300,000 users in the first year. If it's less than that, I'll be questioning whether or not this thing is worth the money."<sup>56</sup>

#### *Negative Views From Big Business*

Businesses are increasingly establishing web sites, but many users feel that the majority of sites are ineffective and do not tap into the Web's commercial potential.

According to Dave Browde of DataFile, "When you ask big business if they are making money (with "content" web sites), no one will give you hard numbers. They're a little embarrassed that they've sunk huge chunks of change into it and they haven't seen anything coming back."<sup>57</sup>

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55. Stacie Zoe Berg, "But Business Can Benefit Too," *Insight on the News*, (19 May 1997): 43.

56. *Ibid.*, 44.

57. Brame, "Net Profits," 46.

A study by Forrester Research goes on to state that even corporate “content” web sites that receive 100,000 hits per day are not profiting. “It takes less than two hands now to count the really great business web sites,” wrote Stan Goldberg, Director of Software Strategy at Forrester Research, Inc. in Cambridge, Massachusetts.<sup>58</sup>

Clearly Canadian Beverage Corporation spent \$50,000 to develop their web site but the lack of financial payback has led many senior managers to wonder if it was worth it. According to Kelly Lendvoy, Director of Corporate Communications, who spearheaded the web site effort at Clearly Canadian Beverage, “We would be remiss to think that the web site would bring us tremendous business volume and I do not think our corporate site is going to sell more Clearly Canadian immediately.”<sup>59</sup>

The results from a 1996 *Infoworld* poll suggest that the majority of businesses are not achieving the positive financial results that they had hoped for when they created their “content” web sites. Though 22 percent of those polled said their organizations derive revenue from their sites, 61.9 percent did not know exactly what the web site brought to its bottom line.<sup>60</sup>

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58. Brame, “Net Profits,” 46.

59. Brame, “Net Profits,” 46.

60. Parker and Radosevich, “Web Presence Is the Point,” 2.

“We’re getting more hits than I ever fathomed, but we’re not getting sales, so it’s not paying off,” concluded Scott Rice, Majority Owner and Vice President of Colorifics, Inc, a Westfield, Ohio company that sells athletic clothing and accessories.

*Ineffective Results from Magazines Featuring “Content” Web Sites*

Many “content” web sites continue to exist despite not showing any measurable benefits. David Bardes, found of LIFE.com, Inc. said that the Internet can be great but many “content” web sites for publications are failures. National Geographic has the biggest web site, but additional sales generated from these sites cannot be directly attributed to these sites.<sup>61</sup>

Some “content” web sites have closed due to the lack of funds generated. One example of a “content” web site that closed because of financial difficulty is *Out* magazine. The publication closed its “content” web site despite its popularity because costs such as production equipment, promotion and legal fees exceeded any measurable benefits to the site. The publication’s editor also felt that the time dedicated to the site was taking away from the time spent on the magazine. The final decision was made when the rates for maintaining the site increased.<sup>62</sup>

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61. Bardes and Schvedelson, “Internet a Big Hit at Florida Days,” 10.

62. Scott, “Out of the Web,” 50.

### Questionable Measurable Results from Market Research

Though a “content” web site can be an effective marketing tool, some studies show that there may be no measurable benefits to the company for featuring marketing research on their “content” site. Two examples are the “content” web sites for BMW and Mercedes Benz.

On BMW’s and Mercedes Benz’s “content” sites, users can design a car by selecting the model, the color, the interior, as well as adding options and obtaining price information. The companies can gather data from these visitors and discover which colors, models and features are most desirable by the site’s visitors. No sales are taken on either of these sites. Though these web sites appeal to their visitors and serve as a marketing tool, there is no evidence that these sites directly result in sales of automobiles.<sup>63</sup>

Another example is Coors Brewery Company which decided to put the Internet address [zima.com](http://zima.com) on its labels of the clear malt beverage. This marked the first attempt by a package goods company to explore the fast-growing part of the Internet. Though Coors states the site has been frequently visited, no information is available as to whether or not any direct sales are attributed to the site.<sup>64</sup>

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63. Guy Kawasaki, “A Web Site Falls,” *Forbes*, (18 November 1996): 264.

64. Cathy Taylor, “Z Factor: Coors Searches for the Right Mix of Active Ingredients in Its Experiments on the Web.” *Mediaweek*, (6 February 1995): 14.

