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Development stages of websites and the use of web metrics

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Prologue

This thesis is the final assignment for a M.Sc. degree in International Business by the University of Reykjavík. The assessment of this thesis is 30 ECT credits. The writing took place during September to December 2012.

Abstract

The way that tourism businesses communicate with their customers has changed in recent years with the development of information technologies and the Internet. The Internet has formed new practices in marketing and changed the buying behaviour of tourists. Websites act as extended company offices, open 24/7, and represent the quality of services and products offered by the company. The extended model of Internet commerce adoption (eMICA) is used to evaluate the level of website development in Iceland´s travel agencies and a survey of five questions is used to gain an insight into the e-marketing strategy and the use of the website as a marketing tool and how the success of it is measured. A significant finding of the website evaluation is that according to the eMICA the majority of the websites have only developed to the provision stage. After a further analysis the website evaluation also suggests that websites of the Icelandic travel agencies do not necessarily follow the suggested development stages of the eMICA and do in fact offer functions at different layers and stages out of order. The survey reveals that the travel agencies have clear objectives set for their websites and have adopted web analytics to their use but fall short on using good key performance indicators or actionable metrics that focus on revenue and having business impact. The paper concludes with suggestions and ideas about further research on the same and related topics.

Keywords: eMarketing, Websites, travel agencies, tourism, web metrics, eMICA

Declaration of Research Work Integrity

This work has not previously been accepted in substance for any degree and is not being concurrently submitted in candidature of any degree. This thesis is the result of my own investigations, except where otherwise stated. Other sources are acknowledged by giving explicit references. A bibliography is appended.

By signing the present document I confirm and agree that I have read RU´s ethics code of conduct and fully understand consequences of violating these rules in regards of my thesis.

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1. Introduction

Putting up a website is not a onetime investment. A website requires a constant flow of new and up to date information and new features to keep up with what customers are looking for. By putting up a website, companies are starting a journey. Journey where they say yes to the I do´s of being devoted to bring the best information possible for their current and future customers. They promise to give the best service possible at all times so that they and the customer develop a long lasting relationship. They also promise to be open to change and new things that the customers require, because only then will this journey be successful.

This is a description of a perfect little relationship of a market oriented company and loyal customers. But does this pretty little relationship exist in the vast, ever changing market space we call the Internet? Putting up a website is nothing like a one night stand or a onetime investment. Putting up a website is like a marriage or a long term relationship. A relationship that needs to be fostered and taken care of at all times. During this relationship there are good days and the bad, happy and sad but first and foremost there are the memorable moments where the customers receive exactly what they expected, or even more and stay loyal to their company ever after.

In recent years, rapid advancements in information technology, particularly the Internet, have created enormous opportunities for traditional travel agencies to target their tourism offerings to a wider market. In response to the increasing demand for information by the travellers, many travel agencies have established websites to promote their services and products. These websites play an important role in mediating between customers and companies as a channel for information acquisition and business transactions.

This master thesis is written to combine the interest in modern marketing tactics and the booming tourism industry in Iceland. It attempts to explain the many new concepts that have been invented in recent years following the new and exciting possibilities of the Internet. This paper tries to shed light on the current situation that travel agencies in the Icelandic tourism industry are in and their use of the Internet as a marketing tool, with a particular focus on websites.

The chapter on tourism covers the impact it has on the world economy and how travel and tourism is a growing industry worldwide. Special attention is paid to the tourism in Iceland and its fast increasing arrivals of tourists lately. The year 2012 has

been a record year in tourist arrivals with latest numbers counting 620.000 tourist departures and each month showing a record. These increases in tourist departures can be accounted for by the coverage worldwide that the volcanic eruptions in 2010 got, the marketing campaign Inspired by Iceland, increase of airlines and flights to the country as well as praise and scoring that previous visitors have given Iceland as a destination in features such as in Lonely Planet and the Guardian.

Icelandic travel agencies are given a special chapter as they are the main focus of the research. These companies offer a wide variety of services and are of many shapes and sizes. They have adopted online marketing techniques and are using the Internet to reach travellers worldwide. Tourists today have become very demanding and expect that their needs are fulfilled with personalised and up-to-date products and services. Research has shown that the changes in tourism consumer behaviour are caused by the Internet and those that are experienced with the Internet use it for travel planning and usually end up spending more at their destinations than others.

The Internet and its impact, both on our daily lives and on marketing, are covered. The speed of the Internet in terms of reaching users as well as spreading information worldwide is recorded and the new opportunities for companies to reach customers. A special chapter covers the objectives for going online. It is essential to explain why it is important to be present on the Internet as well as the essence for a strategy regarding the online presence. The use of websites for online marketing is popular and the development stages of them are discussed as well as success factors. Online and offline traffic building techniques are listed and the strengths and weaknesses for companies in the tourism industry covered. The Internet has brought new techniques in marketing which can also be used to generate traffic to websites. Web metrics and key performance indicators are very important measures that companies should implement in their strategies especially to be able to quantify the success or failure of marketing campaigns and other projects concerning their web presence.

A summary of the latest web evaluation methods and models is presented including the discussion about the need of a unified procedure for website evaluation. This rather young research field, that is the eTourism, is gaining popularity. A brief overview of different methods is presented with special focus on the so called counting methods. The extended model of Internet commerce adoption (eMICA) is explained in detail and the use of it in previous studies for regional tourism organizations as well as travel agencies in Australia, New Zealand and China.

The key research evaluates travel agency websites with the use of the eMICA and its levels of functionality key. With this analysis the development stages of websites are examined which enables the researcher to compare them and show the level that this particular industry is positioned in and to show how it has adopted the possibilities of the Internet. This analysis shows the status of the development stages and how companies are using their website for the benefits of the customers.

A further insight into the use of the websites, the objectives set and metrics put in practice is gained through a survey of five questions sent out to the same travel agencies which websites were analysed. The objective of the survey is to get a bigger picture of the adoption of online marketing techniques by the travel agencies and see how far they are in using web analytics to their benefits in revenue building and having a business impact. The results of the two researches together contribute to an understanding of the e-marketing adoption of the travel agencies and their current strategies. The conclusions and recommendations is the last chapter with a summary of the main results, and reflections and questions regarding the findings as well as the unknown facts. At last suggestions for further research based on this one as well as other interesting ideas are given to other researchers or students that are interested in this area.

The thesis will give travel agencies as well as other companies in the tourism field great knowledge on how to compare with others in the industry in terms of the development of websites. The research gives the Icelandic Tourist Board and the Icelandic Travel Industry Association an idea of how far these particular companies have come in adopting the Internet to their business strategies. The paper only researches a small part of the possible topics concerning online marketing but hopefully encourages others to go even further including companies in Iceland, e.g. in the tourism industry.

2. Tourism

Tourism as we know it today is far from being similar to what was called tourism centuries ago. The reasons and desires for travelling used to be based on religious devotion, concerns over health and trade. There were many obstacles for people to travel, mostly related to transportation, or the lack of it, and the risk of attacks. Some think that tourism dates back to ancient Greece and Rome because of such evidence as

travel writing but many other people may have travelled even though no proof has been found by archaeologists yet (Swarbrooke & Horner, 2007, p. 12).

In the World Tourism Organization´s report Tourism Highlighs (UNWTO, 2012) it is reported that in 2011 over half of all international tourist arrivals, or 51%, were accounted for travel for leisure, recreation and holidays, 15% for business and professional purposes and the rest for other purposes such as visiting friends and relatives, religious reasons etc. A half of travellers also arrived at their destination by air or 51% and the rest by surface with the majority or 41% by road. The big shift in the means of transportation and reasons for travelling since ancient times was influenced by many factors both exogenous as well as market forces. To name a few, the economic and financial developments splitting up countries into developed, developing and third world countries, demographic and social changes, technological innovations and improvements, infrastructural and equipment investment, political factors, trading developments, the safety of travel, destination product development, marketing and many more (Swarbrooke & Horner, 2007, p. 105).

The past six decades have been especially evolutionary for the tourism sector with continued expansion and diversification, making it one of the largest and fastest-growing economic sectors in the world. Inbound tourism has become one of the world´s major trade categories, ranking fourth after fuels, chemicals and food in exports with an income exceeding US$ 1.2 trillion in 2011. Many developing countries count on tourism for foreign exchange income, employment and opportunities for development while the contribution of tourism to GDP in advanced, diversified economies ranges from 2-10%. International tourism receipts reached a record of US$ 1.030 billion in 2011 up from 927 billion in 2010. Europe holds the largest share of 45%, followed by Asia and the Pacific of 28% and the Americas 19% (UNWTO, 2012). Global outbound travel spending grew by 8% in 2011, spending per night rose 4% while spending per trip increased by 2%. Asians are the biggest spenders per trip followed by Americans and Europeans (Buck, Ruetz, & Freitag, 2011).

International tourist arrivals grew by 4,6% and reached 983 million worldwide in 2011 and is expected to reach one billion for the first time in 2012. Europe is the fastest-growing region together with Asia and the Pacific, experiencing a 6% growth in 2011 and reaching 504 million arrivals, accounting for approximately half of the worldwide arrivals. The majority of the top ten countries in terms of international tourist arrivals belong to Europe where France resides at the top again in 2011. The other

countries rank fourth to eighth place being Spain, Italy, Turkey, United Kingdom and Germany. Southern and Mediterranean Europe experienced a robust growth of 19% in international tourist arrivals and was mostly driven by large countries such as Greece, Turkey, Portugal, Croatia, Spain and Italy. This growth can both be traced to the shift of traffic away from the turmoil in the Middle East and improved outbound flows from Northern European countries. Among the countries in Northern Europe, Iceland, Finland and Norway experienced the most growth over 2010. Double-digit numbers appeared in international tourist arrivals in Iceland 16%, and Finland 14% followed by Norway with 9%. When comparing the increase in tourist arrivals in the last decade between Iceland, Europe and the whole world the growth is tremendously highest for Iceland. In Europe the growth was 30%, for the world it was 45% but for Iceland the increase was 85% from 2000 to 2011 (UNWTO, 2012).

2.1.   Tourism in Iceland

Travelling to Iceland has gained immense popularity in the last few years which can be proved by the number of guests arriving every year. The most popular months are during the summer time, June to August, but serious efforts have been made to lengthen the period and to attract tourists during the low-season months. Figure 1 shows the evolution of tourists arriving in Iceland for the past 60 years.

Figure 1 Tourist arrivals in Iceland 1949-2011.
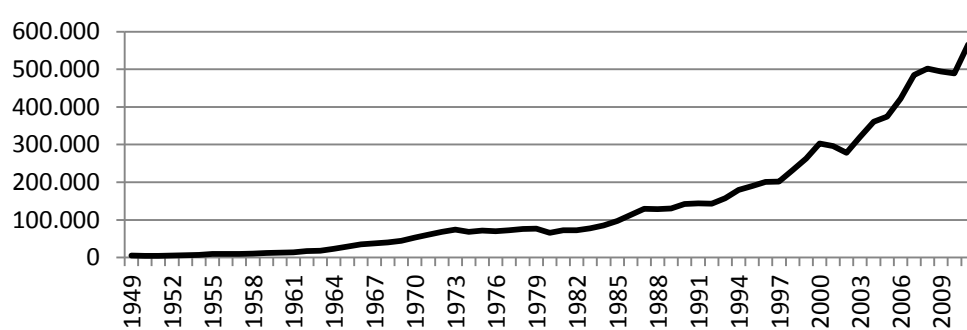
Figure 1 Total number of tourist arrivals in Iceland annually from 1949 – 2011 (Ferðamálastofa, 2012a).

One can say that the beginning of tourism in Iceland dates back to the settlement and the hospitality of farmers. But planned tourism was unknown until Iceland Airline started offering foreign travellers the chance to stay at Icelandic farms for a reasonable fee. This was in the 1960´s and is still offered and is popular among foreigners as well as Icelanders ("Saga Ferðaþjónustu bænda," n.d.). The country has been renowned for

the beauty of nature, the vast area of untouched land, the northern lights and sunny nights during summer among other things. The fact that one can see hot springs, volcanoes, go on a whale watch and walk on a glacier all in the same day makes the country quite special.

The recent increase in the popularity of Iceland can be traced to several different happenings and publicity. Probably the biggest and cheapest in terms of advertising is the volcanic eruptions in Fimmvörðuháls and later in Eyjafjallajökull in 2010 which paralyzed air traffic for the next month across Europe (Choi, 2012). Even though the publicity was rather negative and numbers of stranded travellers at airports reached millions these news were number one for many television stations for almost a week (Gabbat, 2010). After being on the news for days Iceland got introduced to the world and even though the summer 2010 was rather slow for tourism companies in Iceland, spokespeople of tourism in Iceland at that time believed it to be a positive thing for Iceland in the long run ("Ferðamönnum fækkaði um 1-2%," 2010).

Soon after the eruptions bookings dropped and the outlook was rather pessimistic. To turn defence into offense the government and stakeholders in the tourism industry teamed up to launch a marketing campaign called Inspired by Iceland. This 700 million Icelandic kroner campaign had the aim to promote Iceland as an interesting destination for any traveller with lots of exciting things to do and places to see. People around the world that had any connection to Iceland were encouraged to take part with the use of social media and other modern media (Ferðamálastofa, 2011). The campaign was successful in terms of a turnaround in perception of Iceland and bringing tourists back. The campaign then received the Grand Prix for its success in using social media, one of the five categories of the respected Euro Effie (the Oscar awards of marketing) ("Inspired by Iceland vinnur til verðlauna," 2009).

The popularity of Iceland and Reykjavík as tourist destinations has been reviewed by the public as well. The Guardian ("Travel Awards 2012 winners," 2012) announced its travel awards 2012 winners in September where Iceland was voted as the Best European country, followed by Austria and Germany. Just recently Lonely Planet also announced its Best in Travel 2013 - Top 10 where Iceland was number seven. Still on the charts after being number one both as a country and Reykjavík as a city in Best in Travel 2012 ("Best in Travel 2013 - Top 10 Countries," 2012).

Despite the negative effects of the crisis on people´s disposable income especially in Europe and the United States and extreme competition in the tourism

sector worldwide the positive signs for the Icelandic tourism sector seemed to outperform. The growing number of airlines flying to and from Iceland the past two years and also the fact that Icelandair and Iceland Express increased the number of destinations and the frequency of flights played a big part in the growing popularity ("Fjöldi ferðamanna í október 2011 - viðauki," 2011). The new concert hall down by the harbour in Reykjavík, Harpa, has already and will in the future host many cultural events such as concerts and conferences that bring a big number of foreigners to the country (Steingrímsson, Jónsson, & Stefánsson, 2012).

