Abstract
Enhanced TV is the use of Internet features for enhancing the viewing experience of TV viewers. This paper reports the results of a national study of US Internet users’ usage of enhanced TV features on cable network websites. The study shows some positive effects of enhanced TV features on the e-commerce interest in the cable network websites. Respondents who use more enhanced TV features reported a higher urge to buy something featured on the site. Some enhanced TV features have stronger effects in predicting consumers’ urge to buy something featured on the site. Nonetheless, consumers’ overall use of enhanced TV features and interest in e-commerce on cable networks’ websites are low. Few had experience in purchasing TV merchandise items. Interests in product types in e-commerce differ by Internet user types. Those who are currently browsing products online but shopping offline show the highest interest in e-commerce on cable TV networks’ websites than other Internet user types. Surprisingly, experienced online shoppers are the ones who expressed the most concern if lots of products are being sold on a cable network’s website. Such results indicate that cable TV networks need to revisit their e-commerce models, achieving a balance between the content interest of the consumers and their own networks’ commercial interests.

INTRODUCTION
The fragmentation of media audiences resulting from the growth of multi-channel TV services poses great challenges to entertainment media managers. With over 200 national cable networks in the United States, the cable industry is undergoing many changes. Not only are cable networks fighting for subscribers and cable system carriage, they are also competing for income other than subscription. The competition for advertising revenue is even fiercer as every mass medium is selling its audiences to advertisers. In addition, they have to face the challenge of the Internet both as a competitive medium or an alternative promotional vehicle, and a delivery system for the networks. Now almost all cable networks have their own websites providing a variety of enhanced TV contents to their viewers and prospects.

This study addresses the issue of consumers’ use of enhanced TV features and their interest in e-commerce on cable TV networks’ websites. Specifically, it explores the market potential of Internet users in buying TV-related merchandise and the types of products they would be interested. In addition, it investigates whether there are differences in e-commerce interest on cable TV network websites across different Internet user types. Furthermore, it examines the use of each type of enhanced TV feature by Internet users and their evaluation of their experience of the website visit. Finally, to assist TV network executives in setting priorities on the provision of enhanced TV features, this study analyses the effects of enhanced TV use on consumers’ interest in e-commerce and identifies the specific enhanced TV features that are most conducive to consumer interest in e-commerce.

Cable TV website accounted for more than 62% of all the time Americans spent with media-entertainment related websites in December 2001 (Cable Advertising Bureau 2002). Enhanced TV is the use of the features of the Internet to better the viewing experience of TV viewers. As the Web is the most common Internet application used by consumers, enhanced TV in practice is more an ‘enhanced’ experience on a TV website. The TV industry sees enhanced TV as a great opportunity to cultivate viewer loyalty. Dennis Quinn, the Executive Vice-President of TBS, for example, viewed enhanced TV as a tool to ‘increase time spent viewing’, ‘attract viewers attention and keep them engaged in programs’ (Robins 2001; Foley 2000). Much of the attraction of enhanced TV features to the TV viewers lies in its ability to interact with the viewers, fulfilling their communication needs before, during and after watching a TV programme. Before watching a TV programme, a
viewer can visit a TV network’s website to check the programme listing or programme preview to decide which programme to watch. During the programme, especially for sports or other game-based shows, a viewer may check the statistics of a player or play along with the game contestants to get a better feel of the momentum of the game. This assumes that the viewer watches TV and uses the Internet at the same time. After the programme, if a viewer is interested in finding out more about the topics introduced in the programme, he or she can log on to the website to find additional links to the topics or watch again the video clips that had been shown in the programme. Nonetheless, as the communication needs of viewers vary by individual, a TV website can only satisfy as large a portion of its viewers as practically possible.