## **RETAIL WEB SITES - POSITIVE**

A brief examination of the positives and negatives of “retail” web sites will demonstrate the tremendous potential for measurable economic gain through a web site.

### *Projections*

An estimated 8 billion to 10 billion dollars in goods and services were sold online in 1997.<sup>65</sup> A projection from the Yankee Group estimates that by the year 2000, business-to-business commerce will be valued at 13.4 billion dollars, while consumer sales revenues will reach 10 billion dollars.<sup>66</sup>

### *Examples*

Examples of companies which have been successful with “retail “ web sites include Netmaker and Net Grocer. Net Grocer, the first nationwide online grocery, offers non-perishables from cereals to diapers either at or below retail prices, says Company Chief Daniel Nissan. The discount saves customers from \$100 to several hundred dollars annually. Net Grocer reports that it is a profitable online retailer.<sup>67</sup>

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65. Maryfran Johnson, “Start Your Engines,” *Computerworld*, (3 November 1997): 36.

66. Mark Halper, “So Does Your Web Site Pay Off?” *Forbes*, (25 August 1997): 117.

67. Web/Online Service Information, *PC Magazine*, (23 September 1997): 10.

Netmaker is a megastore “retail” web site offering products ranging from music CD’s, books, videos, travel to kitchen appliances and home furnishing.

Netmaker projects to sell more than one billion in goods during the next year. Unlike most of its competitors, Netmaker is profitable, with more than 400,000 online subscribers who each pay \$49 a year for the privilege of shopping through this site.<sup>68</sup>

Other successful companies include a Jeep dealer in Reading, Pennsylvania, who reported that he sold Jeeps and parts through his Internet site in a seven month period; Alderfer Auction Company of Hatsfield, Pennsylvania which reported that profits have increased due to international sales, a market never tapped before; E-Trade, which provided online stock brokerage services, realized an income of 8.4 million for a nine month period ending June 30, 1997; and Ticketmaster which sold \$100,000 worth of tickets when it opened its site in November 1996 and by April 1997, sales had increased to 2.5 million per month.<sup>69</sup>

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68. Business and Industry, *The Economist*, (1 November 1997): 64.

69. Arnold, “Profit for the Internet: Is It Fact or Fantasy?”, 43.



## **RETAIL WEB SITES - NEGATIVE**

A “retail” web site allows a customer to purchase an item directly from a computer terminal without ever having to go to a store. The countless variety of items and the convenience of shopping appears to be very attractive; however, these sites are not always successful.

Though many established companies and entrepreneurs have staked their claim on the Internet, there are two major roadblocks for the “retail” web site success: consumer trust and Internet “Browsers.”

### *Trust*

In order to purchase an item on a “retail” web site, a consumer has to provide detailed personal information and, often, a credit card number. Many see this information request as an invasion of privacy, and many are fearful of offering a credit card through the Internet. Few consumers are comfortable in the security of buying online.

“Although the web is great for browsing, all my purchasing is done through snail mail,” explained customer Tom Meedham of Parma, Michigan. “I still have a problem with my [credit] card numbers floating out there.”<sup>70</sup>

Another study supporting this feeling of a lack of trust is that of the Georgia Institute of Technology. This study states that many users distrust the

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70. Wagner, “L. L. Bean Puts Folksy Feel into Its Web Site,” 47.

web and fear threats to their privacy. The study also found that fewer new users (36 percent new users in October 1996 compared to 60 percent new users in October 1995) are logging on to the World Wide Web and that the current base is maturing even as growth slows.<sup>71</sup>

### *The Personal Touch of Shopping*

Retail Analyst Alan Millstein, Editor and Publisher of the *The Fashion Report* believes that online clothing sales will never be significant. “People like to touch and feel clothing or at least be able to see it in a four color catalog,” wrote Millstein. “All these companies have hopes, but my prediction is that the Internet will come to nothing in the way of apparel.”<sup>72</sup>

### *Browsers*

Many Internet users are using the technology of “retail” web sites for entertainment, comparison shopping or curiosity. Many never intend to make a purchase. In fact, most who surf the web are looking, not buying. A study by Georgia Tech in 1995 found that 11 percent of users go online to shop, while 79 percent go online to browse.<sup>73</sup>

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71. Carol Levin, “Beware the Backlash: Is the Web Risky Business?” *PC Magazine*, (18 February 1997): 28.