The numbers of tourists have increased both years since the volcanic eruption. In 2011 the total number was nearly 566.000 with a 15.8% increase from 2010 when tourists totalled approximately 489.000. The majority of the tourists entered Iceland at the Keflavík International Airport or 95.6 % and each month, except for March in 2011 a notable new record was set as can be seen in Figure 2 below. Approximately 116 thousand tourists arrived during the winter months in 2011 which is a 9.6 % increase from the year before. 23.5% of the tourists were British and 14.1 % from the United States of America. A notable increase was during the months of spring (April and May) of 35 % and North-Americans increased dramatically in numbers from the year before or 61.8% during those months. The increase during summer months was 16.6% and N-Americans increased again notably of 54.2 % or 17 thousand and thus practically holding up the increase ("Janúar - Ferðamenn erlendis frá aldrei fleiri," 2012).

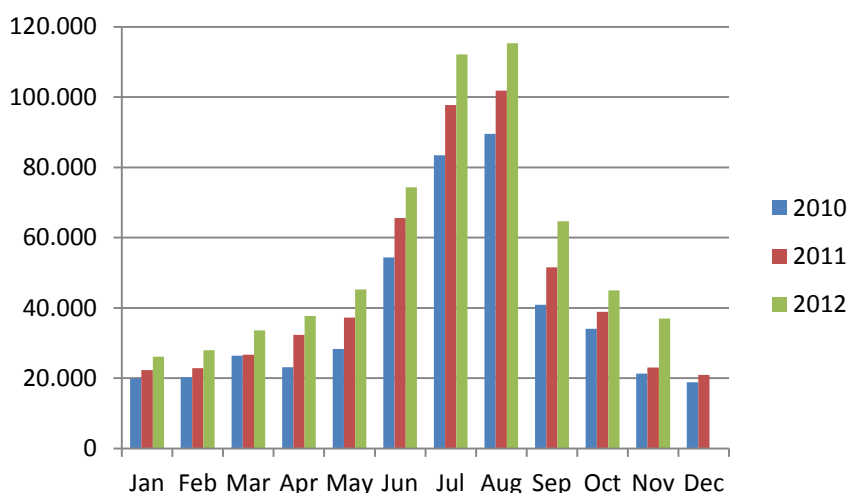**Figure 2 Tourist departures from Iceland 2010-2012**

Figure 2. Departures of tourists through Keflavík International Airport 2010-2012 by month (Ferðamálastofa, 2012b, 2012c)

The year 2012 has outperformed the year before with the numbers of total departures of foreign visitors through Keflavík International Airport from January to end of September equal to the whole year in 2011. September was the fourth month to reach an increase of 20 % between years with 25.4 % more than the year before. In September, a total of 536.957 foreign tourists had departed the country since January or 78.897 more people than at the same time last year. This increase accounts for 17.2 %. The British and North-American have grown most in numbers followed by Central and South- Europeans and the miscellaneous group "other" whereas the Scandinavians grew the least ("Ferðamenn um Keflavíkurflugvöll orðnir álíka margir og allt árið 2011," 2012).

According to Ásbjörn Björgvinsson (Pálsson, 2012), the director of the Regional Marketing Office of North Iceland, approximately 4000 foreigners are coming to the North of Iceland this winter, mainly to see the northern lights. This is an extreme increase in the number of tourists as for last winter when only 700 tourists visited the North. What is also interesting is that those guests are mainly coming from the United States of America, and that is something new for the North. This revolution is thanks to Icelandair which opened a hotel in Akureyri and marketed it especially for foreign visitors. Of course other businesses benefit from this operation as well.

Latest numbers from the beginning of December counted 619.000 departures of foreign visitors. This is an increase of approximately 100.000 visitors or 20% compared to numbers at the same time the previous year. Tourist departures in November this year have increased by 60,9% compared to last year when 23.000 tourists departed (mbl, 2012). It will be interesting to see how the rest of the year evolves and to see if the year ends with a bang during Christmas and New Years Eve when a number of tourists always come to experience Iceland.

As for many other countries, the tourism industry in Iceland is very important for the economy. The total value output of the tourism industry in 2009 was around 209 billion, thereof 184 billion domestic output. The same year tourism counted for 5.9% of Iceland´s GDP, a 1.3% increase from the year before. The ratio of tourism in terms of total export revenue has been 14% since 2008, 19% if the affairs of Icelandic tourism companies abroad are added. Taxes for products and services related to tourism reached 13 billion from the tourism industry in 2009. In 2009 there were 8.500 jobs in the tourism industry, a 5.2 % of the total number of jobs in the whole country. 5.350 of them were directly connected with tourism such as at accommodation and restaurants,

passenger transport and travel agencies and the rest in related sectors such as retail and trade, recreation and leisure, culture and services related to transportation (Óladóttir, 2012).

2.2. Icelandic Travel Agencies

The Icelandic Travel Industry Association was established in 1998 and is an organized interest group of all companies that work in the tourism industry. The principal role is protecting the mutual stakes of its members, developing working conditions that improves the competitiveness of the companies on the international market and enhance the growth and development of the industry by all means possible. The member list includes airlines, travel agencies, accommodation, restaurants, car rentals, coach companies, companies offering recreational activities and others that for example offer services for the aforementioned companies (SAF, n.d.).

The business environment for Icelandic travel agencies is vibrant with many different companies offering various types of trips for foreign travellers in Iceland. Organized tours that are offered are both for big groups as well as personally organized trips for small groups of friends and/or family. The trips include activities such as travelling to different parts of the island and seeing the most attractive sightseeing spots as well as going to less explored places or simply enjoying the natural environment. Foreign travellers have a wide variety of activities and trips to choose from and it seems that the possibilities are endless. If the travellers are looking for a relaxing time they can choose from spa treatments or swimming in lagoons or hot springs. For a more adventurous experience everything from horse riding to heli-skiing can be arranged.

The number of travel agencies according to SAF´s website is 74 including both inbound and outbound travel organizing. The number of travel agencies outside of SAF´s member list is unknown. The size of the travel agencies also varies. They include small companies with only a few workers up to big, well grown companies some operating only during summer months and others all year round. The companies are also scattered around the country but with the majority located in the capital, Reykjavík.

The Icelandic travel agencies are the sample for the research which will be described in detail in following chapters. Many of these companies have an established presence on the Internet and the research focuses on describing how developed their websites are and explaining their strategy.

2.3. The Tourist

Tourist or traveller? Generally the terms have been defined separately, the tourist being the one that buys a package from a tour operator and participating in mass produced, package tourism. The traveller on the other hand is the free spirited, adventurous and individual person that makes his own independent arrangements for his vacation, often back-packing and on a limited budget (Swarbrooke & Horner, 2007). Whichever term is used, it describes a person that goes on a trip to experience something new and exciting to enrich his or her life and buys some kind of products and services during the travel.

Tourists from the major generating regions of the world have become frequent travellers and they function well in environments that are demanding and multicultural. The reasons for the adaptability are the technological and linguistic skills (Buhalis & Law, 2008, p. 610). And there are new emerging markets such as the BRICs (Brazil, Russia, India and China) with tourists just as skilled. The new Chinese tourist is described as young, well-off and hi-tech, even a digital native, who has grown up using computers, the Internet, social media and mobile technology. The Chinese are also moving from the traditional tour groups and price-based choice models to more individual travel experiences demanding higher quality services (Buck et al., 2011). These changes can be traced to the rise in disposable income and relaxations of restrictions on foreign travel and China is now noted as being one of the fastest growing outbound travel markets in the world. Outbound travel reached 35 million in 2006 and the country ranks fifth worldwide in terms of spending on travel abroad (UNWTO, 2008). The modern tourist, empowered by the development of information and communications technology (ICTs) and the Internet has become very knowledgeable and seeks exceptional value for time and money. Patience is a disappearing virtue and the connected costumer will not put up with delays due to his hectic life where free time is limited. The modern tourist expects that his needs are fulfilled with comprehensive, personalised and up-to-date products and services (Buhalis & Law, 2008, p. 611). The changes in tourism consumer behaviour are, to a great extent, attributable to the Internet as previous research has showed (Bonn, Furr, & Susskind, 1998; Luo, Feng, & Cai, 2004). Tourists who used the Internet to search for information spent more at their destinations as compared to those who used other information sources. Other characteristics of the Internet users are higher education, higher household incomes and the tendency to travel by air.

A study by Steinbauer and Werthner (2007) also showed that the actual use of the Internet for travel planning is mainly driven by the traveller´s Internet-affinity. The more experience that people have with the Internet and the more Internet literate they are, the more likely they are to use it for planning a journey. The same study also showed that more frequent use of the Internet for travel planning resulted in a low online travel brand loyalty and that the large variety of travel offerings all over the World Wide Web seemed to be the cause. The factors that influence customer satisfaction and behaviour are connected with the characteristics of the Internet. One of those is a quick response time to online inquiries which are expected in the speedy world of the Internet as well as the e-word of mouth through virtual travel communities such as Tripadvisor and Social media such as Facebook (Buhalis & Law, 2008, p. 612).

Other characteristics that describe today´s customers are that they are more demanding, less loyal and less willing to forgive companies whose products and services do not meet their high standards. These characteristics derive from a few reasons. First reason is that customers have more money than before and less time. More disposable income is the reality for many people but less time to do the things they want with their money. Therefore they seek convenience and speed which leads to doing purchases over the phone and the Internet. Another reason is that for other people leisure time has increased. The proof of this is the large amount of people eating out, using health and fitness clubs and other time consuming leisure activities. The third and probably the most demonstrative reason is the increased technology ownership. It takes customers only a few seconds to look up what competitors have to offer, their price and other information and even to switch over to doing business with them (O'Connor & Galvin, 2001).

For tourism companies to understand their customers they need to know where they are coming from, their habits and preferences. A survey conducted by the Icelandic Tourist Board for the past four years sheds some light on preferences, characteristics and habits of the tourists that come to Iceland. The survey asks tourist that arrive in Iceland a number of questions about their trip such as what they did, how they planned it, where they went, how long they stayed, what made them come here, how much they spent and last but not least what they liked and disliked. The tourists are then asked some background questions to figure out the demographics.

The latest surveys were conducted in summer 2011 and winter 2011/2012 for the Icelandic Tourist Board (MMR/ Markaðs- og miðlarannsóknir ehf, 2012a, 2012b). Interesting results concerning the use of the Internet and other behaviour is listed below. In summer 2011 the majority of tourists were travelling on their own or 80% and had booked the trip within less than four months before departure. When asked about where they got the idea to go to Iceland most people mentioned the nature and the country itself 61.7 %, others mentioned friends and family, the Internet and a previous visit. The nature is a primary factor for visiting Iceland for the majority or 62% but never before have as many people mentioned culture and history or 39 %. It is therefore obvious that the Icelandic nature plays a big role in attracting tourists.

To see if there is any difference between the tourists that arrived during summer and winter the variables for both surveys are compared. Less people were travelling on their own during winter compared to summer or 68 %. Only a tiny percentage of both groups booked the trip over six months before departure, with the vast majority of winter tourists booking in less than two months or nearly 60 % and nearly 40 % of summer tourists. The same factors initiated the idea for a trip to Iceland for winter tourists with a quite lower percentage for nature though or 52 % (compared to 62 %). And the major factors for the decision were also the same, with culture and history scoring higher than before again or 40 %.

Half of both winter and summer tourists had seen advertising or coverage about Iceland as a destination. The Internet played a big role in the information gathering but 75 % of both groups used it as one of their tools for that purpose. Other factors scored considerably lower such as books or guides, friends or family and Visit Iceland, or all around 30 %.

Even though the survey is very extensive there are no questions that cover the subject of how tourists booked or paid for the trip or any parts of it. It is of interest for many to know if the tourists that used the Internet for information gathering also used it to book their trips or services during the trip online and if they also made online transactions to pay for those things. An e-mail to the respective person was therefore sent with a suggestion of adding a question or questions addressing this matter.

This section on tourism worldwide and specifically the popularity of Iceland as a destination for tourists, Icelandic travel agencies, the changes of tourism behaviour and the behaviour of tourists in Iceland has introduced the environment and situation of

tourism in Iceland and serves as the foundation for next chapters which cover e-marketing, website evaluation models and the research.

3. E-marketing

The Internet today is an inescapable part of our everyday lives, both in our personal lives as well as professional. Every type of businesses, from farming to high-tech telecommunication companies uses the Internet in one way or another. Whether it is for information gathering, marketing, sales or for sending out and sharing information we all use it.

The Internet is the most recent technology used for marketing and was the fastest one to reach 50 million users, or only five years, while the telephone took 40 years, radio 38 years and cable television 10 years (Coupey, 2001, p. 5). In June 2012 there were 2,4 billion Internet users in the world with the highest penetration in N-America, Oceania and Europe (Internet World Stats, 2012). The incredible speed of the Internet allows new things to reach users fast as the numbers for Google+ show but it took less than a month to reach 25 million users while it took Twitter and Facebook two and a half, and three years to reach the same number of users (Angotti, 2011). In October 2012 Marc Zuckerberg the founder of Facebook, the most popular social network in the world, confirmed that the social network had reached 1 billion active users a month. This goal of his, to reach 1 billion monthly users, was reached only two years and three months after the half billion mark (Kiss, 2012).

The Internet´s fast development has revolutionised and had a great impact on tourism, one of the world´s largest and more pervasive industries. It has changed the way organizations provide information and the way of communication and interaction between them and the consumers (Park & Gretzel, 2007). The Internet and tourism are also perfect companions and they facilitate consumers with planning and deciding on a destination as well as enabling tourism businesses to reach customers all over the world in a fast and low cost manner (WTO Business Council, 2001). In fact travel and tourism have become one of the largest categories of products and services sold online and is expected to increase more in the next years (Burgess, Parish, & Alcock, 2011).

The Internet as a means of communication has enabled marketers to create messages that fit either one or many customers and reach them quickly and easily. The scope and nature of the activities are also more flexible as physical boundaries become less important (Coupey, 2001, p. 9). A number of differences between old media and

the new one, the Internet, were presented by Kiani (1998). These differences mainly consist in topics such as the Internet being a one-to-one or many-to-many communication model compared to the older one, one-to-many. The marketing is also individualised and has interactive features that enables dialogue between the customer and the company rather than the monologue of the old media. The demand-side thinking of the new media goes hand in hand with the dialogue and the communication between the two parties and the customer is also viewed more as a partner that has an input rather than simply a target for products or services with predetermined features. The creation of communities with like-minded consumers instead of the arbitrarily defined target segments also describes the differences between the old and the new.

In an article in the Economist (1998) the current situation of marketing was described as follows:

Marketing has become a complex art. Technology and trade have increased the potential for global brands. The fragmentation of audiences and rising costs of television and print advertising are making other media attractive. And direct marketing and the Internet are rewriting all the marketing rules.