There are four major types of enhanced TV features that enable the interaction between a TV station/network and its viewers on the Web (Hurst 2000): (a) Fan-based features; (b) game-based features; (c) information-based features; and (d) programming-based features. Fan-based features aim at building better relationships with the fans of a show by providing opportunities of learning more about and/or connecting with the show and stars. For example, by using chat rooms or other sharing features such as message boards, a TV network can facilitate the creation of a fan community for its programmes/stars in the programmes. These features are more likely to be used after watching a TV programme. Game-based features enable users to participate or simulate a contestant’s experience on a game show, such as the ‘Millionaire Game’ featured on ABC’s highly successful ‘Who wants to be a millionaire’ website (Gruenwedel 2000). These features are more likely to be used during or after watching a show. Information-based features are online functions that bestow supplemental, personalizable news/sports/weather information. These features can be used independently from TV watching. Programming-based features are the online systems that either facilitate a viewer’s programming selection process or deliver selected web-based programmes to the viewer. These features are used usually before watching a show.

LITERATURE REVIEW

E-Commerce on network websites and TV commerce

E-Commerce is one form of Internet business model for firms to make a profit out of their Internet operations (Afuah and Tucci 2001). TV networks can make use of their Web presence to conduct business transactions online by selling various types of products. E-commerce is a form of TV commerce to TV networks. TV commerce is a new concept of additional revenue source for television companies other than advertising. Television companies hope to transform themselves to retailers and their viewers to buyers who purchase products featured in their programmes (Fitzgerald 2000; McKay 2000). There are two types of merchandise available for TV commerce: fan-based items and non fan-based items. Fan-based items are items relating to the network/station or its shows and stars. Examples are memorabilia of a network and products used in a TV programme. Non fan-based items are essentially products of the advertisers of the TV station or network. The industry has a high expectation on the future of TV commerce and on the utilities of enhanced TV features in boosting brand values and serving as a platform for conducting e-commerce for the networks (The Carmel Group 2000).

TV stations and networks can conduct e-commerce in different platforms. Apart from conducting e-commerce on their websites, TV stations and networks can utilize the digital TV platform to provide data services and interactive channel subscription such as Buzztime in the United States. Buzztime features six channels of play-along trivia games for players of all interests and ability levels with real-time competition and rankings among households. Since its launch in June in York, Pennsylvania, the channel had average daily usage of approximately 800 digital households playing over 4,000 games, with each player spending an average of over 35 minutes per day playing along on the Buzztime channel (Buzztime 2002). Using the advertising sponsorship model with digital TV technology, TV stations or networks can offer interactive advertising using the iMedia model suggested by Pramataris et al. (2001). Their iMedia model consists of collecting consumer data and providing customized advertising to targeted consumer clusters, with the advertising effectiveness being evaluated through an analysis of consumer responses to the interactive advertising. Such interactivity in advertising is achieved primarily through the digital set-top box (digital receiver) of the TV viewer.

Most studies on e-commerce have little consideration for the offline counterpart. Basically, the e-commerce model of cable networks is similar to that of the brick-and-mortar retail stores or other service industries with websites conducting e-commerce (Hensmans et al. 2001). It has been argued that brick-and-mortar companies have an edge over the pure online companies in winning consumers in e-commerce through the synergy of online and offline presence. By aligning goals with multiple channels, explicit coordination and control, and joint development of the capability of the information technology of the online division and the offline division, brick-and-mortar companies can achieve synergistic benefits such as cost savings, differentiation through value-added services, improved trust and market extension (Steinfield 2002).

Brand extension and brand integration

To explain offline media, such as TV networks’, presence on the Web, the authors propose that there are two main Web branding strategies: 1) brand extension; and 2) brand integration. The concept of brand extension as the reason
for offline media to develop online presence has been discussed as a general business strategy (Venkatraman 2000) and a media business strategy (Ha and Chan-Olmsted 2001). As a brand’s extension, a TV website is an Internet brand of the parent TV brand. For example, CNN.com is the Internet brand of the Cable News Network (CNN). With the leverage of the parent brand’s equity, the CNN.com site will benefit from being named under the CNN brand. It is likely that a viewer of CNN TV network will use the CNN website as a result of his or her liking of, and familiarity with, the CNN brand. Other non-CNN viewers can also use the site if they want to explore about the CNN brand or what the site can offer. So CNN.com, in essence, extends the reach of CNN cable TV network, in a website format, to any interested Web user. Some content of CNN.com, such as news update and financial quotes, may attract a web user so much that he or she becomes a regular user of CNN.com, even though he or she never or seldom watches CNN. Gradually, through regular use of CNN.com, the web user becomes interested in the parent brand, the CNN TV network, and watches more programmes of the network. Already there are networks such as the Weather Channel that set up an independent website using its name, Weather.com, as its Internet brand and reported great success (Flamer 2000). These sites serve as stand-alone profit centres for the TV network.