72. Wagner, “L. L. Bean Puts Folksy Feel into its Web Site,” 48.

73. Brame, “Net Profits, 44.

Jill Ellsworth, a senior partner at computer marketer Oak Ridge Research states that in her survey of 462 businesses in 1995, 80 percent replied that they were neither turning a profit nor breaking even on their web site investment. The most successful were small retailers, wholesales and service companies.<sup>74</sup>

## **EVALUATION**

Though there have been numerous articles written about web sites for Corporate American, there is no absolute conclusion to determine whether these sites are successes of failures.

The research reveals that measurable benefits of “content” web sites depend on the original intended goal of the web site, whether it be for selling advertising, generating commissions and other off-line sales or market research.

According to the research, a major benefit of a “content” web sites is the two-way communication it offers its customers. “Content” web sites should provide items such as E-mail, product information and a “Frequently Asked Questions” section so viewers can get the information they are looking for without having to spend time and money calling the company. These free-of-cost and quick responses satisfy the majority of customers’ needs.

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74. Ibid. 46.

A second strategy would be to create the site so that customers can sample the product. As with the BMW sample, customers can design their ideal car, and this ability may lead them to future purchases. The research suggests that this trend is successful in the automotive industry, as Mercedes, Toyota and Jeep have also achieved success via the Internet. A carefully planned web-based market research plan can lead to the creation of a consumer mailing list or even provide suggestions on how to improve one's products or services.

Though these three suggestions have led to some successful measurable benefits, the research suggests that there is no 100 percent guarantee to ensure that either "content" or "retail" web sites will have measurable benefits.

## CHAPTER III

### **PURPOSE**

The purpose of this study was to answer the question, “What are the known benefits for companies in the sports collectibles industry to having a “content” web site? The independence variable for this study, “content” web sites, are those web sites while solely contain items for information and entertainment purposes: there are no retail sales generated. The dependent variable is the measurable benefits of these “content” web sites.

### **DATA NEEDED**

The data needed for this study was the reasons and costs for each of the companies in the sports collectibles industry to create and maintain a “content” web site and whether or not there were any measurable benefits of these sites. The measurable benefits of these sites was measured in dollars generated from this sites, whether it be from sales or cost savings.

If the costs incurred by creating and maintaining the “content” web sites were less than the dollars generated, it could be suggested that there were measurable benefits to creating and maintaining these sites.

Conversely, if the costs of creating and maintaining these “content” web sites were greater than the dollars generated, then it could be suggested that there were not enough measurable benefits of these sites to justify their creation and maintenance.

## **DATA SOURCES**

This study included all of the major companies in the sports collectibles industry, as stated in three leading industry publications: *Beckett Publications*, *Krause Publications* and *Tuff Stuff Publications*. These publications base the criteria for a “major” company as a company which is licensed or affiliated with at least one of the four professional sports leagues: National Football League (NFL), Major League Baseball (MLB), National Basketball Association (NBA) and the National Hockey League (NHL).

The following web sites are from the sports collectibles companies which were included in this survey: Topps, Upper Deck, Pacific, Playoff, Fleer/Skybox, Score Board, Pinnacle, Press Pass, MotionVision and Corinthian Marketing, *Beckett Publications*, *Krause Publications*, *Tuff Stuff* and *Trading Card Collector*.

After identifying all of the major companies in the sports collectibles industry which have a web site, the next step was to contact each company to identify which sales or marketing professional is responsible for the decisions behind each site. The title of the person responsible for the web site varied from company to company. Some examples of those in charge of web sites included: Public Relations Directors, Marketing Managers, Product Managers, Sales Directors and one President. Only three of the companies had an individual whose sole responsibility was maintaining the web site. Names and titles of

those who have completed the study have not been revealed to protect the identity of each source.

### **RESEARCH METHOD**

To determine if there are measurable benefits of “content” sites, a qualitative research method, meaning one that is an interpretive method of inquiry, was used.<sup>75</sup> Data was collected on the cost of developing and maintaining the site, versus the revenue generated from these sites. If the data revealed that these “content” sites resulted in increased sales for these companies, then one could conclude that there are measurable benefits to these “content” sites. If the data showed that there are no direct sales generated as a result of these “content” sites, then it can be suggested that these sites may not have any measurable benefits.