Business people back then where experiencing the first steps towards the new era of using the Internet for marketing and it´s possibilities. It was only 14 years ago when these changes were happening and it hasn´t come to a stop yet. The last introduction is the so called apps, a new kind of connection for customers through their mobile phones.

E-marketing differs in many ways from traditional marketing. First of all it operates in a totally different environment in terms of brand-building, data-collecting means, information distribution, market segmentation, time and last but not least speed. Some marketing activities are much easier to carry out using the Internet while others are more difficult than with the regular methods. Tracking advertising online is much easier for example, but with the power of online consumers who control what they click it is now more difficult to retain customers (Zhou, 2004).

E-marketing offers both new opportunities and challenges at the same time. One of the benefits that the Internet brings to tourism companies is the fact that it has global reach and multimedia capability. It serves as an ideal communication vehicle for promoting and distributing tourism products and services as this business is very fragmented and information-rich (Doolin, Burgess, & Cooper, 2002). The challenges on the other hand are keeping up with the ever changing technology and reaching the right people, the target market. Kristján Már Hauksson (2009, p. 173) at Nordic eMarketing

states after years of experience that the size of companies or countries has little to do with success on the Internet. The methodology is the key factor and that Internet marketing is at top of mind when web system is chosen and the design of the website.

3.1. Objectives for going online

The decision to go online, made by a company, is not surprising. Virtually all kinds of business are online nowadays and as Michael Fleisher, the CEO of Gartner Group, stated in a speech in 2000 "virtually no traditional companies will be able to survive without a significant Internet component as part of its business model" (Smith & Chaffey, 2002, p. 14).

His predictions hold true to a major extent, nowadays customers expect to be able to find products and services online. But it is the question of doing this successfully and being visible to the right customers, the customers that are looking for you. Online presence does not equal success. Setting up a website and maintaining it can be costly and therefore the advantages that the site is supposed to bring must outweigh the costs. To know if that has been gained companies need to have clear set goals and objectives beforehand so that it can be measured if the whole process is really worth it. The reason for going online has to be legitimate as well. Going online because everybody else is and not knowing what purpose the website is supposed to serve is unlikely to bring success.

Smith & Chaffey (2002, p. 15) identified five broad benefits or objectives of e-marketing and referred to them as the 5 S´s. These five categories are called selling, serving, speaking, saving and sizzling and are goals that will drive good e-marketing. Selling through online media is clearly one of the main benefits of e-marketing. The e-marketing can also benefit both online and offline sales. Online sales can be generated in the home market but also in new, international markets. Thus, the objective of growing sales can be achieved by reaching new markets. The offline sales can also be triggered online allowing customers to search through the product range. Including prices and other general information about the products or services supports the buying decision that later can lead to sales through traditional channels.

Companies can use the Internet to serve customers and improve their experience and thereby add value. Examples of how this is done is by putting valuable information online about availability or stock of products and services, by adding usable tools e.g. to compare with competitor products or by allowing customers to create personalized

versions of the service or product. The web-presence can also add value at different stages of the buying process with pre-sales, during the sale or post-sales support. These online features, or extra service, can become part of the product or service and thus add extra value. A website´s main purpose is to help customers and the ways this can be done is continuous – the only thing needed is creativity.

Websites are often used as a new communication channel, for example to build the brand, increase awareness, communicate special offers or shape customer opinions. It is important to be able to speak to the customers, but listening to them is just as important e.g. to get closer to them and to serve their needs. The Internet has got rid of the many middlemen that used to be between companies and customers before and therefore marketers are in direct contact with their customers and should be getting better in knowing them. It is important to know customers attitudes, interests and their buying pattern and with chat rooms, questionnaires, web logs and databases it is possible to create an automated dynamic dialogue.

The fourth objective is saving. It is not only saving money, but also time and effort. The "3 M´s" are resources within the company; men (the workforce), minutes and money, and the objective of saving works towards decreasing the use of them. These savings emerge in customer service, transactional costs, and print and distribution. By putting up systems that help customers they are able to service themselves and that obviously saves on terms of the 3 M´s. The most obvious savings are in terms of costs, using the web instead of the phone, completing transactions online rather than with a teller and putting up online brochures instead of printing. The opportunities are many and again it is only a question of creativity. The objective of saving is also easy to measure and easy to show results to defend budget cutting or fight for budget increases.

The sizzle applies to building, strengthening and enhancing the brand. The brand can be affected by all the operations between a customer and the company. The experience a customer has with a brand when using it affects the brand and the perception. The ways companies can build perceptions is through advertising, sales promotions, packaging, direct mails, editorial exposure, point-of-sale, telesales, web sites, exhibitions, and the most potent communication tool, word-of-mouth. The online experience a customer has with the brand has to be good because not all actions build up or strengthen the brand, some damage it. Therefore, well designed websites and

quick response time to inquiries strengthen the brand; sloppy websites and slow response time damage or even kill the brand.

3.2. Websites

The definition of a website according to Merriam Webster online dictionary (2012) is "a group of World Wide Web pages usually containing hyperlinks to each other and made available online by an individual, company, educational institution, government, or organization". Companies of all types have seen what advantage it brings to their customers to be able to look up information and services online and have therefore started to use the Internet as a medium to broadcast their messages on websites.

When companies start their online presence they either start by having a clearly defined strategy or follow the rather logical way of development. The levels of development as identified by Chaffey, Mayer, Johnston and Ellis-Chadwick (2000, p. 122) are five, starting with level zero where there is no web presence, level one where the company name is listed on an online database for people searching the net to be aware of its existence, level two where there is a static website with basic company and product information sometimes referred to as brochureware, level three where there is a simple interactive website offering visitors to make online queries, level four where the website supports transactions with users and at last level five when the website is fully interactive providing relationship marketing with customers.

In the beginning when travel agencies were starting to use websites for marketing purposes Zhou (2004) notes that they resembled and were used as online brochures which only viewed static information for customers. This has changed tremendously as websites are way more interactive nowadays offering personalised and customisable content based on customers´ preferences.

The web is becoming or actually has become the first "point of contact" with customers, at least the majority of travel and hospitality customers (Mortensen, 2007). If a company´s website is the first thing customers witness about the company, the website has to be very interesting and good to capture their eye long enough to even let them consider the idea of buying the company´s service. Websites are actually acting as extended company offices, open 24/7 and representing the quality of services and products offered by the company (Zhou, 2004).

For a website to be successful several factors have to work hand in hand (Chaffey et al., 2000, p. 242). The support of management and directors is necessary to

promote the project across the company and it has to have a clearly defined strategy and objectives parallel to the company´s strategy and objectives. The website is a project and like other successful projects it needs to have strong management to ensure that targets are achieved through effective planning and resourcing. Good skills and experience amongst the developers of the website are needed as well as among the people that will be operating it. Last but not least co-operation between departments of the company to ensure the website represents the company as a whole and the integration of information systems used by different departments.

3.3.   Website traffic

Getting people to visit a website is crucial for the success of it. There are many different ways in which a person might end up on a particular website and the owner of it is in control of several factors to make sure that it gets some visitors. The traffic to websites is often measured by quantity, the number of visitors. But it really is the quality of traffic that matters. Quality visitors are those that are within the target audience for the website and those who respond in line with the communications objectives (Smith & Chaffey, 2002, p. 197). You want to make sure that the efforts of building up the website and putting in all that content attracts the target market and that it responds in the right manner.

There are several traffic building techniques which involve both online and offline communication to promote websites and to encourage visits. Smith and Chaffey (2002, p. 198) and Chaffey et al (2000, p. 217) listed those techniques in their books. The traditional offline techniques include offline ads, public relations, word of mouth and URL offline prompts. The online communication on the other hand includes search engines, reciprocal links or featured in content, paid banner or sponsorship and e-mail ads or direct e-mails. The mutual goal of these different techniques is increasing traffic, more precisely quality visitors.

Traditional media such as print, television and radio are considered push media while the Internet is a pull media. The different characteristics of the two are that the former is directed to the customer from the company but with the latter the customer needs to be proactive and visit the Internet or be encouraged to do so. There are strengths and weaknesses of both of them but the main weakness of the pull media is the lack of control that marketers have compared to the other media. The use of the right mix of effective offline and online traffic building techniques is therefore vital.

The things that should be promoted with offline techniques is the URL or the website address, the Internet value proposition, traditional brand values and sales promotions and other offers. A typical offline technique that everybody knows is advertising in papers, on television and radio. This particular offline technique can be used to promote the URL and encourage action such as a visit to the website where further action is encouraged. Advertising special offers and promotions and including the URL for customers to get further information or the possibility of exploiting that particular offer also works for traffic building.

The offline techniques are not always appropriate for an online business, as the target market that those companies are aiming at need to be online as well and the traditional advertising, especially print is for many businesses uninteresting. But the other offline techniques such as PR and word of mouth are more relevant as they have been moving into the online world. PR moves travel fast in online media and online word of mouth even faster through, for example social media. A positive relationship between offline PR, such as interviews, and visits to websites exists which has been experienced by both L. Barrera (personal communication, July 2, 2012) at Agerul and G.A. Guðmundsson (personal communication, September 24, 2012) for the online marketing courses. It is also possible to track parts of online word of mouth with new software such as Vaktarinn from the company Clara where it is possible to gather posts automatically that mention a company, brand or other keywords on news, blogs, chats and other forms. With such tools it is possible to interfere with the discussion in real time whether it is good or bad and also measure success of marketing campaigns (Vaktarinn, n.d.).

It is safe to say that online traffic building techniques appeal better to online and international businesses. The reasons are that with them it is easier to reach the right target market but also because the one place where digital certainly has an edge is in its ability to be an immensely measurable and accountable medium (*Think Marketing with Google*, 2011). First to mention is search engine marketing which by definition means gaining traffic from or visibility in search engines results. This method includes search engine optimization (SEO) and paid search advertising.

The most visited website on the Internet is www.google.com and it is also the world most popular search engine. Other popular search engines include Yahoo, Baidu and Bing (Fitzgerald, 2012). Search engines are used by many people as the primary method of finding information about companies and therefore it is important to be

visible on them. When using search engines as marketing tools there are two ways of becoming visible to the target market, with natural search or paid search. The natural search results also referred to as organic, are the listings on search engine results pages that appear because of their relevance to the search terms. The search engines use complicated mathematical models and algorithms to generate websites that are relevant to the search term, and rely on the so called spiders to evaluate the content on each webpage on the Internet (Guðmundsson, G.A. & Hauksson, K.M., 2009, p. 121).

A research done by Enquiro (2003) revealed that natural search results on Google receive 70-80% of clicks while the paid search results only get 20-30%. In general people seem to trust the natural search results better than the paid search results that companies can buy. This in turn is not good news for companies as it is much more difficult to appear high on natural search results than on the paid results. Even with search engine optimization, it is not certain that the website will always appear on top as it needs constant monitoring and alternating in order to do that. But as Shari Thurow, the author of Search Engine Visibility (2008) puts it SEO is not merely optimizing for a number one position on Google. Search engine marketing is first and foremost about the web searchers and the search engine optimization is optimizing for people who use the commercial web search engines.

This explanation is important as there are many misconceptions about search engine optimization. They are often related to how the search engines used to work but now the same techniques for SEO work counter to what they did and are therefore not desirable. Some of those misconceptions concern keywords density. The higher the density the higher the rank does not work anymore and is now called keyword stuffing and is considered spam. Using only one keyword for each web page falls in the same category, as focusing on the same word to much can also be considered as spam.

Another misunderstanding is that SEO only needs to be done once which is totally wrong as the website is in constant competition with others that are being changed and added and the search engines change their functioning as well. Not all search engines work the same either so that needs to be kept in mind and the website needs to function well in the one that the target market uses. Linking to the website from many different sources used to work for the search engines but now looks suspicious especially if the website that links to the other does not have anything in common with it (Tryggvi, 2012).

The paid advertising in search engines appears above the natural search results or in the right side column and usually links to another website. It can also appear in ad columns on websites that are related to what is being advertised. Google Adwords is an example of paid search. Companies can choose from keywords that are related to the product or service that is being advertised and when potential customers search for those words the ad appears. Companies can also choose when those ads should appear as well as for which location (*What is AdWords?*, 2011).

Another type of paid advertising is banner ads which are sorted to three main categories. The three categories are the direct response banners, branding banners and the interactive banners. Each category has a certain goal. The branding banners are mainly for building up brand awareness and informing about new tastes or additions of low involvement goods. The direct response banner on the other hand calls for clicks and direct action such as buying, participating in a game or signing up for a newsletter. The interactive banner evidently allows more interaction and sort of works like an app or small software. Those banners appear much longer and are use both for branding and direct responses. Just like the direct response banners they can call for action but the interactivity lies in the banner itself without clicking to be referred to a website (Guðmundsson, G.A. & Hauksson, K.M., 2009, pp. 47–49).

Using e-mail as an online marketing technique for gaining traffic on websites has many advantages, especially when sending to a group of people that have signed up for a newsletter and have given their consent on receiving such mail. With the popularity of the Internet the use of e-mail is understandable. People can easily send and receive information and documents in a split second and many people check their inbox many times a day via their computers or cell phones. Among the advantages of using e-mail is the short time that it takes to write and send it, it is cheap and it can be customized for different groups. The most important advantage though is the ability to measure the effect of the mail. It is possible to monitor how many people have opened the mail and how many people clicked on something in the mail as well as how many people do a specific action after clicking on the link or other information included in the mail (Smith & Chaffey, 2002, p. 212).

3.4.   Website metrics

Measurement is one of the most important activities that occur once a web site is published as it indicates the effectiveness of e-marketing activities in meeting customer, business and marketing objectives. The Internet is not only one of the cheapest marketing tools it is also the one that makes measuring the results easiest.

In 2002 FHF, the Icelandic Society of University Educated Tourism Managers conducted a research among the members of SAF, the Icelandic Travel Industry Association about the status of the Icelandic tourist industry on the Internet. Back then companies had no or little knowledge about the visits and bookings on their websites. 59% of the companies had no information about the number of visits and 79% had no information about the ratio between visits and bookings and little less than 40% did not know the percentage of transactions from the Internet of the total turnover. Besides this little knowledge 70% of the companies were very happy or quite happy with their success on the Internet, and the majority evaluates that on the number of enquiries, and others on the amount of bookings. 90% also agreed that marketing on the Internet suited tourism well ("Íslensk fyrirtæki í ferðaþjónustu ná litlum árangri á Netinu," 2012). Back then it seems that companies had no clear objectives of going online and no idea how to measure the success of their e-marketing.

There are several different online metrics collection methods for gathering information about the activities on websites. They are for example server-based logfile analysis, browser-based site activity data, panels activity and demographic data, outcome data such as enquiries or customer service e-mails, online questionnaires, online focus groups and mystery shoppers (Smith & Chaffey, 2002, p. 124). These online versions of traditional marketing research are faster and cheaper than the traditional ones and the amount of information is practically endless. The question is of course, what do you want to know and what are you going to use that information for? As Albert Einstein said "not everything that can be counted counts, and not everything that counts can be counted".

