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THE UNIVERSITY OF WALES**

AN EVALUATION OF THE WORLD WIDE WEB (WEB) AS A STRATEGIC MARKETING TOOL FOR THE EGYPTIAN HOTEL SECTOR

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ABSTRACT

An analysis of the literature on web marketing of hotel websites reveals the potential of the World Wide Web (the Web) to enable small hotels to compete with international chain hotels in the global marketplace. However, the literature also emphasizes the importance of branding in determining consumer choice. Thus the Web presents an inherent dilemma for small (independent and multiple independent) hotels unless they effectively utilize the unique characteristics of the Web to positively enhance their images in the mind of customer, i.e. to build their brands. However, little attention has been paid to how a website can be used to build a hotel brand – an issue which is critically important to the survival of small hotels and the focus of this thesis.

This constructionist study adopts a phenomenological perspective to evolve a model for the evaluation of small hotels websites in terms of their brand-building capacity and identifies 28 consumer-relevant features grouped into a pyramid of six considerations (accessibility; information; credibility; e-commerce; immediacy; customer relationship). Each feature is codified in terms of good, satisfactory and sub-optimal performance into an EXCEL spreadsheet set up to produce a radar plot for visual presentation of the results. From this, areas of weakness in website design can be determined and remedial action prioritized.

The thesis then examines a case study of small Egyptian hotels and their exploitation of the Web as a strategic marketing tool. This is achieved through evaluating Egyptian hotel websites and interviewing Egyptian hotel marketers and web designers. The results of the evaluation of the websites show that: most of these hotels websites performed 'satisfactory' and 'sub-optimal' on many of the evaluated website design features; they are not designed as part of an integrated marketing strategy and therefore the Egyptian small hotels in this study do not exploit the unique characteristics of the Web to best advantage and face a branding dilemma in the global marketplace.

The thesis concludes that there are considerable opportunities for enhancing the understanding of the potential of the Web to build the hotel brand and makes recommendations as to priorities for focus.

TABLE OF CONTENTS

Declaration	i
Acknowledgments	ii
Abstract	iii
Table of contents	iv
List of tables	viii
List of figures	ix
 CHAPTER ONE: INTRODUCTION	
1.1 Introduction	1
1.2 The research problem	2
1.3 Aim and objectives	6
1.4 The significance of research	7
1.5 Thesis outline	8
 CHAPTER TWO: THE WEB AND STRATEGIC MARKETING FOR HOTELS	
2.1 Introduction	11
2.2 Information technology and organizational transformation	12
2.2.1 Information technology	12
2.2.2 The evolution of business information technology	13
2.2.3 Alterating of industry structures	16
2.2.4 Spawning new businesses	17
2.2.5 Creating competitive advantage	18
2.3 The Internet phenomenon	20
2.3.1 What is the Internet?	20
2.3.2 The Internet explosion	21
2.3.3 User demographics	22
2.3.4 Why is the Internet so popular?	22
2.4 Hospitality marketing	23
2.4.2 Marketing	23
2.4.2 Hospitality marketing - differentiating characteristics	24
2.4.3 The hospitality marketing mix	25
2.4.4 Distributing hospitality products	27
2.5 Web marketing and electronic commerce	30
2.5.1 Characteristics of the Web as a marketing tool	30
2.5.2 Impact of the Web on the market place for hospitality products	38
2.5.3 Disintermediation and redefinition of the customer-hotel relationship	39
2.5.4 Distribution options for hospitality businesses	42
2.5.5 What is electronic commerce?	47
2.5.6 The business value of electronic commerce	48
2.5.7 The impact of electronic commerce on marketing	51
2.5.8 Obstacles to the diffusion of electronic commerce	52
2.6 Branding hospitality products	55
2.6.1 What is branding?	55
2.6.2 Branding hospitality products	59
2.7 Brand-building on the Web	63
2.7.1 Successful website design	63