### **SAMPLE SELECTION AND SIZE**

The sample of those surveyed was limited by the number of companies in the sports collectibles industry that have a web presence. All of the companies surveyed for this study are recognized as leaders in the industry and all of them have “content” web sites. The sources surveyed for this study are not a limited sample. Rather, they represent the entire universe of companies meeting the specific criteria of sports collectible

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75. Rubin, Rubin and Piele, *Communication Research*, 221.

companies that have a “content” web site. This study will provide an analysis of the measurable benefits of “content” web sites for the major companies in the sports collectible industry.

### **DATA COLLECTION**

To collect accurate data, a survey was created for the individuals responsible for the sites to complete and return. A mail survey was selected for the convenience of the person surveyed and for accuracy of information provided. To respond to the survey over the phone, individuals would have had to spend approximately 30 minutes discussing these answers because some of the answers required an analysis of the respective company’s sale and marketing budgets, and these figures may not have been readily available. A final reason for conducting a mail survey was to give these individuals time to carefully think about each question and respond accurately and thoroughly.

Questions featured in this survey provided data on the benefits of a “content” web site by comparing costs such as incremental sales generated and percentage of new business gained from these web sites versus the amount of money invested to create and maintain the site. A copy of this survey is available in the Appendix section of this thesis.

After identifying the individuals responsible for the web sites, a telephone call was made to inform them that this study was being conducted and to ask each of these persons to participate in this study. A request was made to each of these individuals to complete the survey and return it within a three week period. Each survey was mailed to



the appropriate person along with a letter to further explain the survey and to thank them for the anticipated participation. To promote completion of the survey, each packet contained a self-addressed stamped envelope for the convenience of each person surveyed. Those individuals not responding within three weeks of the mailing were contacted by phone, and mailed a second survey. Once all the surveys were completed and returned, the data were analyzed.

### **DATA ANALYSIS**

Each question in this survey, with one exception, was a closed-ended question. Close-ended questions were used to create a limited field of responses. The open-ended question asked, “What was the cost of creating the web site, and what is the monthly cost of maintaining the site?” This question was open-ended because the research previously written in this study suggested that there is a wide variety of costs for web sites setup fees and monthly maintenance.

All surveys were returned within five weeks of the initial phone calls. Data was tabulated, one questions at a time, by hand. All responses were included in the final results. The responses for the open-ended questions, which concerned the creation and maintenance fees, were placed into one of six cost ranges.

Data was provided in the thesis in the form of percentages. Because the data for this study contained confidential financial information, the data was analyzed based on frequency and not directly attributed to each company. The purpose of this study was to

focus on the entire industry, therefore measuring the data by frequency provided the necessary information from which to draw an accurate conclusion of whether or not there are measurable benefits to “content” web sites for the sports collectibles industry.

### **LIMITATIONS**

One limitation of this study is that the findings of this study are extremely dependent on the time it was conducted. This study of the benefits of web sites for the sports collectibles industry was conducted in December 1997. This study provides a review of the benefits of “content” web sites of the sports collectible industry as of this time period.

## CHAPTER IV

This chapter examines the findings of the survey that was sent to each of the 14 major companies in the sports collectibles industry. All of the companies that were selected to participate in this study returned a completed survey by December 15, 1997. Respondents were asked to provide answers to the questions, and the data collected from the respondents' answers is reflected in the percentages.

The data from the first half of the survey reflect goals and marketing strategies behind the creation and maintenance of these "content" web sites. The second portion of the survey examines the measurable benefits of these "content" web sites by comparing the money allocated to create and maintain the site to the percentage of sales and new business generated from the "content" web site.

### **FINDINGS**

#### *Creation and Marketing Goals*

The first question asked in what year was the "content" web site created. Out of the 14 major sports collectibles companies surveyed, 50 percent created their "content" web sites in 1996, while 36 percent created their site in 1997. Only 14 percent of the companies surveyed had web sites created in 1995.

The next question asked for the primary reason for creating these “content” web sites. Thirty-four percent of the companies stated that they wanted to gain further exposure for the company and 33 percent noted they wanted to keep up with the competition. Improving customer relations was a goal for 19 percent of the respondents. The responses of attracting advertisers and entertainment each received two percent of the responses.

The next question examined the main features of each web site, Describing product information was the most popular response (36 percent), followed by posting news releases (29 percent). A company history section received 21 percent of the responses, while seven percent of the respondents listed a Frequently Asked Questions (FAQ) section and interactive games as most popular.

Question four asked each company to reveal its main method for advertising its “content” web site. Thirty-nine percent of the companies feature their web site address on printed advertisements and 33 percent of the companies use hyperlinks from other web sites. Twenty-eight percent of the companies feature their web address on product boxes and wrappers. None of the companies responded that they advertise their web site on television or on radio.