There are endless online companies offering the "best" software and tools to measure this and that and everything, both for free and for a big sum of money. When choosing the right software or tool offered one has to be clear on what he is looking for and not have a weakness for all the unbelievable promises of overnight success. A few issues are listed in Jim Sterne´s book (2002, p. 79) that real people have had to deal with when using these tools such as the way the information is reported and the language

used. The person going to use the information needs to understand the jargon and be able to select the right numbers that are of some value. There are also many tools that cost thousands and are packed with promises about how easy it is to use it, that the data structures are clearly defined and what not but then fail when the customer starts using it.

The web metrics or website statistics that most of these tools reveal are fairly standard and the most common will now be listed and the purpose, weaknesses and strengths will be explained. These eight metrics are visits, unique visits, page views, time spent on page, bounce rate, most active server hours, origin of visit and referrers. These metrics can easily be measured with the analytical tools offered by Google, Yahoo and many others.

A visit is an interaction, by an individual, with a website consisting of one or more requests for an analyst-definable unit of content (i.e. page views). If an individual has not taken another action (typically additional page views) on the site within a specific time period, the visit session will terminate. A visit typically consists of one or more page views (Burby, Brown, & WAA Standards Committee, 2007). The number of visits suggests some kind of interest in the website content but has to be further analyzed to understand the drivers for the visit. The number of visits has to be analyzed in perspective with other things to get the right picture, such as page views or unique visits. The number of visits by itself is not a good metric unless it is used to compare with previous months or weeks or used to calculate for example the cost per visitor.

The page views number indicates the views each page on the website is getting. Critics state that as more and more websites are built with flash/AJAX and the increase in online video misrepresent the number of page views as less are counted even though the same amount of content is seen (Page, 2008). But in relation to the time that each page is viewed one can interpret the interest in the content of that very page. If one particular page is getting a lot of traffic and is viewed considerably longer than other pages it suggests an interest or that this page has all the information visitors are looking for. Either way this needs even further analysis to understand the very reason (Guðmundsson, G.A. & Hauksson, K.M., 2009, p. 151).

The unique visits count the number of distinct people that are visiting a website in a particular time period which may contain many visits and few or many page views. This is stated as a good metric to use for a website as it counts the different people viewing the website for example during one day, a week or a month (Page, 2008). What

blurs this counting method is the disabling of cookies because the cookies enable the counting tool to recognize each computer. If two visitors reach a web page from the same gateway or the same corporate firewall the same problem arises, as they look identical to the server and the solution is again, cookies (Sterne, 2002, p. 144).

Each visit has an amount of time and this time can be analysed down to each page view. The total time spent on a website does not explain much by itself except for the willingness to view the online content. A better understanding of the visit is gained through tracking down the minutes to each page. The average time spent on each page is usually a good indicator of quality where longer is better unless people are having a bad experience and can´t find what they are looking for. Thus it is necessary to also review the average time spent in context with bounce rate and exit pages (Page, 2008). Bounce rate indicates the amount of visitors that leave the website immediately after arriving or within a few seconds. There are some that state that this is the most under-used and the most revealing metric as it can indicate the quality of the website, such as in relation to paid search keywords (Page, 2008). Kaushik (2007a) notes the many different bounce rates that is possible to measure and easily actionable. Measuring the bounce rate of the website helps in understanding what percent of the website traffic is actually engaging with the website and by making changes and watching the trend it is possible to find out if the changes were for the better. The bounce rate of different traffic sources shows which ones are bringing better traffic than others and the bounce rate of the search keywords reveal useful information, especially for choosing the right keywords for campaigns.

A server hour is the GMT time when a visitor accesses a website ("Glossary," 2012). The most active server hours can be linked to commercials in television or radio where people go immediately online to check out the offer. This can be a great method to estimate the effectiveness of a commercial especially if the website was mentioned or if the offer is only available online (Guðmundsson, G.A. & Hauksson, K.M., 2009, p. 152). If there are peak traffic hours on the website for an unexplainable reason it could be a great idea to harmonize offers or news to this specific time, and of course investigate the reasons behind the traffic at this time.

In many of the web analytical tools available it is possible to see where the visits originate from. This metric is called referrers and indicates the places that the visits come from whether it is a search engine, a link from another website or an ad that was clicked on. The usefulness of knowing where people are finding the website and visiting

from is important as it gives information about where to put the marketing (Page, 2008). This useful metric is helpful particularly to target search engines as it is also possible to see which words were typed in that lead to the website. Searching for other keywords that relate to the topic on the website and that would generate good traffic is another opportunity as well (Chaffey et al., 2000, p. 384).

These eight metrics are fairly basic and there are great numbers of others that are more suitable. It depends on what kind of business your company or organization is in what kind of metrics suit best. Below, some metrics that seem feasible for travel agencies to use will be mentioned and the pros and cons of them are discussed.

Conversion rate (sometimes referred to as the look-to-book ratio) is the ratio between the number of sales and the number of visitors (Smith & Chaffey, 2002, p. 22). A conversion doesn´t have to mean a sale it can also be a lead of some kind, some kind of action that is wanted from the costumer. The reason some people care about conversion optimization is because if you can increase the conversion percentage, it means more sales for the same traffic for the same traffic costs (Barker, 2010). As some state, the conversion rate is a very powerful metric to know and act on. Knowing the conversion for the website as a whole is not enough but also for each page or a set of pages to know exactly where people are leaving before they do the wanted action (Page, 2008). Meanwhile on the other end of the topic are those that state it is a horrible metric and not useful at all, unless you really know how to use it. Here are some of the arguments that support the idea that conversion rate isn´t always as good as you think. First of all a high conversion rate doesn´t always mean higher performance and this is just a matter of easy calculations. One has to be careful when comparing two calculations as the lower one may have had better results than the higher one. It also has to be kept in mind that not all visits can lead to a convert as some people that happen to visit the website were simply lost, only checking upon some information or still comparing products for their next buy (Barker, 2010).

Cost per conversion or cost per acquisition is a metric to use to measure the cost spent on each conversion or acquisition of a customer. This is basically additional cost to each product or service sold and should therefore be minimized if possible. If a marketing campaign has an optimum CPC it is definitely worth the money spent (Kaushik, 2011b). Churn rate is another metric similar to turnover in an inventory. This metric calculates the turnover rate of customers for a certain period of time. The ratio between lost customers and total customers including new ones gives the churn ratio

while the ratio of new customers and previous total number of customers gives the growth rate. The usefulness of this metric consists in knowing if the website is gaining or losing more customers on average. This metric is also useable for monitoring newsletters or other opt-in e-mail (Sterne, 2002, p. 146).

Other information that the website analytical tools show are the demographics. These tools can show where the visitors are located in the world, which continent, even country, city or town. This can indeed be useful to see if the website is reaching the right target markets abroad and with other metrics show this groups behaviour on the website.

Avinash Kaushik (*Think Marketing with Google*, 2011) the author of two best selling web analytics books and a noted speaker and professor encourages people to dig even deeper into the information that is available in the tools. He would call the web metrics already listed for beginners and people using them to be on the toddler stage of web analytics. The information that these web metrics provide is good to know but does not really give us enough value or answer the question if the company´s objectives are being met or not. The web metrics used at the more advanced stages, the rockin teen and the adult stage are more focused on outcomes such as revenue and having a business impact. That kind of web metrics are often defined as key performance indicators (KPI´s). It is important to remember that all KPI´s are web metrics, but not all web metrics are KPI´s because KPI´s are measures that are used to define and measure progress towards organizational goals. In addition the same metrics are not KPI´s for all businesses, not even in the same industry (Mortensen, 2008).

What makes a metric a KPI´s are a few key characteristics. First of all it echoes organizational goals and contains data material to the business bottom-line and thus leads to action. It is based on legitimate data so there is no need to infer or draw assumptions. It provides context and looks at behaviour across sessions and encourages focus on long term value rather than short term. Last but not least it is easy to understand and make it obvious that the performance is good or bad (Kaushik, 2011a; Mortensen, 2008).

KPI´s have to stand the test of time and to choose the critical few the metrics lifecycle process can be applied. The process has five steps; define, measure, analyze, action, and improve/eliminate. When the metric has been defined it is used to measure and the data collected is then analyzed. The metric has to launch some action, if not it

has to be eliminated. If it does include actions then the metric is usable and should be improved upon and the process then needs to be repeated periodically (Kaushik, 2007b). The following examples are web metrics that Kaushik identifies as KPI´s for many businesses doing ecommerce, such as companies in the tourism industry (Kaushik, 2008c).

Conversions do not necessarily need to be sales like stated before. They can be any desired action taken by the customer such as signing up for a newsletter, requesting a catalogue, downloading material or watching a video. Those conversions are often referred to as micro conversions and selling as a macro conversion. The macro conversion rate is usually a very low percentage and therefore the rest is actually more interesting. Investigating the economic value of the micro conversions is just as important as it helps you understand what other things than actually buying people were on the website for. And those other things can lead to success on some other levels, such as offline buying, supporting or for people looking for jobs because the website also has these objectives (Kaushik, 2008b).

The next KPI´s is the average order value (AOV). It is calculated within a specific period of time and the revenue is divided by the number of orders. This metric is great to look at simultaneously with the conversion rate because even though conversion rate is extremely low the AOV can be so high that the company is actually making a lot of money. The AOV can also be looked at in context with different campaigns and shows which generated the highest AOV and so on (Kaushik, 2008c).

Days or visits to purchase is the third KPI and is important for many reasons. First of all because it goes further than the normal session based metrics such as visits, page views per visitor or average time in website. They tell nothing about the behaviour of customers who normally take more than one visit to a purchase or other lead. The pan-session metrics, such as days to purchase or visit to purchase are deeply insightful and enable the website owner to analyze the behaviour of segments of customers or different campaigns (Kaushik, 2006). With this information one is able to decide if it is worth generating a lot of traffic because most customers buy in the first visit or if it is important to get them back a couple of times because that is when they make the purchase.

The task completion rate goes beyond the "what" on the website to "why" and further than the bounce rate. This metric is measured with a simple survey for example when the visitor is exiting. The survey simply asks the visitor for the purpose of the

visit, if he was able to complete that task and if not, why. With this simple survey it is possible to find out what visitors use the website for and if it is serving that need. With this information website owners are not guessing or having hunches about what the visitors think and it also tells them what content they want that is not there. The key for measuring this with success is asking for permission to ask those questions, sampling enough visitors and correlating the data with other data (Kaushik, 2008a).

Last to mention is the share of search, the online version of share of shelf. This metric shows how the website is doing compared to competitors websites in the online world. The tools such as Compete measure how much share of search a website has for a certain search term. The benefits of using this metrics are that it gives an external validation of success or failure for search terms and stops companies from being blindsided (Kaushik, 2008c).

With the endless number of metrics and tools to measure them the important point is still that the metrics used are measuring something of value that can help the organization take action towards the objectives. It is important to focus on the actionable data and avoid data overload. Prioritizing initiatives based on impact and monetizing the impact of all changes are important steps as well as getting the data into the hands of the right people. If metrics have not been implemented into the marketing strategy it is first and foremost important to start small and show success (Strupp, n.d.).

With this brief introduction to e-marketing, the objectives for going online, the use of websites as a communication and marketing tool, techniques for building website traffic and the rather thorough listing of website metrics, an even better foundation for the research problem has been built. It was intended to introduce the internal environment and efforts that can be made by the company as opposed to the external environment of the problem introduced in the previous chapter about tourism. The next chapter discusses methods and models found to use for the research and answer the research questions.

4. Website Evaluation Methods and Models

There are many reasons for why a website should be evaluated regularly. As stated earlier it is costly to put up a website and maintain it. The financial reasons are therefore obvious. Other reasons are for marketing, customer service, competition and website design. Finding the proper method and model for this task is therefore important and here is a search for a fit model for comparison of companies in the same sector as well as in terms of customer service.

Much has been written on the topic of finding a unified procedure for website evaluation in tourism and hospitality (Buhalis & Law, 2008; Law, Qi, & Buhalis, 2010; Leung & Law, 2006; Morrison, Taylor, & Douglas, 2004). It is a newly emerging research area and several different methods have been applied. Website evaluation is a term, nowhere to be found with a globally accepted definition yet, although Law et al. (2010) state that the US Department of Health and Human Services defines it as the act of determining a correct and comprehensive set of user requirements, ensuring that a website provides useful content that meets user expectations and setting usability goals. This broad definition does not state with what kind of measures or how exactly this evaluation should be conducted. Therefore many versions of website evaluation methods exist and they are as different as they are many and can generally not be measured against one another.

In the context of tourism, Leung and Law (2006) reviewed information technology publications in leading tourism journals for the 1985-2004 period. During this 20 year period a total of 2,135 full length research papers were published but only 55 were related to IT, and those were grouped into six categories. The category "networking" was the most widely published with 21 occurrences, and 18 of the 20 papers published after 1996 were related to the Internet or the World Wide Web. No website evaluation techniques are mentioned by these authors. During this time the Internet was gaining popularity for businesses and therefore caught the eye of researchers due to growing use in the tourism sector e.g. for airlines and tour operators.

Two years later an extensive analysis on e-tourism related studies was conducted by Buhalis and Law (2008) where the past 20 years were examined and the next 10 years were predicted. This analysis sums up the trends and projects future developments. They found out that it wasn´t until 1991 at a conference at the University of Perugia in Assisi and the annual ENTER conference in Austria in 1994 that e-Tourism became a key area of research. Very few publications appeared up to 1990 but

as The Journal of Information Technology and Tourism was established in 1998 publications on those matters became regular. The evaluation techniques on websites were on the customer´s terms in this analysis regarding web design and web service quality. One research they found on web service quality was classified into six dimensions, ease of use, usefulness, information content, security, responsiveness and personalisation. Another one on website quality generated 74 website features to be evaluated and pointed out the importance of a routine evaluation to ensure website efficiency, appropriateness and usefulness. Poor web design can result in a loss of 50% of potential sales and even a 40% loss of potential repeated visits.

Law et al. (2010) reviewed tourism studies published from 1996 to July 2009 that bear on methodological approaches to website evaluation. They divided these studies into two major categories, new evaluation model/instrument development, and website evaluation using an adopted or modified model/instrument. In the former category, studies aimed to elaborate a new approach to travel-related website evaluation. But some of these studies only developed new evaluation frameworks without using them to evaluate actual websites. The latter, on the other hand adopted or modified existing models and used them to evaluate selected websites. These models are further divided into five subgroups based on their evaluation method: counting, automate, numerical computation, user judgment and combined method. Figure 3 summarizes these different approaches used in prior research on website evaluation in tourism and hospitality.