2.7.2 Website evaluation techniques	66
2.7.3 Relevant hotel website evaluation studies	70
2.7.4 Website typologies	72
2.8 Summary	78
 CHAPTER THREE: RESEARCH APPROACH	
3.1 Introduction	80
3.2 Qualitative research	81
3.3 Thesis epistemology and theoretical perspective	84
3.3.1 Constructionism	85
3.3.2 Interpretivism	86
3.3.3 Phenomenology	87
3.4 Methodology justification	87
3.5 Phase one: Developing a diagnostic and analytical tool to evaluate the performance of hotel websites	90
3.5.1 Semi-structured interviews with web customers	90
3.5.2 On-line survey	92
3.6 Phase two: Case study - current exploitation of web marketing in the Egyptian hotel sector	95
3.6.1 Procedure: Collecting data	97
3.6.2 Sampling techniques and subjects	100
3.6.3 Designing interviews	101
3.7 Data Analysis	103
3.8 Validity, reliability and triangulation	105
3.9 Generalization of results	107
3.10 Summary	108
 CHAPTER FOUR: EVALUATING HOTEL WEBSITE DESIGN	
4.1 Introduction	109
4.2 Developing a model for the evaluation of a brand-building hotel website	110
4.2.1 The marketspace model	110
4.2.2 Translating the features into questions to facilitate the evaluation	116
4.2.3 Developing a consumer focus for the evaluation	121
4.2.4 User-relevant hotel website features	140
4.2.5 A hierarchy of website design considerations	149
4.2.5 Classifying user-relevant features in terms of sub-optimal, satisfactory and good performance	154
4.2.6 Visual representation of results – using radar plots	172
4.3 An evaluation of two exemplar websites	176
4.4 Summary	178
 CHAPTER FIVE: WEB MARKETING IN EGYPT - A CASE STUDY	
5.1 Introduction	180
5.2 The growth of the Egyptian information technology industry to underpin Internet development	181
5.3 Dot.eg: Internet development in Egypt	182
5.3.1 Egypt Internet connectivity	182
5.3.2 Internet users and user profiles	185
5.3.3 Egyptian websites	187
5.3.4 Challenges to Internet expansion in Egypt	188

5.3.5 Opportunities for Internet expansion in Egypt	189
5.3.6 Electronic commerce	190
5.4 The Egyptian tourism market	194
5.4.1 Tourism in Egypt	194
5.4.2 A diversified product	195
5.4.4 Trends in tourism development in Egypt	196
5.5 The Egyptian hotel market	199
5.5.1 Profile	199
5.5.2 Size	199
5.5.3 Grading system	200
5.5.4 International hotel chains domination	201
5.5.5 The Egyptian hotel market and the Web	202
5.6 Web marketing and the Egyptian hotel sector	202
5.7 The brand-building capacity of selected hotel websites	203
5.7.1 Evaluating hotel websites in terms of their brand-building capacity	203
5.7.2 Visual representation of the evaluation of multiple independent and independent Egyptian hotels websites	212
5.8 The brand-building dilemma for the multiple independent and independent Egyptian hotels	222
5.9 Results from interviewing Egyptian hotels web marketers	223
5.9.1 The role of the Web in hotel marketing and its relation to the Egyptian hotel market	223
5.9.2 Hotel marketers' motives to start a website and their on-line marketing experiences	228
5.9.3 Hotel marketers' opinions about their hotel Websites	230
5.9.4 The future of web marketing in Egypt	234
5.9.5 Summary	237
5.10 Results from interviewing Egyptian web designers	237
5.10.1 General experience and understanding of hotel web marketing	238
5.10.2 Successful hotel website design	240
5.10.3 Hotel web marketing strategies and brand loyalty	242
5.10.4 The future of web marketing in Egypt	245
5.10.5 Summary	246
5.11 Discussion	246
5.12 Summary	250
CHAPTER SIX: CONCLUSIONS	
6.1 Introduction	253
6.2 Major findings	253
6.3 Contribution to theory	257
6.4 Contribution to practice	259
6.5 Contribution to methodology	260
6.6 Limitations	262
6.7 Directions for further research	263
6.8 Final thoughts	265
REFERENCES	267
APPENDICES	
Appendix A	
Appendix A-1: Interview pattern with hotel web customers	288
Appendix A-1-1: Example an interview with hotel web customers	289
Appendix A-2: Copy of the on-line survey	298

Appendix A-3: The selected hotel websites sample	301
Appendix A-4: Example of hotel website evaluation	302
Appendix A-5: Interview pattern with Egyptian hotel marketers	309
Appendix A-6: Interview pattern with Egyptian hotel web designers	310
Appendix A-7: Designing the NUDIST*QSR project.	311
 Appendix B	
Appendix B-1: Dimensions of website evaluation	316
Appendix B-2: Website evaluation - testing the appropriateness of the developed model	317
 Appendix C	
Appendix C-1: Distribution of hotels in Egypt by governorate (1997-2001)	330
Appendix C-2: The change of the number of hotels in Egypt by governorate (1997-2001)	331

LIST OF TABLES

Table 2.1	Pertinent characteristics of the Web	30
Table 2.2	Traditional marketing versus web marketing	37
Table 2.3	Three levels of information richness of different web pages	77
Table 3.1	Different epistemological stances (perspectives)	83
Table 3.2	Phases of the research	89
Table 4.1	Identified hotel website design features	116
Table 4.2	Translating features into evaluative question	117
Table 4.3	Important hotel website features from the users point of view	135
Table 4.4	Number of respondents to the on-line survey	141
Table 4.5	User's reactions to the potential of hotel web marketing/ median and standard deviation	147
Table 4.6	Critically important and very important hotel web design features as ranked by web users	148
Table 4.7	Representation of the website design feature in the hierarchy	151
Table 4.8	Summary of performance for each of the website design considerations	169
Table 5.1	Strategies to transform the challenges of electronic commerce into opportunities	193
Table 5.2	Mean download times (seconds) for hotel types and destinations	204
Table 5.3	Median performance comparison of accessibility features	205
Table 5.4	Median performance comparison of information features	206
Table 5.5	Median performance comparison of credibility features	207
Table 5.6	Median performance comparison of immediacy features	208
Table 5.7	Median performance comparison of e-commerce features	210
Table 5.8	Median performance comparison of customer relationship features	211
Table 5.9	Evaluation of hotel websites features	213
Table 5.10	Median of the evaluated hotel websites features	220
Table 5.11	Comparison between weakly-branded and highly-branded websites	222