### *Measurable Benefits*

Each of the 14 major companies in the sports collectibles industry was surveyed to find out the cost of creating their “content” web site and the monthly

cost of maintaining the site. Because the answers varied, these figures are grouped in specific cost ranges to provide some consistency in their responses.

The cost of creating a “content” web site for seven percent of the sites cost between \$500 and \$1,000. Twenty-one percent of the companies created their sites for a cost of \$100 to \$500, while an additional 21 percent of the companies spent between \$1,000 to \$3,000. The cost of creating a “content” site for 30 percent of the companies was between \$3,000 to \$5,000, while another 14 percent of the sites cost between \$5,000 to \$10,000 to be developed. Seven percent of the sites cost in excess of \$10,000 to be created.

Though the cost of creating these sites varied, the cost for monthly maintenance was relatively consistent. Monthly fees for 43 percent of the company web sites ranged from \$1,000 to \$3,000, and 36 percent of these sites cost between \$500 and \$1,000 per month. Fourteen percent of the sites had monthly maintenance fees of \$100 to \$500. Seven percent of the companies reported monthly fees ranging from \$3,00 to \$5,000.

When asked if these sites had generated any new business, 79 percent of the companies responded with a “not known” response. Twenty-one percent of the companies said they could credit the web site for one to ten percent of their new business.

When surveyed on the number of sales generated from the “content” web site, 79 percent of the companies stated that they do not have any method for customers can use to order items from their print catalogs. Seven percent of the

companies weren't measuring whether or not the web site generated any sales. Fourteen percent of the companies responded by stating they offer a toll-free number on their site which companies noticed increased sales after the "content" web site began receiving an increased number of visits.

The survey then asked each company if it had received any benefits, other than sales, from the web presence. Thirty-five percent of the companies selected their main benefit as increased exposure for the company, while 36 percent selected improved customer service as their main benefit. Twenty-nine percent of the companies believed that they were receiving no benefits from their "content" web site.

Each company was then surveyed to find out what return on their investment that they had received from their "content" web site. Seventy-two percent responded by stating the return was as expected, and seven percent of the companies responded that there were no benefits to having a "content" web site. None of the companies responded that their "content" web site exceeded the initial expectations.

The final question addressed the issue of whether or not these sports collectibles companies believed they needed a web site for success. Eight-six percent stated that they do not believe these "content" web sites were necessary, while 14 percent of the companies believe they were necessary.

## CHAPTER V

### EVALUATION

The study evaluated the measurable benefits of “content” web sites for companies in the sports collectibles industry. Because of all of the companies surveyed created a web site within the past three years, it can be suggested that these companies originally believed that creating and maintaining a web site would in some way benefit their company.

Though these “content” web sites were created by companies in the same industry, there were different reasons as to why each site was created. Some were created in hopes of generating additional exposure, some for entertainment purposes, and others created their web sites to keep up with their competition. The one common thread of each of the web sites studied was that they were “content” web sites, and were not created for retail sales.

The cost of creating and maintaining each “content” web site varied for each company. Some companies invested thousands of dollars to create their sites, while others were more conservative in their spending. Though the costs of creating and maintaining these “content” web sites varied from company to company, the lack of return on investment from these web sites was common, as 72 percent of the respondents stated that their sites failed to meet their desired rate of return.

## INTERPRETATIONS

The negative return on investment for “content” web sites of companies in the sports collectible industry can be traced to the original reasons behind the creation of these web sites. The data shows that these sites were all created within a three year period, with the most significant increase from 1995, when 14 percent of the sites were created, to 1996, when 50 percent of the sites were created. By 1997, all of the companies had sites.

Of these “content” web sites created, 34 percent of the companies stated that they created their site to keep up with their competitors. One example noted in Chapter II of this study supports this “keeping up with the Joneses’” philosophy.

“One has to have a presence on the Web because there is so much momentum around it being the next big technology,” wrote Mark Stahlman, President of New Media Associates. “The original next big thing was CD-ROM, which has lost more money than it earned. Then came interactive television. The Web is the hype that came next. So it’s mandatory, whether it is profitable or not, that you participate.”<sup>76</sup>

Another reason behind the creation of these “content” web sites, stated by 33 percent of the companies, was to generate increased exposure. Although a company can track the number of visits to their site, there is no guarantee that these visits will result in future sales dollars.