Each approach has its merits and limitations and researchers should therefore pick the evaluation approach that is most appropriate for their specific research objectives, target markets and stakeholders. The automated approach is for example useful for testing the technical performance of certain features of a website while the user judgement method examines user satisfaction or perceptions. The counting method identifies the existence of certain website features and the numerical computation method uses a mathematical computation process to produce numeric scores for performance evaluation. The combined approach brings together the advantages of the different approaches.

Figure 3 Methodological approaches for the evaluation of tourism websites
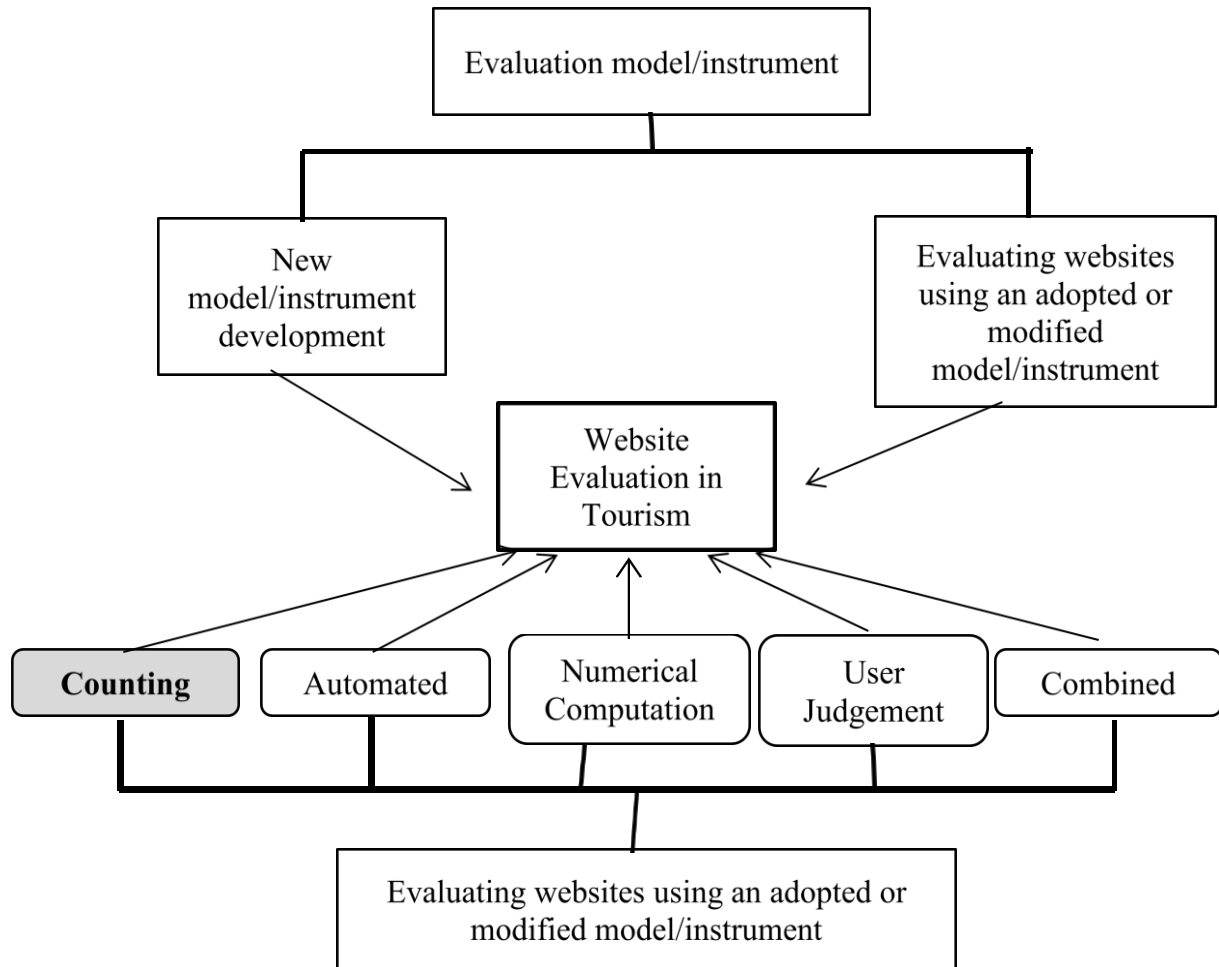
Adapted from "Progress in tourism management: A review of website evaluation in tourism research" by R. Law, S. Qi and D. Buhalis, 2010, *Tourism Managemen, 31,* p. 310. Copyright 2009 by Elsevier Ltd.

The counting methods are used to determine a website´s content richness or to evaluate its performance. It identifies the existence of certain website features but they do not necessarily indicate the ease of use of the site. The two requirements for this type of method are a well-prepared checklist to verify the existence of attributes on a website and a person or people to do the actual counting. The assessor can be just about anyone that is connected with the research such as a consumer, supplier, researcher or a student. The method chosen for this research is the counting method and two different types of are discussed in the next chapter.

4.1. Counting Methods

Two popular counting methods are the Modified Balanced Scorecard (MBSC) and the Extended Model of Internet Commerce Adoption or eMICA. The original Balance Scorecard (BSC) was developed in 1993 and was a great success because of the need for measuring company performance by other means than financial. The Balanced Scorecard measures performance by four perspectives: customer, financial, learning and growing, and internal business processes. The company´s strategy is captured by financial and non-financial elements and examines the cause and effect relationships that drive business results (Morrison et al., 2004). This new measure allowed companies to be more strategic in their approach using drivers of future economic performance instead of the old measures relying on outcomes of actions previously taken.

The BSC has been adopted and modified by many researchers since especially to match the specific needs for website evaluation in tourism. For example Morrison et al (2004) modified the original BSC for evaluating websites and identified four perspectives as well, customer, technical, marketing and internal. For each perspective a number of critical success factors were listed that a website should achieve to be successful. To measure all these factors a researcher would need customers as well as employees of the company to evaluate them. Since the first research using the MBSC a lot of changes have been made regarding scales, evaluators and factors which led to subjectivity. There is now a standardized evaluations form available based on the MBSC that has been used for a number of companies in the tourism industry. The modified balance scorecard is quite comprehensive and needs all departments of a company to report the needed information at a set time. It is more suitable as an internal evaluation for a company rather than an outsider trying to evaluate a company against others.

Another type of a counting method to evaluate a website is the extended model of Internet commerce adoption (eMICA) developed by Burgess and Cooper in 2000. The model was originally named MICA but was later modified by the same authors. This model is based on a benchmarking process to evaluate the level of website development. The model is based on the concept that commercial web site development begins simply and evolves over time with the addition of more functionality and complexity as firms gain experience with the Internet technologies (Doolin et al., 2002). This model can also be used to assess how websites are leveraging the benefits of web technology and great for comparing websites within the same industry. It was originally

developed to evaluate Australia´s regional tourism organizations but has been used for other sectors and regions as well.

4.2.   The Extended Model of Internet Commerce Adoption

The MICA model was developed by two Australians, Burgess and Cooper in 1999 and the following year it was upgraded with new measurement items and renamed the extended model of Internet commerce adoption or eMICA. A detailed description of the model, stages, functions and the use of the model is adopted from Doolin et al (2002).

4.2.1.   The Stages

There are three stages that can be found in the eMICA model and they are called promotion, provision and processing. These three stages or levels of business processes are used to indicate where a business or industry sector is in its development of Internet commerce applications. Table 1 summarizes the three stages and the functions that belong to each stage and level.

Table 1 The extended model of Internet commerce adoption (eMICA).

EMICA	Examples of functionality
Stage 1 – Promotion	
Layer 1 – basic information	Company name, physical address and contact details, area of business
Layer 2 – rich information	Annual report, e-mail contact, information on company activities
Stage 2 – Provision	
Layer 1 – low interactivity	Basic product catalogue, hyperlinks to further information, online enquiry form
Layer 2 – medium interactivity	Higher-level product catalogues, customer support (e.g., FAQs, sitemaps), industry-specific value-added features
Layer 3 – high interactivity	Chat room, discussion forum, multimedia, newsletters or updates by e-mail
Stage 3 – Processing	Secure online transactions, order status and tracking, interaction with corporate servers

The first stage, promotion, is the web-based inception, a rather static Internet presence where basic information is provided such as company name, physical address

and contact details. At this stage customers are only given limited information about the company and its operations. With this information they know where and how they can reach further information about the company and its products and services. This stage merely touches upon the objective of speaking, only getting in touch with the customer and leaving the rest in their hands.

At the second stage, the provision of information and services, increasing levels of interactivity have been added but this stage has three levels – low, medium and high and the level of functionality and sophistication varies greatly across them. At the low level hyperlinks to further information, basic product catalogue and online enquiry form are provided. Medium level interactivity includes customer support of some kind, industry-specific value-added features and more. Finally at the high level, features such as chat rooms, discussion forums, multimedia, newsletters or updates by e-mail have been added. At this stage the customer is provided with detailed information about the products and services and the company and its employees. The customer can view photos, videos and other multimedia to envision himself in the setting as well as read testimonials from others that have already done business with the company. With every level added, the customer gets more involved and engaged in the website which ultimately should lead to the final action of purchase. A website including all the functions and activities of this stage gives the customer great value and possibility to interact with the brand and all information needed to get in contact with the company to buy their product or service by other means.

Stage 3, the processing, allows secure online transactions, order status and tracking and interaction with corporate servers. At this stage users are able to purchase what the company is offering across the web, maintain an individual profile and obtain personal profiles matching offerings to the individual needs. These e-commerce applications are the broadest and most complex since they enable the company to process multiple tasks such as online sales, online orders, online delivery and online payments (Lin, Zhou, & Guo, 2009). Offering the online transactions serves the customers, that is, enabling them to purchase the product or service that they want at their time and convenience. The possibility of buying online is also quite encouraging to just finish the deal and be done with it.

4.2.2. The Level of Functionality Key

The level of functionality key is used to determine at which stage and level a website is. A site needs to display functionality up to at least level 4 to be classified at Stage 2 of eMICA. Sites reaching level 7 of functionality are classified as Stage 2, Layer 2, and those reaching level 11 of functionality are classified as Stage 2, Layer 3. To be classified as Stage 3 of eMICA, a site requires functionality at level 14.

1. E-mail contact details
2. Images
3. Description of regional tourism features
4. Systematic links to further information
5. Multiple value-added features (key facts, maps, itineraries, distances, news, photo gallery)
6. Lists of accommodation, attractions, activities, event with contact details and/or links
7. Web-based inquiry or order form
8. Interactive value-added features (currency converters, electronic postcards, interactive maps, downloadable materials, special offers, guest books, Web cam)
9. Online customer support (FAQs, site map, site search engine)
10. Searchable databases for accommodation, attractions, activities, dining, shopping, events
11. Online bookings for accommodation, tours, travel
12. Advanced value-added features (multi-language support, multimedia, email updates)
13. Non-secure online payment
14. Secure online payment

4.2.3. Literature review of the eMICA

To review the use of the eMICA model all articles that included the use of the model were searched for. To do this, information on published articles was gathered from Leitir (www.leitir.is) which is an Icelandic online search engine for all kinds of published material, and Google Scholar (http://scholar.google.com) which is a large and popular search engine with a focus on academic papers. The searching keywords included eMICA model, MICA model and extended model of Internet commerce adoption. In addition, attempts were made to trace references cited in published articles. After careful screening of the articles, published studies were found that directly pertain

to this particular model in the tourism and hospitality field. In total, eight published articles were found were the researchers used eMICA for website evaluation in tourism.

Table 2 categorizes the research on the basis of authors, years, regions, sectors and results. The list is in chronological order in terms of publication year of each study. Studies have been conducted approximately every other year since the development of the model. The authors of the model have been leading the majority of the research in cooperation with other scholars. The types of tourism businesses are mainly regional tourism organizations referred to as RTO´s which are organizations that act as marketing associations for specific regions and provide a coordinated marketing effort and act as a portal for visitor access to tourism operators and service providers. The most recent study applied the model on travel agencies with a bit of a modification to the functionality key to better fit companies that are not solely acting as marketing associations but offering their own products and services. This functionality key still follows the same flow of stages and levels and the results can therefore be compared with the former studies. Australia and New Zealand have been in the focus of the researchers but lately other countries such as the United States of America and China have been covered.

When the results are viewed one can quickly notice that Australian RTO websites have been evaluated regularly, first in the year 2000, then 2002, again in 2004 and last in 2008. The first evaluation shows that 8,2% of the websites were at stage 1, half at layer 1 and the other half at layer 2. Approximately 90% are at stage 2, the provision stage with the majority at layer 2. Only one company has reached stage 3 at this time. In the evaluation in 2002 some developments have occurred and fewer websites are at stage 1 and have developed to the next stages. The development to the last stage has not been dramatic, only three companies or 1,9%. In 2004 no websites are at stage 1, they have all developed to higher stages and 58% are at layer 3 in stage 2 and 8,7% of the websites are at stage 3. The development to higher stages is happening faster than before and in the final evaluation, though four years later and not two years like in the evaluations before, 24% have developed to the last stage. An interesting fact in the last evaluation of Australian RTO´s is that there are more websites at stage 1 layer 2 and at stage 2 layer 1 than in the previous evaluation. The number is very low and as mentioned in their research the RTO´s were not always completely the same as some companies appeared as new ones in later evaluations and others dropped out. In

the 2008 evaluation on Australian RTO´s 90% of the websites have evolved to the very last stages, with the majority or 66,4% to stage 2 – layer 3 and rest at stage 3.

In 2002 RTO websites in three different countries were evaluated and compared. Interesting results show that New Zealand had the most websites developed to stage 3. The majority of Australian websites are at stage 2 layer 1 or 45%, while the majority of New Zealand 46% and Asia Pacific 47% websites are at stage 2 layer 2. At this time the websites had already developed to relatively advanced stages of adoption of Internet commerce. The majority has incorporated various levels of functionality consistent with the three layers identified at stage 2 of eMICA.

The discussion of results in the research by Doolin et al. (2002) notes that the reason for a low portion of websites at Stage 3 is because the RTO´s main focus is on promoting specific regions and their unique features and offerings primarily through the provision of value-added information and services. If the role of these organizations changes towards selling then the websites are likely to evolve to the next development stage but that is uncertain.

The research undertaken by Lin et al (2009) is on Chinese travel agencies and the researchers modified the functionality key to better fit companies that are actually selling products and services. The main differences lay in functions 3 where the description is of the travel agency itself and not regional tourism features and 6 where lists of accommodation, attractions etc are switched into product catalogues. The order of some functions are switched a couple of times, two functions are dropped and one added. These differences do not affect the process of assigning appropriate stages and layers because they still hold the same system. This is further discussed in chapter 5.2.