LIST OF FIGURES

Figure 2.1	The Internet vs. the Intranet	15
Figure 2.2	Traditional "one-to-many marketing communications model" for mass media	32
Figure 2.3	New "many-to-many marketing communications model" for the Web	33
Figure 2.4	Distribution options for hospitality businesses	46
Figure 2.5	Electronic commerce model	48
Figure 2.6	Sources of the business value of electronic commerce	49
Figure 2.7	Flow of information in a tourism website context	76
Figure 3.1	Epistemology, theoretical perspective, methodology and methods adapted for the research	84
Figure 3.2	Email invitation	94
Figure 3.3	Email reminder	94
Figure 3.4	Designing the project and the analysis of data using QSR-NU*DIST4	105
Figure 4.1	The marketspace model	112
Figure 4.2	The modified marketspace model	115
Figure 4.3	Hotel web browsing/booking scenario	134
Figure 4.4	Respondent gender	142
Figure 4.5	Age group	142
Figure 4.6	Access to the Web	143
Figure 4.7	Frequency of accessing the Web	143
Figure 4.8	What do you primarily use the Web for?	144
Figure 4.9	Would the Web be the first information source you would consult when looking for hotel information?	145
Figure 4.10	First source of information when looking for hotel information	145
Figure 4.11	How do users find out about hotel web pages/sites	146
Figure 4.12	Users reactions to the potential of hotel web marketing	147
Figure 4.13	Hierarchy of considerations: website features that support brand development	150
Figure 4.14	Screen shot of the MS-Excel spreadsheet	169
Figure 4.15	Screen shot of the radar plot depicting the evaluation of a website	174
Figure 4.16	Analyses of the two exemplar websites	175
Figure 4.17	Screen shot of the front page of Marriott.com	177
Figure 4.18	Screen shot of the front page of Maadi.com	178
Figure 5.1	Internet gateways in Egypt	184
Figure 5.2	The Internet universe in Egypt	184
Figure 5.3	Major areas of tourism development in Egypt	198
Figure 5.4	www.helnan.com	214
Figure 5.5	www.oberoihotels.com	214
Figure 5.6	www.accor.com	215
Figure 5.7	www.sheraton.com	215
Figure 5.8	www.allofegypt.com/pickalbatros/	216
Figure 5.9	www.flamenco.com.eg	216
Figure 5.10	www.shamshotels.com	217
Figure 5.11	www.golden5.com	217
Figure 5.12	www.plazaegypt.com	218

Figure 5.13	www.maadi.com/cairotel/caitotel.htm	218
Figure 5.14	www.sangiovanni.com/salamlek	219
Figure 5.15	www.sangiovanni.com/san	219
Figure 5.16	Comparing websites brand-building capacity among three categories of hotel websites	221

CHAPTER ONE

INTRODUCTION

1.1	INTRODUCTION	1
1.2	THE RESEARCH PROBLEM	2
1.3	AIM AND OBJECTIVES	6
1.4	THE SIGNIFICANCE OF RESEARCH	7
1.5	THESIS OUTLINE	8

CHAPTER ONE: INTRODUCTION

1.1 INTRODUCTION

The Internet and the World Wide Web (the Web), in concert, represent the most significant technological advance to impact on the economics of the hospitality industry. The Web promises equality of access to global markets to all hospitality businesses, whether small independent companies or multinational hotel chains. The significant emergence of the Web as a global communication medium challenges businesses to adapt their marketing activities to fully exploit the benefits of the Internet. Small and medium-sized enterprises have lagged behind large companies and, in 1999 for example, an estimated 60% of large companies and 30% of medium-sized companies around the world used the Internet for marketing and business purposes (Gilbert *et al.*, 1999). This phenomenal, and ongoing, expansion of the Web as a marketing tool has resulted in a plethora of commercial websites promoting and distributing a range of products and services on-line and has motivated many large hotel companies to spend thousands of dollars on establishing websites. Uptake of the Web has been slower in developing countries than in the developed, particularly the English-speaking world. Indeed there are interesting challenges relating to the dominance of English as the language of communication on the Web.

Clearly, the Web offers tremendous marketing opportunities to the hotel industry, particularly in international markets in terms of modified value chains and disintermediation which, in turn, are redefining the hospitality marketplace. It is questionable, however, whether the full potential of this emerging tool has been entirely realized and whether marketing practitioners are able to justify spending

resources and devoting efforts to Web developments which are not an integrated part of their wider marketing and development strategies. The responses of some hospitality businesses appear reactive and opportunistic without clear links to strategic developments. The aim of this study is to explore the potential of the Web as a strategic marketing tool for independent and multiple independent hotels in Egypt.