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76. Brame, “Net Profits,” 45.



The third most popular goal was to improve customer relations. It is difficult to directly attribute dollars generated from increased exposure and improved customer service.

Those these companies invested in creating and maintaining their “content” web sites, they did not allot funds for additional advertising of their site. Though two companies incorporated their web address on their packages and print ads, this text addition did not cost any additional dollars. Hyperlinks, which are of no costs, were also used. No company used the mediums of radio or television as an advertising method. The fact that sports collectible companies did not invest in radio or television advertising for their web sites demonstrated a lack of commitment to marketing these “content” web sites.

Though the original goals behind the creation of these “content” web sites, keeping up with the competition, increasing exposure, and improving customer relations, are very difficult to measure in financial terms, 72 percent of the companies responded that the level of return on investment from their “content” web sites was less than expected. Only 21 percent responded that the level of return on their investment was as expected.

Without a clear, intended and measurable goal for a “content” web site, it is very difficult to measure if the desired results are being met. The majority of the companies in the sports collectibles industry were dissatisfied with the performance of their “content” web sites because these sites were not originally created for a positive monetary return; rather they were created so that the company could be part of the latest technology known as the Internet.

## **CONCLUSIONS**

As of December 1997 (the date of this study), there are little or no measurable benefits for companies in the sports collectibles industry to have their existing “content” web sites. Although all of these “content” web sites offer information on items such as products, company history and company news, the sites do not feature the types of services that would lead directly to sales. This conclusion is supported by the fact that 86 percent of the companies surveyed stated that they do not believe there are measurable benefits for sports collectibles companies to have a “content” web site.

These “content” web sites proved unsuccessful not because there are no measurable benefits to “content” web sites, but because the web sites were created with no specific measurable objectives. Without a measurable objective, there was no method of measuring their benefits, and therefore, these web sites were perceived as disappointing.

## **CONTRIBUTIONS TO THE FIELD**

A “content” web site is a valuable public relations tool because one can feature a wide range of news and information to more than 40 million users worldwide. But how can one be sure if these “content” web sites are truly beneficial?

The study of the “content” web sites of the sports collectible industry, demonstrated the need for developing a “content” web site with a sound marketing plan. The goals for the web site must be defined before the site is created.

If the public relations goal is to improve customer relations, then the web site should feature a section which accepts feedback from the web site user. For example, if the customer's inquiry is satisfied with a FAQ (Frequently Asked Questions) section, there should be a question that asks, "Have your consumer needs been met by this section?" Customers can then respond, and this data can be analyzed later. If there is an increased number of "yes" responses, coupled by a lack of consumer complaints filed, then the "content" web site would have met that need.

If the public relations goal is to increase sales, then the web site should offer product information, followed by a toll-free number through which the product can be ordered. A company can then track the number of sales generated from that specific number.

### **PRACTICAL INFLUENCE ON THE FIELD**

Though this study focuses on the "content" web site for companies in the sports collectibles industry, it has a practical influence on the field of public relations. This study serves as a microcosm of all companies that have created and maintained "content" web sites. "Content" web sites are being used for public relations, including disseminating news releases, improving customer service, enhancing corporate images, and providing company information. Though these "content" web sites are being used as a public relations tool, there is a doubt as to whether they are worth the investment.

As with any public relations plan, the public relations strategy behind the creation of a “content” web site must have defined goals and objectives. If the goals and objectives of the “content” web site are met, then the success or failure of the web site can be more accurately analyzed. As the technology of the Internet continues to grow, so will the need for successful public relations on “content” web sites.

### **FURTHER RESEARCH**

Further research on the measurable benefits of “content” web sites for the sports collectible industry will be necessary. These companies may realize that their web sites are ineffective and this realization may lead to a change in the strategy of their developments, or perhaps, the cancellation of the “content” web site’s existence. Further research on such developments would then be necessary to determine if there is a measurable benefit for a company in the sports collectible industry to create and maintain a “content” web site.

Some companies, for example, may attempt to sell advertising on their “content” web sites. If they sell advertising on their web sites, they may realize a profit, and then change their attitudes on their web site’s measurable benefits. Companies may also decide to offer commission sales to vendors selling their products online. This strategy may also lead to measurable profitability.