Another explanation of the benefit of establishing an online presence is brand integration, which reiterates the supportive role of websites to the TV brand. In discussing online business models of established companies, Nel et al. (1999) suggest that established companies tend to expand their business online as a supportive service to their existing offline business. Based on this theory, offline media such as TV networks establish websites to support their current TV networks. The websites are not stand-alone profit centres and they are expected to be supplemental to the TV programmes offered by the TV networks. Accordingly, media websites are similar to other brick-and-mortar companies’ websites in that they are used to support and promote the brick-and-mortar brand, rather than to create a new Internet brand. When viewed from this perspective, TV websites’ e-commerce is an online platform for TV viewers to purchase products from a familiar source – the TV networks. The products can be related to the network, the shows or the TV stars, or they can simply be products of any companies. The TV networks serve as the intermediaries to sell products to the consumers.

Using the brand integration strategy, the sole purpose of establishing a website is for promoting and strengthening the core TV network brand such as increasing viewer loyalty to the TV network and directing Internet users to view the on-air TV programmes (Chan-Olmsted 2000; Ferguson 2000; Ince 2001). The content of the website is all related to the TV network’s programmes, with no original content or other non-TV-related content. The advertisers of the website, for example, will only be cross-platform advertisers of the TV network. The website is used to serve the current viewers of the TV network, not general web surfers who may just look for certain media entertainment or information services. The success of the website is measured by how much viewer loyalty (or ratings of the show) has been increased after the site content is being offered. Hence, if the site traffic is high, but the viewership of the networks’ programmes has no improvement, then the site cannot be viewed as successfully implementing a brand integration strategy.

Website interactivity and fandom cultivation

Interactivity is the crucial advantage that the Internet offers as a medium over other traditional media (Ries and Ries 2000). The five-dimensional nature of interactivity proposed by Ha and James (1998) provides a useful framework for analysing the interactivity of a website and measuring a user’s online experience. The five dimensions they proposed were: (a) playfulness; (b) choice; (c) connectedness; (d) information collection; and (e) reciprocal communication. In this study, the five dimensions are used to evaluate the consumer’s experience of enhanced TV features on cable TV network websites.

In a sense, TV websites are attempting to transform general viewers to fans using the interactive features provided on the Internet. Fans are skilled audiences who are more engaged in the TV programmes than general casual TV viewers. These skilled audiences are also likely to be heavy viewers of the programmes so that they can fully indulge themselves in those programmes (Fiske 1998). TV networks see the Web as the ideal medium to meet the demands of fans that cannot get enough of the programmes they have on TV. These fans are also viewed as better consumers for the networks because they deliver more value to advertisers (Kerschbaumer 2000).

Indeed, the features on TV websites make the viewers more informed about what is going on in each programme, how they can participate (for example writing feedback in chat rooms, participating in a poll, getting tickets to a show, etc.). Sometimes, they write to the producers to express their opinions about the shows in attempts to influence the outcome or content of a TV show. Sometimes they collect information and artefacts so that they become experts of the shows. Their adoration of the TV characters help to define their own identity and even help to establish their own aspiration (Abercrombie and Longhurst 1998). The previously relatively detached TV viewers who were the majority in the past can now be converted to enthusiastic viewers with the various interactive features on the websites.

Internet user types and interest in e-commerce

Many market research firms have studied why and how consumers use the Internet and how their differences may
affect the development of e-commerce (Weiss 2001). Harris Interactive, for example, identified six Internet user types by their differences in online shopping behaviour: 1) Clicks-and-Mortars, 2) Equivalents, 3) Digital Veterans, 4) Hunter-Gatherers, 5) Time-Sensitive Materialists and 6) Brand loyalists. Clicks-and-Mortars are consumers who like to browse product information online but make their purchase at traditional retail stores offline. Equivalents are those who rarely spend money online and they generally are new to the Internet. Digital Veterans are those consumers who bank, play games and shop online more often than any other Internet user types. They are usually young, affluent and male. Hunter-Gatherers are those who use the Internet like a consumer report magazine to compare prices and products. They are usually married with children. Time-Sensitive Materialists are Internet users who enjoy the convenience of the Internet to shop for products at home. Brand Loyalists are those who spend the most money online and they regularly visit their favourite merchants online.