Table 2 Website evaluation studies using the eMICA

Authors	Year	Region	Sector	Nr of companies	Stage 1 Layer 1	Stage 1 Layer 2	Stage 2 Layer 1	Stage 2 Layer 2	Stage 2 Layer 3	Stage 3	Total
Burgess & Cooper	2000	Australia	RTO's	146	4,1%	4,1%	36,3%	39,7%	15,1%	0,7%	100%
Burgess & Cooper	2002	Australia	RTO's	158	1,9%	1,3%	44,9%	38,6%	11,4%	1,9%	100%
Doolin, Burgess & Cooper	2002	New Zealand	RTO's	26	0%	3,8%	30,8%	46,2%	15,4%	3,8%	100%
Burgess, Cooper, Alcock, McNamee & Doolin	2002	Asia Pacific	RTO's	34	0%	0%	21%	47%	32%	0%	100%
Burgess & Cooper	2004	Australia	RTO's	195	0%	0%	2,6%	30,8%	57,9%	8,7%	100%
Burgess, Parish, Cooper & Alcock	2008	Australia	RTO's	125	0%	0,8%	3,2%	5,6%	66,4%	24%	100%
Lin, Zhou & Guo	2009	China	Travel Agencies	30	0%	6,7%	23,3%	50%	20%	0%	100%

5. Key Research: Website Analysis

Two research questions were formed for the website analysis part of the research:

- Do websites of Icelandic travel agencies follow the development stages of the eMICA?

- Are the results of this research comparable with other studies using the eMICA?

Two hypotheses were also put forward:

- The most frequent stage is 2 and layer 2

- All websites have passed stage 1

To answer these questions the model will be used to evaluate websites of Icelandic travel agencies and the results compared with previous studies. Other interesting results will be discussed as well as the question of how applicable the model is now because of the incredibly fast development of Internet applications and the creation of new ones.

5.1. Travel Agencies

The subjects of interest for this analysis are companies in the tourism and hospitality sector. In previous research done by Burgess, Cooper and others the sample was the regional tourism organizations but such organizations hardly exist in Iceland. Two government run organizations are responsible for marketing activities of Iceland and its regions. Promote Iceland for international marketing and The Icelandic Tourist Board (ITB) for domestic marketing. It was not until recently that Promote Iceland started taking care of international marketing for Iceland as a destination ("Promote Iceland Act," n.d.). It took over the websites that the ITB had previously been responsible for which are specially focused on marketing Iceland for international travellers. The websites include www.visiticeland.com, www.visitreykjavik.is and then six more for each of the regions, south, west etc. They all have a standardized look and retrieve information on service providers through a database from ITB (Ferðamálastofa, 2011).

An evaluation of the marketing efforts of Promote Iceland has already been done by a master student at the University of Iceland (Albertsson, 2011). His results show that the development of the online system for marketing Iceland as a destination is at its early stages. Only the information system is complete and the development of the communication system is almost ready but lacking interactivity. The websites do not

offer any bookings or online sales which might inhibit the development of good customer relationships with people that start using the websites.

For the reasons mentioned above Icelandic RTO´s were not of interest for this research. To be more specific than just companies in the tourism and hospitality sector and to narrow down the sample, one specific sector was chosen, namely travel agencies. They were chosen because of the fit to the eMICA model which has been used for travel agencies in China and because of the relatively wide spread use of websites by them. Travel agencies are companies that are engaged in selling and arranging transportation, accommodations, tours and trips for travellers, sometimes also called travel bureaus.

The population of the research is Icelandic travel agencies that are offering inbound travel organization and services especially for foreign markets. The reason why travel agencies that are offering outbound travel are omitted is because they are not in direct competition with the inbound travel agencies in relation to customers or destinations. A total census was impossible to find so the sample was chosen from the grouping list of members of The Icelandic Travel Industry Association´s (SAF) website[1]. This list of travel agencies counts 72 companies including both travel agencies organizing inbound travel in Iceland and outbound travel abroad as well as event organizers. This list can be seen in Appendix A.

The inbound travel agencies are companies that organize tours and trips of various types, accommodation, transportation, meetings, conferences and feasts all within the border of Iceland. The size and shape of the companies varies greatly. The smallest being run by one or two persons, offering very specialized service and the biggest having many employees in different departments offering a great variety of tours. Some operate only during summertime while others operate all year round. A number of companies also provide very specialized services such as fly fishing trips, knitting tours and the organizing of gay weddings in Iceland.

Examples of transportation methods, activities, accommodation and other services offered by the Icelandic inbound travel agencies are listed below to show examples of the possibilities for travellers.

- Transportation: bicycles, horses, buses, quad bikes, helicopters, snowmobiles, super jeeps, boats and rental cars.
- Accommodation: hotels, summerhouses, farms, huts, guesthouses, apartments.

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[1] SAF´s website: http://saf.is/saf/is/adild/felagar/

- Activities: snorkelling, fishing, hunting, diving, caving, surfing, dog sledding, skiing, canoeing, river rafting and more.
- Sights: northern lights, wildlife, waterfalls, geysers, geothermal hot springs, Blue Lagoon, glaciers, volcanoes etc.

This list is by no means exhaustive and is only there to give the reader an idea of what the travel agencies have to offer. The tours and trips last from one day to over a week and are either package tours or customized whichever is preferred.

5.2. Instrument: The eMICA

The researcher chose the eMICA model for the evaluation of Icelandic travel agencies´ websites for several reasons. First of all it is a convenient model for an outsider to evaluate the websites of companies. There is no need for permission or further information for the evaluation process as it is solely based on what is visible on the websites and the equipment needed is a computer and Internet connection. This type of assessment can be carried out at any time of the year, month, week or even day and is therefore also good for carrying out regular evaluations which show the change between periods.

This model enables the researcher to compare companies within a specific sector or industry which is important for several reasons. The importance of the comparison is to show the overall development of companies in a specific sector, e.g. travel agencies. The results can also be compared to future evaluations in the same sector or for a new sector to investigate if differences exist between sectors.

The model has been modified, tested and used in the tourism industry before in Australia, New Zealands, Asia Pacific and China before but never in Iceland. This will be the first time it is used, as far as the researcher knows and therefore it will be interesting to see if it fits as well within the Icelandic environment. Interestingly the model has mostly been used for other countries that are islands like Iceland but the effects of that fact are unlikely to be important. Internet commerce has been gaining popularity during the last decade in Iceland just like in the previously mentioned countries and therefore research concerning the use of information communication technologies in tourism is important and much needed.

The extended model of Internet commerce adoption has been explained and described in great detail in chapter 4.2. The use of it for the website evaluation analysis for companies grouped as travel agencies by SAF follows the example of previous

research (Burgess et al., 2011; Doolin et al., 2002; Lin et al., 2009). However, the adapted functionality key from the research by Lin et al (2009) is used because of a better fit for travel agencies vs. the original one which is very much adapted for RTO´s. Like stated before, the differences do not influence the results or the flow of the development stages. Table 3 points out the differences of the functionality keys.

Table 3 Functionality Keys of the eMICA

	Original Functionality Key of the eMICA	Adapted Functionality Key of the eMICA
1.	E-mail contact details	Contact detail
2.	Images	Images
3.	Description of **regional tourism features**	Description of the **travel agency**
4.	Systematic links to further information	Systematic links to further information
5.	Multiple value-added features (key facts, maps, itineraries, distances, news, photo gallery)	**Product catalogues**
6.	**Lists of accommodation, attractions, activities, events with contact details and/or links**	Multiple value-added features (key facts, maps, location, news, photo gallery, promotion)
7.	Web-based inquiry or order form	Interactive value-added features (currency converters, interactive maps, downloadable materials, special offers, member´s privileges, guest books)
8.	Interactive value-added features (currency converters, electronic postcards, interactive maps, downloadable materials, special offers, guest books, web cam)	Online customer support (FAQs, site map, site-search engine)
9.	Online customer support (FAQs, site map, site search engine)	Searchable databases for tour routes under different inquiry condition
10.	Searchable databases for accommodation, attractions, activities, dining, shopping, events	Online bookings
11.	Online bookings for accommodation, tours, travel	Advanced value-added features (order form inquiry, multi-language support, member lands, multimedia, chat rooms and discussion forums)

12.	Advanced value-added features (multi-language support, multimedia, e-mail updates	Secure online payment
13.	Non-secure online payment	**Services after payment**
14.	Secure online payment	

Functions at stage 1 have the same numbers for both versions. That is, function 1 belongs to stage 1, layer 1 and functions 2 and 3 belong to stage 1 layer 2. For stage 2 matters become a bit complicated where some functions have switched orders. For the original version functions 4-7 belong to layer 1, functions 8-10 belong to layer 2 and functions 11-13 belong to layer 3. For the adopted version functions 4-6 belong to layer 1, functions 7-9 belong to layer 2 and 10-11 belong to layer 3. Even though the numbers are moving the functions still belong to the same stage and layers and the original flow of development still exists. Function 14 of the original version and functions 12 and 13 of the adapted version all belong to the last stage.

The adapted version has a more modern approach and has omitted the "non-secure online transaction" function and added the "services after payment" function, which both belong to the processing stage or stage 3. Appendix B lists the description of each function like the researcher has interpreted them.

5.3. Procedure

The website evaluation can be classified as an observational method. It is the only method available for gathering certain types of data, such as records. Strengths of this method are that the collection of data is not dependent on reports by others, it overcomes many deficiencies that occur when questioning and information that might be ignored can be secured. The limitations are that it is often a slow and costly process and the most reliable results are restricted to information that can be learned by surface indicators (Blumberg, Cooper, & Schindler, 2005, pp. 283–284). These limitations do not affect the evaluation greatly as the data are records from the websites and do not need to demonstrate any intentions, attitudes or values. The observation is simply done to describe the current situation and is a snapshot of the point in time when it is conducted.

The member list from SAF´s website of the travel agency names and a link to their websites was used to connect to the aforementioned websites. All the websites

were opened with Google Chrome browser, on the same laptop with an Internet connection during the time period of November 17th-19th. First step was to follow the link given on SAF´s list to each company website and verify if the company was offering inbound travelling services or not. If it was offering outbound travel the website was not analysed. Second step was to follow the functionality key and check for the features of the functions. An excel spreadsheet with the functionality key horizontally and company names vertically was used to collect and manage the data.

Analysing each company website took on average 15-20 minutes depending on the level of complexity. First companies took approximately 30 minutes to analyse, verifying that each function was looked for and noted. After having analysed around 20 companies less time was needed as it was easier to spot out quickly which functions were available and which were not. While analysing each website the researcher got quite well acquainted with them and it was surprising to see the variety of tours and services that are offered on the Icelandic market. Everything from individual customized day tour to group planned week tours exist. Travellers can choose from many different activities and transportation to experience the Icelandic nature. Even surfing in the Atlantic Ocean or scuba diving between the tectonic plates of America and Europe is among the activities offered by some travel agencies.

This analysis was conducted by the researcher only because it is an objective evaluation, the functions either exist on the websites or not and with a thorough search through every page of each website it was possible to determine the existence. After analysing each website a proper level and stage were assigned to the company websites according to the eMICA.

5.4.   Results

The travel agencies that organize trips abroad were excluded from the list as they are not to the interest of this research. They counted six in total. Other travel agencies that were excluded were those that did not operate a web site, they counted six as well and some others were listed twice for some odd reason, once with their English name and once with their Icelandic name. This was the case with eight travel agencies. Of the 72 company names from the original list, the remaining totalled 52 which websites were analysed.

It is necessary to note that many of the websites analysed were very well organized and could easily be searched through and easy to spot out the information

wanted. Others were not so organized and at times very complicated or confusing. A few websites had a note implicating that parts of the website were still in progress that is, it was new and new information would be set up as soon as it was ready. One website with this kind of notification had obviously been at this stage for a rather long time, to say the least. Really fancy design and unreadable texts characterized one website in particular and without any interactive functions it did not get it very far in the analysis.

The 52 websites that remained from the original list were at all different levels of the development process of the eMICA model. Table 4 shows the results of the evaluation of the Icelandic travel agencies´ websites. All of them had passed the first layer of stage 1 and only three travel agencies were at stage 1 level 2 providing only contact details, images and a description of the company.

The majority of the travel agencies´ websites were developed to stage 2, or 87%. However the level of functionality and sophistication varied greatly across the three levels comprising this second stage of development. 29 companies were at layer 1 in stage 2, the highest percentage or 56%. The difference between this stage and the stage below is that websites now provide systematic links, product catalogues and multiple even some value-added features. 18 of the 29 companies provided all functions, two only provided function 4 with systematic links but the rest provided functions 4 and 6. Function 5 with product catalogues was omitted on nine websites.

Table 4 Results of the website evaluation

Stage of eMICA	Number of sites	% of total sites
Stage 1- Layer 1	0	0%
Stage 1 – Layer 2	3	6%
Stage 2 – Layer 1	29	56%
Stage 2 – Layer 2	14	27%
Stage 2 – Layer 3	2	4%
Stage 3	4	8%
Total	52	100%

The second biggest group is at layer 2 of stage 2, 14 companies or 27%. At this level companies are offering even more value to the customers with interactive features such as currency converters, interactive maps, downloadable materials, special offers, member´s privileges and/or a guestbook. These websites also include a site map of their website, web search within it or FAQs (frequently asked questions). The last function at this level is the searchable databases, where customers can customize their search for

tours according to their preferred dates, type of tour or price. All websites at this stage included function 7, eight websites included function 8 and the last website included function 9 but not 8.

Only two websites were at layer 3 at stage 2. Both of them had added the online booking function but neither had any advanced value-added features such as the multi-language support, multimedia such as video, sound and social media features, the possibility of signing up for the company´s newsletter, chat rooms and/or discussion forum. The last development stage of eMICA is the stage of processing. Four websites or 8% of the travel agencies´ websites were at stage 3 including the functions secure online payment and the services after payment.

When assigning the appropriate stage and level the websites had to possess the given function of each layer in the order of the development stages. Most websites followed the development, beginning with simple features and evolving to more complex and interactive functions. Others did not, possessing features at different layers, skipping some in the development process and rushing into other more advanced ones.

Table 5 shows which stages and layers the websites included if the order of the functions was not taken into consideration. As in the normal assignment of stages a website could be considered at a stage with only one function of that particular stage so in table 5 each website was assigned a stage and layer if it included at least one of its functions. With this process 23 websites displayed all stages of development of the eMICA. Seven websites reveal all stages as far as stage 2 layer 3, five all stages as far as stage 2 layer 2 and two all stages as far as stage 2 layer 1. One website reveals both layers at stage 1. Ten websites reveal stages out of regular order. Nine of those 10 websites skip one layer which was layer 2 at stage 2 and one skips two layers – layers 2 and 3 at stage 2.