Companies may also attempt to use their “content” web site for improved, interactive customer service. Using the E-mail function of the Internet may lead to improved customer service because messages can be received and distributed without the delays resulting from voice mail or a busy telephone line. A company can also measure the benefit of its “content” web site based on the increase or decrease in the amount of its phone bill compared to the amount of the bill prior to the use of E-mail to handle customer service inquiries.

These companies may also decide to use their “content” web sites to spur catalog sales. The “content” web sites could feature a toll-free number that customers could use to order products directly from the company. This toll-free number would only be available on the “content” web site, and therefore, any sales generated from this toll-free number could be directly attributed to the “content” web site.

A final aspect that could greatly affect future studies of “content” web sites of companies in the sports collectible industry is the development of new technology within the Internet. This study of “content” web sites created and maintained by companies in the sports collectible industry was conducted as of December 1997. Perhaps an improvement in the medium’s interactivity or another advancement could change the way the benefits of future “content” web sites can be measured.

# **APPENDIX**

## SURVEY

1. **When did your company create its web site?**
  - A. 1997
  - B. 1996
  - C. 1995
  - D. Prior to 1995
  
2. **What is the main reason why your company decided to post a web site?**
  - A. Increase exposure
  - B. Increase sales
  - C. Keep up with the competition
  - D. Entertainment
  - E. Attract advertising
  - F. Improve customer relations
  
3. **What is the main feature of your web site?**
  - A. Interactive Games
  - B. News releases
  - C. Product Information
  - D. Information on staff members
  - F. Company History
  - G. Photos
  - I. Executive biographies
  - J. FAQ
  - K. Advertising
  
4. **What method do you most use to advertise your web presence?**
  - A. Print advertisements
  - B. Television advertisements
  - C. Hyperlinks
  - D. Radio advertisements
  - E. Feature address on product packaging
  
5. **What was the cost of creating your "content" web site?**
  - A. \$100 - \$500
  - B. \$501 - \$1,000
  - C. \$1,001 - \$3,000
  - D. \$3,001 - \$5,000
  - E. \$5,001 - \$10,000
  - F. More than \$10,000
  
6. **What is the monthly cost of maintaining your web site?**
  - A. \$100 - \$500
  - B. \$501 - \$1,000
  - C. \$1,001 - \$3,000
  - D. \$3,001 - \$5,000
  - E. \$5,001 - \$10,000
  - F. More than \$10,000

7. **What percentage of new business is a result of the web site?**
- A. 1% - 10%
  - B. 11% - 25%
  - C. 26% - 50%
  - D. 51% - 75%
  - E. 76% - 100%
  - F. 0%
  - G. Not known
8. **How do you track sales generated from the web site?**
- A. Sales from 800 number on web site that refers to company print catalog.
  - B. Direct ratio of increased number of hits to increased sales.
  - C. We do not track sales generated from the web site.
9. **Other than sales, what perceived benefits has your company received from your web presence?**
- A. Increased exposure
  - B. Improved Customer Service
  - C. Increased customer base
  - D. No benefits
10. **What return on investment has your company received from your web site?**
- A. Greater than expected
  - B. As expected
  - C. Less than expected
  - D. No benefits
11. **Do you feel companies involved in the sports collectibles industry need a web site for success?**
- A. Yes
  - B. No



## Sample Survey Request Letter

November 4, 1997

COMPANY  
NAME  
STREET  
CITY, STATE ZIP

Dear XXXXX:

My name is Brian Cahill, and I am a graduate student at Rowan University. I am currently working on my master's thesis, and with your help, I will be able to compile relevant and accurate data needed to complete this project.

The topic of my thesis is, "What are the measurable benefits for companies in the sports collectibles industry of having a web site?" I have enclosed a brief survey that I would appreciate your completing to provide me with valuable information for this study. When you have completed this survey, please return it in the enclosed prepaid, self-addressed envelope. I would appreciate if you could respond by **December 12**.

As you may be aware, I am the public relations contact at The Score Board, Inc., a sports collectible company Cherry Hill, New Jersey. I want to assure you that this information is for academic purposes only and is not intended for any other use. To ease any concerns you may have, I have also enclosed a copy of the completed survey with answers regarding the Score Board's Web Site. I am also willing and eager to share with you the results of my study. If you are interested in obtaining a copy when it is completed (Spring 1998), please indicate "yes" on the space provided on the survey.

Thank you for your time and cooperation. If you have any questions, please feel free to contact me at (609) 589-4856.

Sincerely,

Brian Cahill

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