The Pew Research Center’s Internet and American Life Project classified Internet users based on the level of online experience and the type of activities consumers conducted online. Their four levels of Internet users are: 1) Newcomers; 2) Experimenters; 3) Utilitarians; and 4) Netizens. ‘Newcomers’ and ‘experimenters’ are similar to Harris Interactive’s ‘Equivalents’ and ‘Hunter-gatherers’. ‘Utilitarians’ are those who use the Net as a tool for work-related research. ‘Netizens’ are those who use the Internet to connect to their friends as daily routines.

These Internet user typologies are useful not only in segmenting Internet users by their reasons of using the Internet, they may also help predict their interest in e-commerce on cable network websites. E-commerce on cable network websites may only be appealing to certain types of Internet users and the success of conducting e-commerce by entertainment media depends on the size of those Internet user groups that are interested in e-commerce on TV websites.

RESEARCH QUESTIONS

1. What is the market potential of Internet users in buying TV-related merchandise? What types of products have they bought and how much they have spent on such products?
2. How does Internet user type affect the interest in e-commerce on cable network websites?
3. What enhanced TV features are the most popular among Internet users and how do Internet users evaluate their website visit experience?
4. What are the effects of enhanced TV use on consumers’ interest in e-commerce and which enhanced TV features are most conducive to interest in e-commerce on cable network websites?

METHOD

Sampling

The population of this study was adult home users of the Internet who use their leisure time on the Internet to fulfil their information and entertainment needs. The Metromail’s Behaviorbank respondent mailing list was used as the sampling frame of the study. Behaviorbank is a national consumer survey sent to 55 million households per year. Its mailing list is based on the national residential listing that Metromail collected and compiled for national use. It contains the most up-to-date mailing addresses and data are updated within three months. Because the survey has been conducted annually for seven years and Metromail is now owned by Experian, the leading company in the US that provides a database for credit information, the quality of the mailing list is deemed appropriate for the purpose of this study. We selected a national random sample of 3,000 self-reported Internet users from its 3 million database. To avoid demographic bias, the same gender proportion as per the US census was selected in generating the final sample.

Procedures

Each selected sample Internet user was mailed a 2-color survey booklet of eight pages following the total design method with a cover letter explaining the purpose of the study and an attractive visual design to guide respondents (Dillman 1978). A pretest of the questionnaire was conducted on 12 Internet users who were excluded in the data analysis to check the wording of the questionnaire. Revisions were made before the questionnaire was finalized. The representativeness of the sample is very crucial to draw any generalization in this study. To encourage participation, a fresh one-dollar bill was sent along with the questionnaire as a token to all survey recipients. This practice is very common in market research to boost response rate and shows respect to the survey recipients to thank them for their time and effort to participate in the study. The survey packages were sent out in October 2001. Survey recipients could choose to answer the survey on the Web if they preferred to enter the information on a website rather than mailing it out in an envelope. In our study, only 5.7% of the respondents (n = 87) chose to answer the survey on the web. Because of the low percentage, no further comparison was made between difference of the respondents of the Web and the paper version. The effective response rate of the survey is 51% excluding the 22 undeliverable addresses.

Measures

Use of enhanced TV features. The use of enhanced TV features in this study was measured by a question asking
respondents the specific features that they have used when they visited the sites of TV stations or networks in the past three months from a list of 21 enhanced TV features and an open-ended other category. The more the number of features a respondent selected, the more the use of enhanced TV features. (The list of features is shown in Table 2.)