1.2 THE RESEARCH PROBLEM

There is an emerging literature on the evolution and impact of the Web in tourism marketing. To date little research has been done on the specific issues of the Web's role in hotel marketing, particularly on the way that hotel operators exploit the potential of the Web as a marketing tool. The developing literature on hospitality web marketing includes: discussion of the impact of information technology on tourism and its application in relation to transportation, travel intermediaries, hotels and entertainment (e.g. Sheldon, 1997); the role of information technology and the Web in supporting destination services organizations, analysing marketing on Global Distribution Systems (GDSs) (e.g. Inkpen, 1998); case studies from across the travel and tourism sector (e.g. Marcussen, 1999; O'Connor, 1999); the evolution and uptake of new technology focusing on benchmarking information technology exploitation in tourism-sector small and medium-sized enterprises (e.g. Buhalis, 2000). It is also important to note that most of these studies look at issues concerning the use of the Web from the perspective of developed countries.

In this context, this research is a response to the urgent need to investigate the efficacy of the Web as a strategic marketing tool for the Egyptian hotel sector in particular, and also seeks to improve a generic evaluative methodology for hotel website design. Two questions loom large in the literature and are addressed by

this thesis. Firstly, how are websites best designed to support customer needs and build the brand? Secondly, is the Web really effective in enhancing hotel marketing in Egypt?

How are websites best designed to support customer needs and build the brand?

Websites that enhance the user experience empower consumers to reap the benefits of the Web, without losing the power and flexibility they have in a physical store. Unfortunately, most websites do not provide a user experience that feels like shopping - instead it feels like searching, which is not usually the users' goal (Nielsen and Tahir, 2001). Users want to shop or find information in a way that seems natural to them, not search or struggle using Web tools and features that offer inflexible ways to do and find things. Worse, these tools are often built without any regard for how real users think, group things, name things, or approach their problems (Nielsen and Tahir, 2001).

Today most hotels already have websites and yet, less than 50% of hotels offer on-line reservations on their websites (Starkov and Price, 2001). However, having a website or even offering on-line reservations is not sufficient; to truly empower users requires a deep understanding of their needs and behaviour, which will differ from one industry to another (Nielsen and Tahir, 2001). Among the critical factors in designing an effective brand-building website are the ability to: deliver its promises to consumers; elicit an emotional involvement from the customer side; and to exploit diverse sources of relationships between the company and its customers. These relationship-building and loyalty-enhancing aspects must be based on attractive customer-engaging design features such as accessibility of site, appropriate information, ease of site navigation, immediacy of real-time processes and secure

financial transactions. Despite the establishment of the importance of these factors, there remains a need to investigate what constitutes an effective hotel website from the customer point of view.

A number of typologies for the categorization of commercial websites have been described in the literature, e.g. Hoffman *et al.* (1995); Cockburn and Wilson (1995); Ho (1997); Hoyer *et al.* (1998); Pan and Fesenmaier (2000); O'Neil *et al.* (1998) and Murphy (1999). Such frameworks focus on the functional or technological side of website design and do not comprehensively consider web marketing features and customer interactivity. Thus, these frameworks do not classify websites according to the extent to which they reflect the marketing and distribution of products and services. There is a need to develop a more comprehensive methodology, encompassing functionality, design, web content and customer interactivity, to enable a comparative analysis, not only of technical aspects of hotel websites, but also other characteristics of hotel websites to evaluate their effectiveness in terms of their brand-building capacity.

Is the Web really effective for enhancing hotel marketing in Egypt?

The Web, particularly from a marketing viewpoint, provides an efficient channel for advertising, marketing and direct distribution of certain products and services, including hotel products. Until recently, Egyptian hotel services/products have been promoted and distributed exclusively via conventional tools of marketing. As in many other developing countries, the hotel sector has been slow to consider the advent of the Web and its use for hotel marketing. However, many hotel companies, in Egypt, whether internationally branded, multiple independent or single hotel chains, are now expanding their efforts to use the Web as a marketing tool. Although some Egyptian hotel marketers view the Web as a critical weapon in their

competitive strategies for overcoming sharp competition in today's global market place, web marketing is still in its infancy. In response to this, there is a need to investigate the dynamics of web marketing in the Egyptian hotel sector and assess and review the current status of the usage of the Web and its potential application as a strategic marketing tool for the Egyptian hotel market.

Yet another related issue is branding small hotels on-line. The emergence of the Web as a global marketing medium has forced many businesses to consider the implications of promoting their brands globally. The role of branding in the hospitality sector has been neglected, especially in the case of small hotels. Large hotel companies gain competitive advantage by going beyond their own sites to manage the consumer experience and their brand presence on the Web. Their on-line investments are carefully targeted to ensure a presence that will generate the most positive impressions on their target audience, maintain the desired customer experience and capture the greatest share of the market (Cyveillance, 2001).