Table 5 Results of the website evaluation ignoring the order of functions

	Stage 1 layer 1	Stage 1 layer 2	Stage 2 layer 1	Stage 2 layer 2	Stage 2 layer 3	Stage3
1	■	■	■	□	■	□
2	■	■	■	■	■	□
3	■	■	■	□	□	□
4	■	■	■	□	□	□
5	■	■	■	■	□	□
6	■	■	■	■	■	□
7	■	■	■	■	■	■
8	■	■	■	■	■	■
9	■	■	■	■	■	■
10	■	■	■	□	■	■
11	■	■	■	□	■	■
12	■	■	■	■	■	■
13	■	■	■	□	■	□
14	■	■	■	□	■	■
15	■	■	■	■	□	□
16	■	■	■	■	□	□
17	■	■	■	□	■	□
18	■	■	■	□	□	□
19	■	■	■	■	■	■
20	■	■	■	■	■	□
21	■	■	■	□	■	□
22	■	■	■	■	■	■
23	■	■	■	■	■	■
24	■	■	■	■	■	■
25	■	■	■	■	■	■
26	■	■	■	■	■	■
27	■	■	■	■	■	■
28	■	■	■	■	■	■
29	■	■	■	■	■	■
30	■	■	■	■	■	□
31	■	■	■	■	□	□
32	■	■	■	■	□	□
33	■	■	■	■	■	□
34	■	■	■	■	■	■
35	■	■	■	■	■	■
36	■	■	■	■	■	■
37	■	■	■	□	■	■
38	■	■	■	■	■	■
39	■	■	■	■	■	■
40	■	■	■	□	■	□
41	■	■	■	■	■	□
42	■	■	■	□	□	■
43	■	■	■	■	■	■
44	■	■	■	■	■	■
45	■	■	□	□	□	□
46	■	■	■	■	■	■
47	■	■	■	■	■	■
48	■	■	■	□	□	□
49	■	■	■	■	■	■
50	■	■	■	■	□	□
51	■	■	■	■	□	□
52	■	■	■	□	□	□

Table 5 The 52 websites assigned with stages and layers ignoring the order of functions. They grey colour shows which layers and stages the websites possess.

5.5.   Discussion

The results of the website evaluation research have brought in to light the current development stages of the travel agencies´ websites. The majority, or 56%, of the websites were at stage 2 layer 1 and 27% were at stage 2 layer 2. Three websites were at stage 1, layer 2. Interpretations of these results disclose that travel agencies have not adopted the many possibilities of the Internet and e-commerce. One would think that 12 years after the initial research most companies in the tourism industry, especially travel agencies, should be developed to the latter stages of the eMICA. The hypothesis of stage 2 layer 2 being the most frequent stage and that all websites had developed to higher stages than the first one can therefore not be supported

Table 6 shows the results of the current research and previous studies for comparison. From the longitudinal study of Australian RTO´s the authors noted that the development between stages 2 and 3 happened at a much slower rate than evidenced from stage 1 to 2 which they explain as a barrier between stages. Businesses perceive the barrier between stages 2 and 3 to be much harder than the previous one. This could be the reason for such a low ratio of Icelandic travel agencies at stage 3. The functions needed to pass to reach stage 3 are more complicated than functions at lower layers and some outside help is possibly needed to set up the whole secure online payment feature.

The results show that the Icelandic travel agencies are a step behind the Chinese travel agencies in the sense that a higher percentage of the Chinese are at the higher layers of stage 2 but more of the Icelandic have developed to the last stage. The reasons are unknown but the technical environment for these companies might be very different in these two countries, the adaptability of the travel agencies to e-commerce not the same or the model does not quite tell the whole story.

Table 6 Comparison of research using the eMICA

	Australain RTO´s 2000	Australian RTO´s 2002	New Zealand RTO´s 2002	Asia Pacific RTO´s 2002	Australian RTO´s 2004	Australian RTO´s 2008	Chinese Travel Agencies 2009	Icel. Travel Agencies 2012
Stage 1 layer 1	4,1%	1,9%	0%	0%	0%	0%	0%	0%
Stage 1 layer 2	4,1%	1,3%	3,8%	0%	0%	0,8%	6,7%	6%
Stage 2 layer 1	36,3%	44,9%	30,8%	21%	2,6%	3,2%	23,3%	56%
Stage 2 layer 2	39,7%	38,6%	46,2%	47%	30,8%	5,6%	50%	27%
Stage 2 layer 3	15,1%	11,4%	15,4%	32%	57,9%	66,4%	20%	4%
Stage 3	0,7%	1,9%	3,8%	0%	8,7%	24%	0%	8%

When comparing the results from the original evaluation and the evaluation of stages when functions were included in the irregular order one can see that the websites do not necessarily follow the development stages of the eMICA and actually contain functions from different stages. Figure 4 shows the comparison of the percentage of websites that offered functions at each stage in the order (A) and the irregular order (B). These results show that websites did include functions at higher levels without following the order of functions of the eMICA.

Figure 4 Sum of websites that included functions at each stage in the eMICA in regular order (A) and irregular order (B).
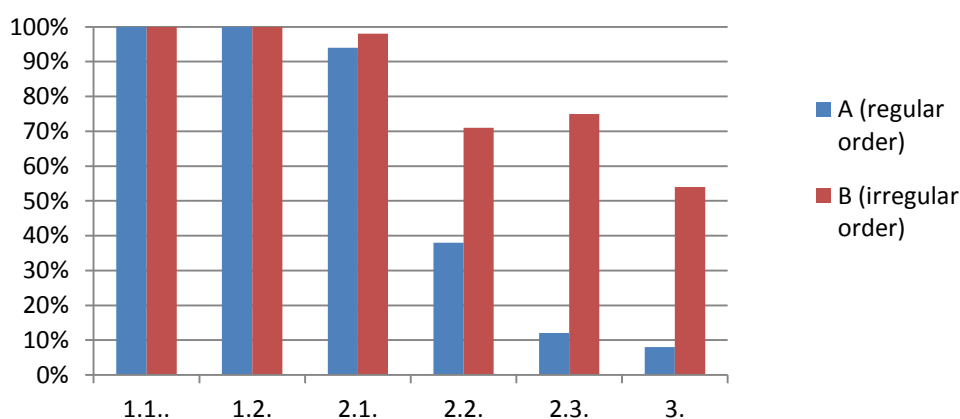
More than 50% of the websites actually had functions at stage 3 and more than 70% of the websites had functions at stage 2 layer 3. The Icelandic travel agencies have developed their websites in a different manner than the creators of the model put it. A reason why not more websites are at stage 3 is that a big number of the travel agencies are offering personalised tours where the travellers can customise the trips to their needs so hardly any trip is like another and therefore the secure online payment feature is excluded.

Travel agencies should consider the features that they are skipping as these features can improve the experience the travellers have on their websites and also improve the total process of buying their services. If important features are left out, other websites could be more feasible and the competition will lure potential customers.

The eMICA model has proved to be a "misfit" for evaluating Icelandic travel agencies websites at least if it is used in the conventional way. It is good for checking which features have been missed and might need to be added to serve travellers better. It is also good for new travel agencies that are entering the market to follow and round up which features should be considered. But as the results have shown, the Icelandic travel agency websites do not follow the stages and layers entirely.

The model is also starting to be a little outdated as new features for websites are gaining popularity. There is no particular function mentioning the use of social networks which companies in practically all industries use. The social media supplements company websites today in their marketing campaigns as well as in customer relationship management. Another new feature that businesses need to consider today is the use of the mobile for accessing the Internet. Websites need to be built up the right way to support mobile access and other features such as apps and ads.

This research has evaluated the development stages of travel agency websites and the secondary research in the following chapter was designed to get feedback from the actual companies and their marketing directors or webmasters to gain an insight into their e-marketing strategy. That way the external evaluation and the internal insight can be looked at together to present the current situation in e-marketing by Icelandic travel agencies.

6. Secondary research: Survey

To analyse if objectives of the websites are set and if any measures are used to break down the effectiveness of the website concerning the objectives, another research was needed. The purpose is to get an insight into the structure of the online marketing of the companies and investigate which objectives exist, if metrics are used and how the websites are promoted.

6.1. Travel agencies

The same sample was used for the survey as for the website evaluation to be able to connect the two research together. The e-mail addresses of the companies were listed just like the website links on the members list of SAF but to verify them the contact details from the websites were used. The same e-mail was sent out each company and asked specifically for answers from the marketing manager, webmaster or other person responsible for the online marketing operations.

6.2. Instrument: survey

For this part of the research an exploratory research method was chosen to clarify and define the nature of the problem at hand that is, gaining knowledge about the e-marketing strategy by travel agencies in Iceland. The qualitative data provided with this type of research method provides a greater understanding of how the companies view and assess their online marketing operations. The particular category of the exploratory research chosen for this problem was experience surveys were knowledgeable individuals are surveyed (Zikmund, 2000, p. 106).

The survey method was chosen because of its advantages of being low cost and convenient for both parties and with other methods the data sought after could not be acquired. The survey was sent out via the Internet in e-mail. Each e-mail started with an introductory letter to introduce the researcher, the research and the reason for it. The participants were asked to take part and they were informed that no data was asked for, only the methods that they were using and that the research would be completely anonymous. The survey questions were attached in a word document. Both the introductory letter and the survey questions were written in Icelandic because the researcher and participants are all Icelandic. The introductory letter can be found in Appendix C.

6.2.1. Questions

The questions were all written by the researcher and are unstructured or open-ended to provide a frame of reference for participants´ answers but not limit the responses. The questions were written with the 5 S´s in mind, as the objectives of websites, and follow up questions covered the metrics used to measure the success of each of those objectives.

1. Was the website built up with web analytics in mind?
2. What are the main objectives of the website?
3. How do you measure the effectiveness of the objectives of the websites?
4. Which web analytics tools, if any, are used to monitor the website and its use?
5. Which online or offline techniques are used to promote and build up traffic on the website?

The first question was asked to find out if web analytics were kept in mind from the beginning of the development and formation of the website. It is a very strategic move to examine the setting in which the website will be built in, the customers and their habits and behaviour. With that information it is possible to build up a website that serves the target market and the company´s goals.

The second question is about the objectives of the website. That question endeavours to get an answer that relates to the five S´s that is, are the objectives related to any of the five categories of selling, serving, speaking, saving or sizzling. This question tells us if any objectives have been set for the website to reach and how the website is used and for what purposes. The third question asks about how the effectiveness of the objectives from question two is measured. There are many different metrics available and many different ones can be used for the same thing and companies should be able to find the one metric that suits the right purpose. One thing is using metrics to measure, another is choosing the right one. This question also brings to attention if anything is measured or metrics used at all.

The fourth question covers if and which web analytical tools are used to analyse the website. Hundreds of tools exist and many of them are even free. This question will reveal the most common tools used by travel agencies. The last question asks about the techniques used to build up traffic on the websites whether they are online or offline. It is interesting to see which techniques are most popular and if any of them seem to be more effective than others.

6.3.   Procedure

6.3.1.   Pretesting

The pretesting of the survey was done by contacting 11 companies and asking for an interview. Two companies agreed on an interview and a meeting was scheduled. Participant A was met on Tuesday morning at 10 o´clock on the 27th of November, 2012 at the company office in the capital area. The interviewee was the founder, owner and director of the company. Participant B is a travel agency located in the capital area and a meeting was arranged on Wednesday 28th of November 2012 at 10 o´clock with a staff member mainly responsible for marketing activities.

The duration of the interviews was set to 40-60 minutes, enough time to review all the questions as well as getting deeper into specific subjects that the interviewees wanted to explain or discuss further. Each interview was started out with a little introduction on the subject of the thesis, the previous research on the websites as well as this part. Then the questions were asked and answered, at times with slight detours and at last interviewees were thanked once again for taking their time and agreeing to be part of the research. Answers, comments and other notes were typed on a laptop computer during each interview in a word document. Interviews were conducted in Icelandic as both researcher and interviewees were Icelandic in all cases.

The pre-testing came out very positive. Interviewees were very interested in the research and opened up to the researcher about the topics in the questions. They were not at all reluctant to answer the questions and even gave information about specific results that were measured. The terms used in the questions did not need further explanation. The research design proved to work out well and was therefore not changed.

6.3.2.   E-mail survey and coding

The e-mail survey was sent out to all companies on the 11th of December 2012 and a week was given to receive answers. On the 18th of December nine of the 52 travel agencies had responded to the e-mail survey and the two pre-test participants were also included for the result section.

Of these eleven respondents three were at stage 3, one was at stage 2 layer 3, four were at stage 2 layer 2 and three were at stage 2 layer 1. Each travel agency was randomly assigned a letter from A to K for anonymity. All answers were collected and saved in word documents and then coded according to categories in each question and

grouped for interpretation. The results chapter presents the answers question by question and the discussion chapter interprets the findings.

6.4. Results

The answers to question one "was the website built up with web analytics in mind?" were mainly yes and no answers, with seven respondents answering positively. Some websites were not originally built with web analytics in mind as that is a fairly new process but have been changed and modified towards using web analytics. Respondent D answered that all pages are coded to make it possible to view the traffic on each one. This code is connected with the Google Analytics system which then makes it possible to do all kinds of web analytics. Some of the respondents that do build up their websites with web analytics in mind do modifications on a regular basis and respondents C and G said that they monitor the results daily which help them make important decisions e.g. regarding the infrastructure of the website, the line-up of material and product supply.

The main objectives of the websites were in line with the 5 S´s presented in chapter 3.1. All respondents listed more than one objective and all mentioned selling the services that the travel agencies offer. More than one mentioned that it was important that it was easy for the customers to complete the purchase online and that the customer should have all the information that he needed on the website. This connects to the objective of serving which six travel agencies mentioned. It is important that the information is presented clearly and is accessible and answers the questions that customers have. Respondent D mentioned their value-added feature which makes it possible for customers to gather what they are interested in one place and review it later to compare and make final decisions.

Speaking is the second most mentioned objective by the respondents which were 10. They point out that their websites have the role of introducing to the customers what the company has to offer and as well what Iceland has to offer. The website is often the first point of contact from the customer to the company and therefore it needs to spark an interest and "reflect the uniqueness of the products and services" as respondent C puts it. Only four travel agencies mentioned anything that could be considered as sizzling where building trust was mentioned by all. They think it is important to show that the company is trustworthy so that the customers feel safe in doing business with them. Respondent B mentioned the use of a particular colour for this purpose.

Only respondents A and B mentioned anything relating to the savings that the websites attain. The savings are in terms of time, money and people. By making customers fill out forms when services are bought online they provide the travel agency instantly with everything that is needed without the travel agency having to spend a dime on employee´s time or effort.