**Internet user types.** Seven Internet user types were examined in the study combining the six Internet users types of Harris Interactive and the ‘utilitarians’ and ‘netizens’ to form seven distinct Internet user segments for comparison of their different interest in e-commerce: 1) Clicks-and-Mortars; 2) Equivalents Newbies; 3) Digital Veterans; 4) Hunter-Gatherers; 5) Online Shoppers; 6) Utilitarians; and 7) Netizens. In the survey, respondents self-identified themselves into one of the categories by the statement that best described them as an Internet user. The Clicks-and-Mortars are those that ‘browse products online but buy only at traditional stores offline’. The Equivalents Newbies are those that ‘rarely spend any money buying things online’. The Digital Veteran are those that ‘bank, play games, trade stocks and shop online frequently’. The Hunter-Gatherers are those that ‘use the Internet like a consumer report magazine to compare prices and products’. The Online Shoppers are those that ‘like to shop the Internet for its convenience’ or ‘regularly visit the websites of my favorite store online store and spend considerable amount of money shopping online’. The Utilitarians are those that ‘use the Internet mainly as a tool for work-related research’. The Netizens are those that ‘connect with friends using the Internet as daily routine’.

**Evaluation of consumer experience of the website visit.** Consumers' experience of enhanced TV features was examined from two perspectives using a 5 point-scale from strongly disagree (1) to strongly agree (5) to the experience statements with regard to their most frequently visited cable TV network's website. First, their evaluation of interactivity was examined using the five dimensions of Ha and James (1998) discussed in the literature review. In addition, a general evaluation of whether ‘the site was interesting’ was asked to examine the site as a stand-alone medium. Then they were asked to report the specific effects of the site visit on their viewing experience such as ‘more involved in the shows featured on the site’, ‘more attached to the shows featured on the site’, ‘watch more often the show on the site’, and two global evaluation statements: ‘the website enhanced my TV viewing experience of the cable network’, and ‘will miss the site if the cable network will not have the website any more’.

**RESULTS**

The usage of cable network websites is not as high as reported by Nielsen Netratings and the Cable Advertising Bureau. Instead of the 62% of all users visiting a cable TV network site in one month as in their reports, only about 60% of Internet users in this study reported that they had visited a cable network website in the past three months. The discrepancy may be explained by the difference in methodologies between this study and their study. Nielsen’s study used a panel sample of Internet users that have a real-time meter installed on their computers. This study is a mail survey based on self-reported responses and memory of the respondents. In this study, less than one-third of the respondents visited a cable network site within the past two weeks. Nevertheless the websites were able to generate a considerable number of repeated visits. When asked how many times they visited their most frequently visited website, the average is 15 times. They also spent considerable time on those sites as the average visit time is 10.4 minutes. Promotion on TV was overwhelmingly reported as the way for Internet users to find out the presence of the cable network website.

**Market potential of TV-related merchandise**

Respondents generally had little experience of buying TV-related merchandise such as memorabilia of a TV network, a TV show, or a TV star. When probed what type of TV-related merchandise they have bought after watching a TV show, only 15.3% reported buying products shown/placed in a TV show, 8.8% reported buying memorabilia of a TV star or a TV show, and 7.4% reported buying memorabilia of a TV network (Figure 1). A vast majority of the respondents (81%) had not bought any TV-related merchandise in the past 12 months (Figure 2). Even among those who bought some TV-related merchandise in the past 12 months, the amount they spent was less than $50. Only 3.1% spent more than $100 on TV-related merchandise. This indicates that the size of the current consumer market for TV-related merchandise for e-commerce is small and of a niche nature.

**Differences in e-commerce on cable TV websites among Internet user types**

The distribution of Internet user types is quite even in this study (Figure 3). Although slightly more than one-quarter of the respondents are ‘Netizens’ who use the Internet primarily to connect with friends, most other groups have at least 10% of the sample identified with the user type characteristics. The smallest groups are the Online Shoppers (7%) and Clicks-and-Mortars (9.7%).