As a result, many on-line travel players are posing serious threats to smaller hospitality operations through their successful web branding (Katz, 2000; Liu, 2000). Many small hotels/hotel companies, even with recognition of the benefits of the Web in marketing are failing to exploit its full potential due to lack of management commitment, investment capital and qualified technical and managerial personnel (Liu, 2000). This is particularly the case for small hotel operations in Egypt. However, the Web potentially offers the small hotel operator a lifeline for business survival, providing an avenue for small hotels to compete against larger chains (Morrison *et al.*, 1999). There is therefore a need to design and implement effective and viable web marketing strategies through an effective web presence in order for these small hotel operators to respond to these threats.

1.3 AIM AND OBJECTIVES

The thesis aims to explore the potential of the Web as a strategic marketing tool for independent and multiple independent hotels in Egypt. It utilizes a phenomenological methodology that employs qualitative and quantitative research tools to interpret meaning from the reactions of individuals to experiences of using the Web. The study is constructionist in its notion of the essential relationship between principal web marketing stakeholders and hotel website design. To accomplish this overall aim, this thesis is focused on four specific objectives:

1. To develop a diagnostic and analytical tool for the evaluation of hotel websites in terms of their brand-building capacity.
2. To evaluate a selected sample of 36 hotel websites in three destinations (UK, USA and Egypt) in terms of their brand-building capacity.
3. To explore web marketers' perspectives of the impacts and benefits of web marketing for their business activities and practices and its potential as a strategic marketing tool for Egyptian hotels.
4. To explore web designers' perspectives of the issues for hotel website design and particularly web design in support of hotel brand-building.

Through these objectives, it will be possible to assess the nature of the relationship between the hotel marketers and the web designers and to evaluate the extent to which the marketing needs of hoteliers and the preferences of the hotel consumers **drive** the web design process and similarly the extent to which web marketing is integrated into the strategic marketing of the small hotel.

1.4 THE SIGNIFICANCE OF RESEARCH

This thesis is the first in-depth analysis of how the Web is used as a strategic marketing tool for the Egyptian hotel sector exploring web users and website design stakeholders (hotel marketers and hotel website designers). It develops a methodology for the evaluation of the brand-building capacity of hotel websites which is applied to the evaluation of the web presence of a sample of UK, USA and Egyptian hotel websites. These evaluations are supplemented by semi-structured interviews with hotel marketers and website designers. This rich data set provides the basis for understanding web functionality and effectiveness as a strategic marketing tool for Egyptian hotel websites. The breadth of this thesis provides a valuable basis for future research in the field and grounds the theoretical principles of hotel web marketing through a phenomenological research approach.

The thesis develops a comprehensive and effective methodology, identifying user-relevant features which are grouped into a hierarchy of prioritised considerations. Evaluation of the performance of the features against customer expectations enables the development of a diagnostic and analytical tool to enable a comparative evaluation of hotel websites in terms of their brand-building capacity. The graphical representation of websites evaluation facilitates performance comparison of websites. The contribution to the understanding of various related issues through the review of literature and the generation of ideas will also add to the growing academic literature about hotel web marketing.

1.5 THESIS OUTLINE

The thesis consists of six chapters. Chapter one, the current chapter, has introduced the study and outlined its background, setting the stage for what follows. Specifically, it has addressed the research questions, stated the overall thesis aim and specific objectives, and discussed its significance.

Chapter two reviews the key literature on the Internet and the evolution of the Web as a marketing phenomenon in the hotel sector. The chapter moves from general conceptualisations of information technology and its applications to business processes to specific issues of new marketing paradigms and the usability of the Web as an emerging marketing tool and as an enabler for electronic commerce. The Web supports a new many-to-many interactive model of communication which can support the development of relationships between hotels and their customers. The Web potentially offers small hotels a lifeline for business survival, levelling the playing field in the global marketplace. However, in the battle on the search engines, small hotels may lose out to known brands of large international chains. The chapter therefore extends to explore the unique opportunities that small hotels have for niche marketing and brand development through effectively-designed websites. It concludes with a review of website typologies for the evaluation of websites and identifies a gap in relation to a typology which evaluates the brand-building capacity of websites.

Chapter three outlines the epistemological and theoretical perspectives of the research and provides a justification for choosing the research design and methodology. The chapter then describes methodology phases employed in this research. First, it describes the methods used to support the development of a model, to function as a diagnostic and analytical tool for the evaluation of hotel

websites in terms of their brand-building capacity. This phase included two research methods to develop a consumer focus for the evaluation. Firstly, semi-structured interviews with web users to explore their scenarios when searching for or buying hotel products on-line and to identify what website features constitute a successful hotel website. Secondly, an on-line survey to support the data from the interviews and to identify the user-relevant website design features. The chapter then describes the methods used in an exploratory case study in which an evaluation of a selected sample of Egyptian hotel websites were performed and series of semi-structured interviews, with Egyptian hotel marketers and Egyptian web designers was conducted, to assess the current performance of the Web as a strategic marketing tool for the Egyptian hotel sector.