The effectiveness of the objectives mentioned above is measured differently by the companies. Three of the travel agencies stated that they do not measure the effectiveness at all. Six companies mention that they look at visits and two of them also mention that demographics are of interest. Two travel agencies are interested in bounce rate and three look into conversion rate. Respondent C looks at the conversion of booking and respondent D the conversion of inquiries.

Two travel agencies look into which pages are landing pages from other canals and which pages are most popular. Respondent C mentions the assessment of SEO by looking at the visits from the organic results of Google. Two respondents look at the number of online sales vs. visits and finally two other respondents mention the use of data from their offline booking systems. One respondent is very vague and states that minimum statistics from the web host is used but not what kind of data.

Question four regarding the use of web analytical tools revealed that all but one was using at least one tool, namely Google Analytics. It is apparently the most popular tool and other tools offered by Google were also evidenced such as Google Alerts. Other tools that were mentioned, each only once were Hub spot´s marketing grader, crazyegg, iBusiness Promoter, JoomlaStats and UserTesting.

All online techniques used to gain website traffic were mentioned by the respondents. Search engine marketing is used by seven travel agencies where both search engine optimization and search engine ads are used to gain the attention of web searchers. Only two respondents mention the use of link building, one respondent mentioned paid banner ads and two respondents use direct e-mail in the form of a newsletter to subscribers. Respondent A said they use to have a newsletter but that it was very time consuming and they needed a special person for that and other things such as blogging so they stopped it.

Social media is a very popular method to gain appearance and direct the audience to the websites. Many different types were mentioned such as Facebook, Twitter, Tripadvisor, Pinterest, Instagram, Vimeo, Tumblr, Youtube and Linkedin. The

social media is cheap and easy to reach big audiences and respondent E said they´ve tried to use all the social media they could think of.

Of the offline techniques only one used printed advertisements and the same one was the only one mentioning some kind of PR. Another respondent was the only one mentioning word of mouth and referred to it as both the usual and the online word of mouth. This method, although not completely controllable is one of the things that customers comment when asked where they heard of the company or why they chose it. Four travel agencies stated that they put their website link on all marketing material and printed material such as brochures and business cards.

6.5. Discussion

First of all the travel agencies surveyed were all already using a lot of the online marketing techniques to their benefits and have built up an experience for their field, the tourism. The websites are constantly being changed in regards of SEO and customer usability as well as for web analytics. Some of the websites have been operating for quite some time and were therefore not particularly built up with web analytics in mind but have been adjusted for that purpose. A lot has changed since the launch of some of the websites in terms of how the search engines work as well as in terms of interactivity and the websites have therefore been adapted to these changes.

The two main objectives of the company websites are selling and serving. There does not seem to be much emphasis on branding or building customer relationships, at least it cannot be interpreted from the information at hand. Saving is only mentioned by two respondents, actually the two that were interviewed where further questioning was possible. Whether or not the other companies are unaware of the savings that the online presence brings to their business or if they consider it as obvious and therefore not applicable as an objective has to be left unsaid. The majority of respondents is only using online traffic building techniques and have maybe either quit using offline techniques because of costs or are new and do not see any benefits in using such traditional methods.

All respondents are using some kind of analytical tools where Google Analytics is most common. Whether or not that is because it is free or because of the best fit for the purpose of doing web analytics is unknown. Google is of course the most popular search engine and therefore the Google Analytics tool is the most convenient. It appears that the tool is used for the most common metrics such as visits, page views, bounce

rate, conversion rate and other factors such as demographics. Thus, they are still at the toddler stage as defined by Avinash Kaushik (chapter 3.3.). The travel agencies are using metrics that are maybe good to know, but do they really measure the success of the objectives that they are focusing on? With most travel agencies mentioning selling as an objective those metrics do not really bring valuable and straightforward data that the business can interpret that it is doing better or change their actions towards better results. None of them have reached the "rockin teen" or "adult" stage where other metrics, often referred to as KPI´s, are used with the focus on outcomes such as revenue and having a business impact. These metrics do in fact lead the user into an action to do something to improve the previous results and for a reason.

The objective of this survey was to find out how much thought is given into the use of websites in the e-marketing strategy and how and if the travel agencies measure their efforts and success in any way. These questions have been answered and the next chapter combines the results of the two researches together to put down conclusions and recommendations.

7. Summary

7.1. Conclusions

The research reported here has given an insight into the online marketing practices of travel agencies in Iceland. The key research of the travel agency websites is a snapshot of the current status of the websites as of November 2012 and the survey was an observation into the use of online marketing practices and metrics of the same travel agencies. The main findings are that while the travel agencies have adopted many features of the functions at the layers of the eMICA they have not done it in the order of development that the eMICA sets them forth. Thus the model is not a good method for the evaluation of the websites. While the main objective of most of the websites is selling and serving the metrics used to measure the success of them are considered to be too simple. All of the travel agencies except for one are using Google Analytics which generates an immense quantity of data but it is a matter of avoiding data overload and focusing on the actionable data to be successfull. More than half of the websites include one of the functions at stage 3 of the eMICA, that is secure online payment and services after payment and the main objective like stated before is selling.

The findings of this research illustrate the current situation of the Icelandic travel agencies in online marketing, what skills and knowledge they have acquired and adopted and how far they have come in applying them in their practices. The findings are also meaningful for every single travel agency to see where they are compared to others in the sector, for the Icelandic Tourist Board and the Icelandic Travel Industry Association as a wrap-up and a snapshot at this point in time and for academia to view the use of the eMICA (extended model of Internet commerce adoption) and the fit of it for this particular sample. The findings of this research may be used by the respective audience as a base for further research or further learning in e-marketing related topics.

7.2. Recommendations and areas for future research

The same research can be applied to other businesses in the tourism industry such as airlines, hotels or car rentals which are already using the Internet for the same purposes as travel agencies to see if they follow the development stages of the model and to see if the model fits them better in any way.

After the website analysis was done and interviews had been conducted it came out that three companies were just preparing the launch of new websites. One of them was the one at stage one in the analysis and the other two at stage three but doing some reconstruction of the current websites. There seems to be a lot of interesting and new things going on for companies in this industry and maybe now is the time to do changes, before the new year starts. Therefore a periodic analysis of these websites would be an interesting research topic to watch how fast the development of websites in this field happens and see if at a later time the model seems more appropriate.

The survey with the open question format can be changed into a questionnaire format with multiple choice questions to add some more statistical analysis. With that format a more extensive and detailed research on the use of web metrics could be transferred onto the travel agencies sector as a whole which would give a more descriptive profile and more findings.

Another interesting research topic is how companies in the tourism industry are countering the growing use of mobiles as a device to connect and search for information online and the growing use of apps.

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Appendix A: List of SAF´s Travel Agencies

Name	Location	Website
AdventureBox	Kópavogur	www.adventurebox.is
Arctic Aurora ehf	Kópavogur	
Atlantik	Reykjavík	www.atlantik.is
Auroratours ehf	Reykjavík	www.auroratours.is
Austurför ehf.	Egilsstaðir	www.austurfor.is
Congress Reykjavík	Reykjavík	www.congress.is
DIVE.IS	Reykjavík	www.dive.is
ESKIMOS	Reykjavík	www.eskimo.is
Extreme Iceland	Reykjavík	www.extremeiceland.is
Farvegur ehf.	Reykjavík	
Ferðaþjónusta Iceland Express	Reykjavík	www.icelandexpress.is
Ferðakompaníið ehf.	Reykjavík	
Ferðaskrifstofa Akureyrar	Akureyri	www.aktravel.is
Ferðaskrifstofa Austurlands	Egilsstaðir	www.fatravel.is
Ferðaskrifstofa Guðmundur Jónassonar h.f.	Reykjavík	www.gjtravel.is
Ferðaskrifstofa Harðar Erlingssonar ehf/Erlingsson Naturreisen	Reykjavík	www.naturreisen.is
Ferðaskrifstofa Íslands	Reykjavík	www.uu.is
S.B.K.	Keflavík	www.sbk.is
Ferðaskrifstofan Nonni travel	Akureyri	www.nonnitravel.is
Ferðaþjónusta bænda hf	Reykjavík	www.sveit.is
Ferðaþjónustan Álfheimar	Borgarfjörður eystri	www.elftours.is
Fjallabak ehf.	Reykjavík	www.fjallabak.is
Fjallamenn/ Skálpi ehf	Reykjavík	www.mountaineers.is
Gestamóttakana	Reykjavík	www.yourhost.is
Go Travel Iceland	Reykjavík	www.gotraveliceland.is
GoNorth ehf	Hafnarfjörður	www.GoNorth.is
GTI Gateway to Iceland	Reykjavík	www.gti.is
Happy Days ehf	Reykjavík	www.happydays.is

Hjólafélagði ehf	Kópavogur	www.bikecompany.is
I.A.T. Iceland Angling Travel	Reykjavík	www.icelandangling.com
Iceland Encounter ehf.	Reykjavík	www.encounter.is
Iceland Excursions – Gray Line Iceland	Reykjavík	www.grayline.is
Iceland Explorer /Íslandsvinir	Hafnarfjörður	www.explorer.is
Iceland ProTravel Island ehf.	Reykjavík	www.icelandprotravel.is
Iceland Total	Reykjavík	www.icelandtotal.com
Iceland Travel	Reykjavík	www.icelandtravel.is
Iceland Travel Assistance	Reykjavík	www.ita.is
Icelandic Farm Holidays	Reykjavík	www.farmholidays.is
Icelandic Mountain Guides	Reykjavík	www.mountainguide.is
Ísafold Travel	Garðabær	www.isafoldtravel.is
Island ProTravel Ísland ehf	Reykjavík	www.islandprotravel.is
Islandia 360 ehf	Reykjavík	www.islandia360.com
Íslandsfundir ehf	Garðabær	www.meetingiceland.com
Íslandsmót ehf	Reykjavík	www.islandsmot.is
Íslenskir fjallaleiðsögumenn ehf	Reykjavík	www.mountainguide.is
ÍT ferðir	Reykjavík	www.itferdir.is / www.ittravel.is
KATLA DMI	Reykjavík	
Kilroy Iceland ehf.	Reykjavik	www.kilroy.is
Kynnisferðir – Reykjavík Excursions	Kópavogur	www.re.is
Nordic Travel / Smyril Line	Reykjavík	www.smyril-line.is
Nordic Visitor	Reykjavík	www.nordicvisitor.com
Norræna ferðaskrifstofan / Austfar	Seyðisfjörður	
Pink Iceland ehf	Reykjavík	www.pinkiceland.is
Plúsferðir	Reykjavík	www.plusferdir.is
Practical ehf	Reykjavík	www.practical.is
S.B.K.	Keflavík	www.sbk.is
Taxi no 17	Akureyri	www.taxi-no17.com
Terra Nova	Reykjavík	www.terranova.is
Touris	Reykjavík	www.tour.is

Trek – ferðir ehf	Reykjavík	www.trek.is
Ultima Thule	Reykjavík	www.ute.is
Vatnajökull Travel	Höfn í Hornafirði	
Vesturferðir	Ísafjörður	www.vesturferdir.is
Vesturheimur s.f.	Kópavogur	
Viator ehf	Reykjavík	www.viator.is
Viking tours	Vestmannaeyjar	www.vikingtours.is
Víkingaslóðir	Reykjavík	www.vikingaslodir.is

Appendix B: The eMICA functions in detail

Further instructions of the Levels of Functionality

1. Contact detail: Full name of company, address or e-mail address.

2. Images: logo of company, pictures of employees, the company or nature.

3. Description of the travel agency: when it was founded, who founded it, what kind of people work there, how it operates, what it has to offer.

4. Systematic links to further information: organization of the website, that is organized links that serve as headings of categories or links to other useful information regarding travelling in Iceland.

5. Product catalogues: a list of all products or services offered by the company and explication of prices, itinerary and so on.

6. Multiple value-added features (key facts, maps, location, news, photo gallery, promotion, testimonials): a company needed to have at least one of the aforementioned.

7. Interactive value-added features (currency converters, interactive maps, downloadable materials, special offers, member´s privileges, guest book): a company needed to have at least one of the aforementioned.

8. Online customer support (FAQs, site map, site-search engine): company needed to have at least one of the aforementioned.

9. Searchable databases for tour routes under different inquiry condition: this function was interpreted as a search engine for all products offered with drop down lists for type of tour, dates, prices or something else.

10. Online bookings: the possibility of booking a trip and other services offered completely online.

11. Advanced value-added features (order form inquiry, multi-language support, multimedia, e-mail updates, chat rooms, discussion forum): an online inquiry form from the website, multi-language as in more than two languages, multimedia such as videos, sounds, or a column showing what is happening on the company´s Facebook site, the possibility of signing up for a newsletter and getting the latest information about the company and its offerings, chat rooms or discussion forums. The company needed to have at least one of the aforementioned.

12. Secure online payment: the company had to have a secure and trusted means of online transactions, accepting credit cards of various types.

13. Services after payment: a refund clause or cancellation policy, the possibility of checking the validity of the service with the reservation number or having an account showing all previous purchases and information about payments and vouchers.

Appendix C: The survey introductory letter

Kæri viðtakandi

Ég heiti Droplaug Guttormsdóttir og er nemi í Mastersnámi í Alþjóðaviðskiptum við Háskólann í Reykjavík. Ég er að skrifa lokaritgerðina mína núna en hún fjallar um markaðssetningu á netinu hjá fyrirtækjum í ferðaþjónustu á Íslandi.

Ástæða þess að ég hef samband við fyrirtækið ykkar er sú að mig langaði að fá svör við fimm spurningum frá þeim aðila sem getur veitt mér innsýn í notkun heimasíðunnar í markaðsmálum. Þá er ég aðallega að skoða helstu markmið með henni og hvernig þau eru mæld. Ekki er óskað eftir neinum gögnum heldur þeim aðferðum sem eru notaðar. Spurningalistinn er í viðhengi.

Ef þið hefðuð áhuga á að veita mér innsýn inn í þessi mál yrði ég mjög þakklát. Að sjálfsögðu eru allar upplýsingar flokkaðar sem trúnaðarmál og ekki verður hægt að rekja svör til þátttakenda.

Kær kveðja, Droplaug Guttormsdóttir

English translation:

Dear receiver

My name is Droplaug Guttormsdóttir and I am a Master student in International Business at Reykjavík University. I am currently writing my master thesis about the use of websites in online marketing in the tourism industry in Iceland.

The reason for why I contact your business is that I would like to get answers to five questions from the person responsible for the use of the website in marketing. I´m especially looking into the objectives of the website and how they are measured. No data is needed from the company, only the methods and techniques that are used. The questions are in the attached document

If you are interested in giving me an insight into these matters I would be very thankful. Of course all information will be treated as confidential and the company will not be mentioned by name in the research.

Best regards, Droplaug Guttormsdóttir