As shown in Table 1, Internet users in this study generally exhibit low interest in e-commerce on TV websites. The mean score is below average (less than 2.5/5) on each interest statement of e-commerce on cable network websites such as ‘If more products featured in the shows were available on the site, I would probably buy them’, and
‘If more memorabilia items of TV networks/ TV show or TV stars were available on the site, I would probably buy them’. A composite score was computed by averaging the scores of the three statements of interest and attitudes toward e-commerce on cable TV networks’ sites (the scores on the statement ‘I will not like it if the network’s website sell a lot of products’ was reverse scored to compute the composite score). The composite score was 1.89 out of 5, which shows the overall low interest and dislike of full-blown e-commerce on cable network’s website. There was no significant difference among Internet users on the types of products offered. Comparatively, ‘Utilitarians’ scored highest in showing interest in products featured in the shows. But on fan-based memorabilia items, the seven Internet user groups differ significantly on their interest. ‘Clicks-and-Mortars’ are the most likely to agree that they would buy memorabilia items. Most importantly, consumers across Internet user types expressed quite strong concern about having many products sold on the cable network websites. Amazingly, online shoppers who should be most positive on e-commerce showed the strongest objection to selling many products on the network web-
The online shopper category is a combination of the ‘Time-sensitive materialists’ and ‘brand loyalists’ in Harris Interactive (Weiss, 2001).

Figure 3. Internet User Types in this Study

<table>
<thead>
<tr>
<th>Interest in E-Commerce on Cable Networks by Internet User Types</th>
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<tr>
<td><strong>Table 1.</strong></td>
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<td><strong>All</strong></td>
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<tr>
<td>If more products featured in the shows were available on the site, would probably buy them</td>
</tr>
<tr>
<td>If more memorabilia items of TV networks/TV show or TV stars were available on the site, would probably buy them</td>
</tr>
<tr>
<td>Not like it if the website sells lots of products *</td>
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<tr>
<td>Composite score</td>
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</tbody>
</table>

C: Clicks-&-Mortars (n = 52); H: Hunter-Gatherers (n = 76); O: Online Shoppers (n = 45); E: Equivalent Newbies (n = 93); U: Utilitarians (n = 73); D: Digital Veterans (n = 59); N: Netizens (n = 131).

* reverse coded in computing the composite score

Scale of 1–5 from strongly disagree to strongly agree.

Use of enhanced TV features

Overall, enhanced TV feature usage was low. Almost one half of respondents did not use any of the enhanced TV features of any TV sites in the past three months. In addition, no one particular enhanced TV feature stood out as the most popular feature used by most respondents. News and weather update, the most commonly mentioned enhanced TV features, was only used by less than a quarter of the respondents (Table 1). Background for news, polls, programme previews are the other three more commonly mentioned enhanced TV features used by the respondents.

Evaluation of the website visit experience

The cable TV network website experience of respondents is generally positive. Out of the 11 experience statements, the average score is 3.26 out of 5. Many respondents rated their most frequently visited cable TV network’s website as ‘interesting’ (3.82/5). The sites generally were scored highly on the interactivity measures such as ‘many choices’ (3.88/5), ‘sufficient external links’ (3.32/5), ‘have fun’ (3.68/5). On specific effects of the site visit to the viewing experience of TV viewers, respondents seem not to feel any
impact on their viewing of the shows. On the global statement that ‘the website enhanced my TV viewing experience of the cable network’, the average score is only 2.95 out of 5. They generally disagreed that they felt more attached to the show (2.94/5) or felt more involved in the show (2.73/5). They even disagreed that they wanted to watch more often the shows that featured on the website (2.7/5). Nonetheless, they tended to agree that they would ‘miss the site if the cable network will not have the website any more’ (3.2/5) (see Figure 4).

Effects of enhanced TV features on interest in e-commerce

Finally, we examine the effects of specific enhanced TV features on interest in e-commerce. Several questions related to interest in e-commerce were asked and we examined the increase in the number of enhanced TV feature used on their interest in e-commerce. The results are positive and statistically significant (Table 3). For example, when their enhanced TV use increases, they are more likely to agree that they will probably buy products featured in the shows on the site if more of them are available on the site (beta = .13, p < 0.01) and felt the urge to buy something on the site (beta = .19, p < 0.01). On the interest of memorabilia/fan-based items, however, the effects of increase in enhanced TV use is much weaker (beta = .08, p = 0.05). In addition, we examined their urge to buy something on the site after having visited the site by their specific reported enhanced TV feature use to predict the urge to buy products with a multiple regression