Chapter four describes a model derived from an adaptation of Dutta *et al.*'s marketspace model. From this model and the literature, 48 website design features are selected. These are prioritised through consumer studies to identify 28 user-relevant features which are organized into a hierarchy of considerations which emphasises how a website can support a model of brand appropriate for small independent hotels. These features are then classified in terms of three degrees of performance (good, satisfactory and sub-optimal) which allows the graphical presentation of hotel website evaluation results using a radar chart approach. Finally, the chapter describes analyses of two exemplar websites using the developed tool.

Chapter five presents a review of the development of information technology in Egypt since the 1990s. It provides an overview of the evolution of Internet services (Dot.eg), and their opportunities and constraints in the Egyptian information technology market. It also reviews the potential of electronic commerce as an

emerging service empowered by the Internet and its future expansion. The chapter provides a background on the Egyptian tourism and hotel market and its development and addresses critical issues that are fundamental to evaluate the current status of the web as a strategic marketing tool for the Egyptian hotel sector. The chapter also presents the results from the case study of web marketing in the Egyptian hotel sector; it reports on the evaluation of a selected sample of hotel websites in three destinations (UK, USA and Egypt) and focuses on identifying the problems facing Egyptian small independent hotels regarding their exploitation of web marketing through the graphic representation of their websites evaluation. The chapter finishes by presenting the results of a series of semi-structured interviews with hotel website principal stakeholders (web users, web marketers and web designers) and assesses the current performance of their websites as a strategic marketing tool for the Egyptian hotel sector.

Finally, chapter six concludes the study. It presents the major research findings and the significant contributions of the study in relation to theory, methodology and practice. The chapter also set out an agenda for further research on this complex, yet significant and timely issue of web marketing. This includes recommendations for further research on on-line hotel brands and brand-building mechanisms to explore the one-to-one marketing opportunities offered by the Web. The chapter also suggests that further research may focus on web consumers and their on-line buying behaviour specifically in developing countries. Finally, it also recommends further investigation of the on-line return on investment (eROI) of websites and the proactive integration of websites into a strategic marketing plan.

CHAPTER TWO

THE WEB AND STRATEGIC MARKETING FOR HOTELS

2.1	INTRODUCTION	11
2.2	INFORMATION TECHNOLOGY AND ORGANIZATIONAL TRANSFORMATION	12
2.2.1	Information technology	12
2.2.2	The evolution of business information technology	13
2.2.3	Alterating of industry structures	16
2.2.4	Spawning new businesses	17
2.2.5	Creating competitive advantage	18
2.3	THE INTERNET PHENOMENON	20
2.3.1	What is the Internet?	20
2.3.2	The Internet Explosion	21
2.3.3	User demographics	22
2.3.4	Why is the Internet so popular?	22
2.4	HOSPITALITY MARKETING	23
2.4.1	Marketing	23
2.4.2	Hospitality marketing - differentiating characteristics	24
2.4.3	The hospitality marketing mix	25
2.4.4	Distributing hospitality products	27
2.5	WEB MARKETING AND ELECTRONIC COMMERCE	30
2.5.1	Characteristics of the Web as a marketing tool	30
2.5.2	The impact of the Web on the market place for hospitality products	38
2.5.3	Disintermediation and redefinition of the customer-hotel relationship	39
2.5.4	Distribution options for hospitality businesses	42
2.5.5	What is Electronic Commerce?	47
2.5.6	The business value of electronic commerce	48
2.5.7	The impact of electronic commerce on marketing	51
2.5.8	Obstacles to the diffusion of electronic commerce	52
2.6	BRANDING HOSPITALITY PRODUCTS	55
2.6.1	What is branding?	55
2.6.2	Branding hospitality products	59

2.7	BRAND-BUILDING ON THE WEB	63
2.7.1	Successful Website Design	63
2.7.2	Website evaluation techniques	66
2.7.3	Relevant hotel website evaluation studies	70
2.7.4	Website typologies	72
2.8	SUMMARY	78

CHAPTER TWO: THE WEB AND STRATEGIC MARKETING FOR HOTELS

2.1 INTRODUCTION

This chapter reviews the key literature on the Internet, the Web and its evolution as a strategic marketing tool in the hotel sector. It moves from general conceptualisations of information technology and its applications for business processes to specific issues of new marketing paradigms and the usability of the Web as a marketing tool and enabler of electronic commerce for hotels, culminating in a discussion of branding as an issue in the small hotel business strategy. Section 2.2 considers information and communications technology developments leading to the network era, reviewing their impact on business processes. Section 2.3 moves on to highlight the Internet definition, demographics and user profile, growth and exploitation as a mass communication medium. In Section 2.4 the particular issues associated with the marketing of hospitality products are considered before moving onto Section 2.5 to discuss web marketing and electronic commerce and the significance of the new communication models offered by the Web for hospitality marketers. Branding and its implications for the selection of hospitality products by consumers is then considered in Section 2.6 and the key role of the development of a special relationship between the supplier and the consumer explored. Section 2.7 critically reviews relevant literature and previous typologies that studied website design. Section 2.8 concludes the chapter with a summary of the implications of the Web as a strategic marketing tool for hotels.

