Double Jeopardy Phenomenon in Consumer Magazine Websites

Anssi Tarkiainen
Lappeenranta University of Technology, Finland

Hanna-Kaisa Ellonen
Lappeenranta University of Technology, Finland

Mart Ots
Jönköping International Business School, Sweden

Lara Stocchi
Flinders University, Australia

INTRODUCTION

Internet and the digitalization of media have changed industry business models and practices and media firms are still searching for ways to exploit the new media. According to surveys by the International Federation of the Periodical Press (FIPP 2005, 2007), internet and magazine websites are important channels to interact with consumers, but the goals for the magazine websites are diverse. It seems that the magazine publishers are both trying to exploit the offline brand's equity to gain new online audience in the internet and building the brand in the internet to attract new readers for the printed magazines. Clearly the magazine publishers have been developing the magazine websites as the traffic and time spent on the magazine websites have increased. It is, however, difficult to distinguish between the most successful websites and the strategies behind them. Which of the websites have been able to attract loyal consumers? The ones that have relied on building a strong offline brand for the printed magazine, or the ones that have been spending their resources on the online branding of the magazine websites? This paper seeks answers to the above mentioned questions.

The present study proposes an alternative approach to deal with this issue, which is based on the Double Jeopardy (hereafter DJ) pattern. The DJ pattern is a simple marketing 'rule', which binds univocally the popularity of a brand (expressed in terms of market share) and its level of loyalty (expressed in terms of purchase frequency) (Ehrenberg, 2000). One of the key assumptions in the DJ pattern is that loyalty is a direct function of market share (McDowell & Dick, 2005), and marketing inputs such as promotion, advertising, and price only have an indirect influence through sales and market share (Ehrenberg, Goodhardt, & Barwise, 1990, 1990). Thus, market share serves as a proxy for the magazine publishers' efforts in building a brand, both in offline and online environments. The study assesses whether the consumer loyalty towards magazine websites is determined by the market share of the printed magazine brand or the market share of the magazine website. This approach allows comparison of the different printed magazines and their websites, and assessing the relationship between their brand building efforts (online vs. offline) and consumer loyalty towards the website. The proposed DJ approach for assessing the drivers of website success (in terms of consumer loyalty) is fairly simple and therefore it can be easily replicated in other media markets.

DOI: 10.4018/978-1-4666-9787-4.ch160

BACKGROUND

DJ is one of the most widely recognized empirical generalizations in the field of marketing (e.g., Lees, 2006). Building on the original work by McPhee (1963) based on media consumption, researchers have reported empirical evidence illustrating how brands with high market share tend to have more customers (higher market penetration), as well as slightly higher levels of brand loyalty (e.g. higher level of repeat purchases or higher purchase frequency) compared to 'smaller brands', i.e. brands with low market share. A way of interpreting this simple empirical rule from a managerial perspective is that there is a strong direct relationship between the 'size' of a brand (expressed in terms of market share) and its level of loyalty and overall market performance (Ehrenberg, 2000). This affects also other aspects of buying behavior, such as typical components of brand equity. Barwise and Ehrenberg (1985), demonstrated that the DJ pattern affects also a key brand equity component: the set of brand perceptions held in memory by consumers. Bigger brands, in fact, having more users (higher penetration) also tend to be associated with a larger pool of concepts by consumers, hence to be more salient marketwise (Barwise and Ehrenberg, 1985).

DJ is especially relevant for media consumption studies, starting from the original work of McPhee focusing on comic strips and radio presenters and moving on to newspapers (Barwise & Ehrenberg, 1988; Ehrenberg, Goodhardt, & Barwise, 1990, 1990; McDowell & Dick, 2001), television (Barwise & Ehrenberg, 1987; Donthu, 1994) and radio (McDowell & Dick, 2005; Lees, 2006). Researchers have also shown that DJ effects are visible on Internet search engines and online retailers (Donthu & Hershberger, 2001).

Since it illustrates repeated purchasing behavior or repeated usage of the same media, this paper 'uses' the DJ pattern as empirical and theoretical guideline to explore the drivers of loyalty towards online magazines and to understand whether it is mostly driven by the 'size' of the offline version of the magazine, or simply its online readership.

Applying the Double Jeopardy Pattern in Magazine Websites

When applying the DJ pattern to magazine websites, there are two alternative logics one could build on. Basically, they are linked with the question is the DJ effect linked more with the offline or online market share? Let us elaborate on this issue in more detail.

Prior DJ studies have discussed brand's market share but have empirically examined how it applies to products within the same product category. However, in the case of magazine websites one needs to distinguish the brand from the product (printed magazine) and ask if the effect also applies to brands extending into new product categories (such as Internet). The brand of the magazine originates from the print world, and the popularity of the brand could be measured in terms of the print magazine's circulation, for example. Magazine websites, in turn, are based on their offline (print) brand and leverage the print magazine brand equity. Indeed, the uniform resource locator (URL) addresses of magazine websites typically follow a "magazine brand name.countycode" pattern such as Cosmopolitan.fi.

Horppu et al.'s (2008) study recently found support for this type of loyalty transfer in the context of magazines and their websites, as preference of the parent brand had a positive effect on online loyalty. This is in line with Ha's (2003) notion that a media brand's website visitors may be visiting the media website because of their liking of and familiarity with the media brand. Therefore, it would seem logical to assume that the popularity of the offline parent brand (measured by print market share) is linked with online loyalty. Alternatively, magazine websites are seen as a useful means to attract new readers