<table>
<thead>
<tr>
<th>Table 2. Consumers’ Use of Enhanced TV Features</th>
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<tr>
<td>Total (n = 1163) (%)</td>
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<tr>
<td>News/weather update</td>
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<tr>
<td>Background for news</td>
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<tr>
<td>Polls</td>
</tr>
<tr>
<td>Programme preview</td>
</tr>
<tr>
<td>TV guide/schedules</td>
</tr>
<tr>
<td>Information about stars</td>
</tr>
<tr>
<td>Play-along/games</td>
</tr>
<tr>
<td>Quiz/trivia</td>
</tr>
<tr>
<td>Video clip archive</td>
</tr>
<tr>
<td>List of upcoming guests</td>
</tr>
<tr>
<td>Sweepstakes</td>
</tr>
<tr>
<td>Episode synopsis</td>
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<tr>
<td>Statistics</td>
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<tr>
<td>Email link</td>
</tr>
<tr>
<td>Purchase/shopping cart</td>
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<tr>
<td>Programme transcript</td>
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<tr>
<td>Chatroom or message boards</td>
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<tr>
<td>Third-party links</td>
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<tr>
<td>Simulcast</td>
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<tr>
<td>Original web programming</td>
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<tr>
<td>Other</td>
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</table>

Note: Multiple response items

Figure 4. Website Experience of Respondents
analysis. The urge to buy something on the site was measured by a five-point scale from strongly disagree (1) to strongly agree (5). We used a stepwise regression method to exclude the insignificant enhanced TV features to the urge to buy something on the site. Consequently, we found that several enhanced TV features are positive predictors of a consumer’s urge to buy products on network websites (Table 4). Information about stars and gossip ranked first as the enhanced TV feature that most positively predicts interest in e-commerce. Outside third-party links and other miscellaneous features are also conducive to an urge to buy products online. It should be noted that the predictive power of the enhanced TV features is not strong as only 10% of the variance in the urge to buy products on the site can be explained by the specific enhanced TV features included in the regression model. It is also interesting to note that the use of a shopping cart or purchase form is not as strong a predictor for arousing visitors’ interest to buy products online as other program-related enhanced TV features.

DISCUSSION AND CONCLUSION

The data in this study indicate the general low interest of Internet users in e-commerce on cable TV network websites, which concurs with the results found in an experiment on the effects of enhanced TV on TV commerce by Ha and Chan-Olmsted (2001). Yet, this study shows that the use of enhanced TV features on a website is generally conducive to consumers’ interest in e-commerce, but they are not very strong predictors. The low usage of enhanced TV features might be attributed to a myriad of factors such as lack of explanation and promotion of those features on the TV networks themselves, lack of consumer interest in some enhanced TV features, or simply the absence of those features on the website. Indeed in Ha’s (2002) study of enhanced TV features used by US cable and broadcast TV networks, only three enhanced TV features (TV stars/gossip, programme preview and programme schedule) are available on more than one-half of the sites.

Although this study obtained quite a satisfactory response rate of 51%, readers are cautioned that the 49% non-respondents of this study may have a very different opinion and experience from the respondents. There is no way the authors can estimate the extent of non-response bias to the study, except the higher female concentration of respondents (65% are females). The gender imbalance has little impact on the results of the study as males and females show no significant difference in interest in e-commerce, Internet user type, enhance TV use and evaluation of website visit.

This study has several implications on the product selection strategy of the various entertainment media that plan to use e-commerce as the Internet business model. First, products featured on a TV show are more likely to have slightly broader appeal to Internet users than memorabilia/fan-based items. It may be better financially for TV networks to cooperate with companies by showing selected items from the networks’ most popular

<table>
<thead>
<tr>
<th>Interest in E-Commerce</th>
<th>Beta</th>
<th>T</th>
<th>p</th>
</tr>
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<tbody>
<tr>
<td>Urge to buy something featured on the site</td>
<td>.17</td>
<td>3.91</td>
<td>&lt;0.01</td>
</tr>
<tr>
<td>Probably buy products featured in the shows on the site</td>
<td>.13</td>
<td>2.92</td>
<td>&lt;0.01</td>
</tr>
<tr>
<td>More memorabilia items available on the site, probably buy them</td>
<td>.08</td>
<td>1.94</td>
<td>0.05</td>
</tr>
</tbody>
</table>

Table 3. Effects on Enhanced TV Use on Interest in E-Commerce

Only respondents who reported visiting a cable TV web site in the past 3 months were included in the analysis (n = 555)

<table>
<thead>
<tr>
<th>Felt the urge to buy something on the site (Feature Used)</th>
<th>Beta</th>
<th>T</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information about stars/gossip</td>
<td>.226</td>
<td>4.575</td>
<td>&lt;0.01</td>
</tr>
<tr>
<td>Outside third party link</td>
<td>0.14</td>
<td>3.17</td>
<td>&lt;0.01</td>
</tr>
<tr>
<td>Other</td>
<td>0.14</td>
<td>3.40</td>
<td>&lt;0.01</td>
</tr>
<tr>
<td>Sweepstakes</td>
<td>0.12</td>
<td>2.75</td>
<td>&lt;0.01</td>
</tr>
<tr>
<td>Purchase form/shopping cart</td>
<td>.09</td>
<td>1.99</td>
<td>0.05</td>
</tr>
<tr>
<td>Simulcast</td>
<td>−.096</td>
<td>−2.26</td>
<td>0.02</td>
</tr>
<tr>
<td>Statistics/scores</td>
<td>−.09</td>
<td>−2.08</td>
<td>0.04</td>
</tr>
</tbody>
</table>

Table 4. Most Effective Enhanced TV Feature Use in Predicting Interest in E-Commerce

Adjusted R<sup>2</sup> = 0.09

Only respondents who reported visiting a cable TV web site in the past 3 months were included in the analysis (n = 555)
programmes and selling them in the form of a referral link rather than selling items related to a TV show/TV star or a network which has a much narrower appeal. Second, the products to be sold online should be placed in or associated with the more popular enhanced TV feature used by the consumers such as news and weather update, background for news and programme preview. Third, the positive effects on e-commerce interest by information about stars/gossip, sweepstakes and external links should be fully capitalized. Products should be featured in these enhanced TV features to arouse the consumers’ interest in shopping online.

In light of the general consensus among Internet user types in their low interest in buying TV-related merchandise and negative attitude on selling many products on the website, TV networks should reconsider their e-commerce strategy. Instead of adopting an e-commerce model that generates revenue by the direct sales of network/TV show merchandise, the networks might benefit from an e-commerce affiliate model that generates revenue by receiving a commission from all referral sales made by the visitors coming through their networks’ websites (e.g., the Amazon.com affiliate programme). The significant difference between Internet user types in interest in memorabilia items of TV networks, TV shows or TV stars show that the potential of a niche market exists for such items. Notably, the Clicks-and-Mortars, are the ones most positive to buying such items if they were available on the site amid the general low interest in memorabilia items across all Internet user types. Cable TV networks may consider developing strategies that encourage them to buy their memorabilia items by either offering discounts and money-back guarantee (to lower the purchase risk) and show the convenience and exclusive offer that they would be able to get from the TV website.

The results of this study also suggest that cable TV networks should review their brand integration or brand extension strategies based on the consumers’ evaluation of their web visit experience. If the enhanced TV experience on a cable network’s website is to be evaluated on a brand extension strategy by the site’s merit alone, the scores shown in the study seemed satisfactory. Nevertheless, if the site is to be evaluated on the brand integration perspective in enhancing the viewing experience of TV viewers, then there is much room for improvement. The respondents apparently like the presence of cable networks on the Web as an additional website that they can use, however, there seems to be little connection or continuity between the online and TV viewing experience as reported by the respondents. If brand integration is the goal to establish a web presence, network executives should study why the website is unable to create the ‘enhanced TV’ experience. Improving the website content and better integrating the TV programmes with the site based on users’ experience are necessary to create a truly ‘enhanced TV’ viewing experience on the Internet.

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References