2.2 INFORMATION TECHNOLOGY AND ORGANIZATIONAL TRANSFORMATION

2.2.1 Information technology

According to Senn (1998:12):

Information technology refers to a wide variety of items and abilities used in the creation, storage and dispersal of data and information as well as the creation of knowledge.

A more comprehensive and universally-accepted definition of information technology is:

A term that encompasses the rapidly expanding range of equipment (computers, data storage devices, network and communications devices), applications and services (end user computing, help desk, application development) used by organisations to deliver data, information and knowledge. It provides strategic value to all parts of the business.

(Venkatraman *et al.*, 1993:139)

Clearly, these generic definitions broadly define information technology depending on its evolution in terms of its business application. From its start in the 1950s as an electronic replacement for mechanical methods of basic accounting, information technology has grown in sophistication and complexity to encompass virtually all aspects of business (Intel Corporation, 2000). Every activity of an organization creates and uses information (Porter, 1985), so the benefits of applying information technology may be found in many different areas and have organization-wide impacts (Earl, 1989; Flynn and Goleniewska, 1993). Porter and Millar (1985:149) make the point that information technology is more than just computers and:

must be conceived broadly to encompass the information that businesses create and use as well as a wide spectrum of increasingly convergent and linked technologies that process the information.

This includes computers, data recognition equipment, communication technologies, factory automation and related hardware, software and services.

2.2.2 The evolution of business information technology

Keen (1994) identifies four distinct eras in the evolution of business information technology. These are: Data Processing (1960s); Management Information Systems (1970s); Information Innovation and Support (1980s) and Business Integration and Restructuring (1990s). These eras precede the network era of the late 1990s and early years of the new millennium that has enabled the development of a global information community with significant impacts on business and consumer behaviour.

During the Data Processing era, there was no need to develop in-house technologies beyond operational telecommunications skills. As a result, computers became economically attractive for large and medium-sized companies and this pushed firms toward automating large-scale clerical activities, thus it was labelled "*data processing*" (Keen, 1994; Curtis, 1995). The Management Information Systems era saw the emergence of an important new tool - the computer terminal (Keen, 1994). Sprague and Carlson (1982) attempt to give meaning to the term Management Information System by noting that when it is used in practice, one can assume that what is being referred to is a computer system with certain characteristics with an information focus aimed at middle managers via structured information flows that integrates data processing jobs by business function. The Management Information System era contributed a new level of information to serve management needs, but was still very much oriented towards, and built upon, information flows and data files (Sprague and Carlson, 1982).

During the Information Innovation and Support era, the term "*information technology*" replaced computers. Office technology was the first area to benefit from the introduction of information technology systems. Businesses invested in word

processors and personal computers appeared on the desks of many professionals. Minicomputers and microcomputers were introduced as an alternative for mainframes. As a result, by the early 1980s, the terms "*information technology*" and "*competitive advantage*" had become almost synonymous (Keen, 1994).

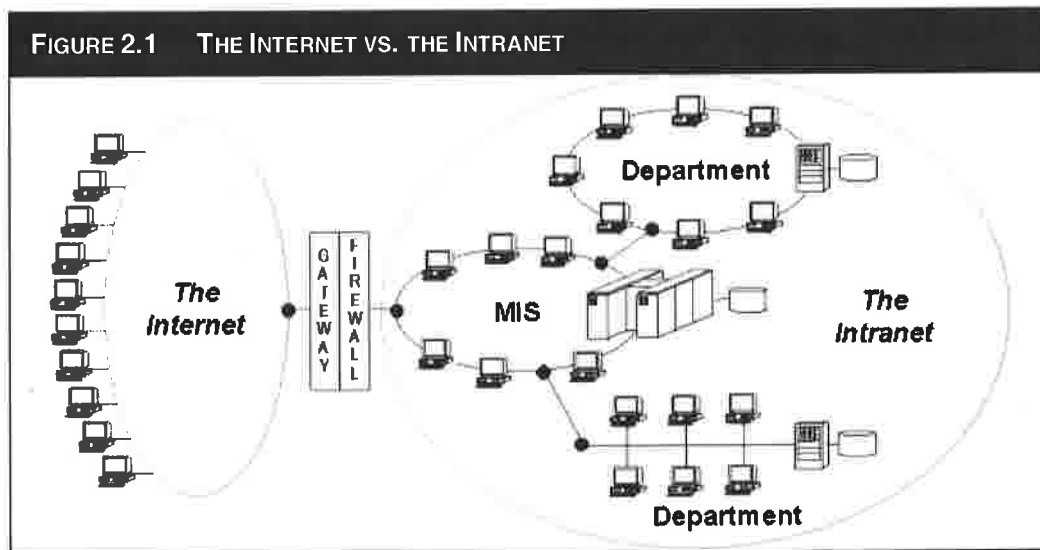
In the early 1990s a fourth and more profound era, Business Integration and Restructuring, emerged. During this period, long-distance telecommunications technology remained stable, with continued improvements in price and performance. In the mid 1990s, cable television firms, cellular providers, and the local phone company monopolies suddenly became competitors, partnering with one another, or converging on each other's markets (Keen, 1994). From about 1993, what has become probably the most significant development in information and communications technology emerged as both home and business computers became networked in the 'network era'. Networking has revolutionised both the global economy and organizations around the world and it is predicted that:

Information technology will change everything in the world in which we live. There will be no institution, no person and no government that will be unaffected.

(Horn, 1999:42).

At the macroeconomic level, information technologies are increasingly regarded as instrumental in long-term regional economic development (Buhalis, 1998). Within businesses PCs became networked to form intranets. An intranet may comprise a single network or a number of interlinking networks within different departments of a business. The networks are able to access the wider network of the Internet (see Section 2.3) outside the business by a gateway but are protected from the outside world by a firewall (see Figure 2.1). An extranet, in contrast, is partially accessible to authorized outsiders by username and password allowing varying levels of

accessibility to networked resources according to the user's level of authorization. Intranets and extranets support distributed models of computing.



Source: Transarc Corporation.

Driven by the rapid advance of integrated circuit technology, information technology has dramatically extended functionality within organizations (Hoplin, 1994; Horn, 1999). Gunton (1990) summarises the main benefits of information technology: elimination of cumbersome, laborious administrative work; storage of vast quantities of information and making it available rapidly and in a highly selective manner; improvement of the operation of complex organizational systems by expediting the flow of information along a chain of related activities. However, Gunton (1994) balances the benefits by identifying a set of associated problems: alienation of staff affected by its application which leads to personnel problems and reduced productivity; delivery of more information than people can handle in ways that does not necessarily match their working and thinking patterns; restricting human information handling capabilities as a result of rigid computerized procedures; acting as a barrier to change, when the computer systems that support organizational processes are unable to adapt as quickly as the organization requires.

It is clear that organizational forms and technology are changing radically and those who balance their responses to these combinations of radical forces will be successful in today's market place. However, it is evident that the use of technology is by no means a guarantee of better business performance (Cash *et al.*, 1992). Various studies (e.g. Porter and Millar, 1985; Malone *et al.*, 1987; Bradley, 1993; Scully and Fawcett, 1993; Gustin *et al.*, 1994; Benjamin and Wigand, 1995; Rayport and Sviokla, 1995; Sarkar *et al.*, 1995; Bloch *et al.*, 1996; Cronin, 1996; Vandermerwe, 1999; Hagel and Singer, 1999) describe the impacts of information technology in organizations with regard to three significant areas: alteration of industry structures, spawning of new business opportunities and creation of competitive advantage.

2.2.3 Alterating of industry structures

Porter and Millar (1985) suggest that while information technology will intensify rivalry between competitors, it will also provide more opportunities for competitive advantage, such as: the creation of new business interrelationships within the value system, the expansion of scope within industries, and the increased ability to coordinate value activities regionally, nationally, and globally. Malone and Rockart (1993) also note that by reducing the costs of coordination through the application of networked information technologies, the resulting tighter integration of the value system will lead to the development of both electronic markets and hierarchies. These authors refer to three possible effects: firstly, that costs will be reduced as a result of the ability to communicate larger amounts of information simultaneously; secondly, that by connecting buyer and seller, an electronic brokerage will be established; thirdly, that transaction, quality and relationship costs within a value system will be reduced by the ability to interface together to exchange information.

While many authors agree that the electronic communication effect proposed by Malone *et al.* (1987) will be created by networking technology, there is dissension as to whether electronic brokerage will affect the number of linkages in a value system. At the extreme, some argue that disintermediation will be commonplace (e.g. Benjamin and Wigand, 1995; Malone *et al.*, 1987) while others suggest that information technology will entrench existing intermediary relationships and may in fact encourage a new generation of intermediaries (e.g. virtual malls, electronic brokers, rating services and automated ordering services) that only exist in cyberspace - cybermediaries (e.g. Sarkar *et al.*, 1995; Bloch *et al.*, 1996; Bailey and Bakos, 1997).

2.2.4 Spawning new businesses

Porter and Millar (1985) state that information technology enables organizations to process much larger quantities of information, thus providing opportunities for the sale, or alternative application of that information. Rayport and Sviokla (1994, 1995) argue that companies should use the information created to generate new value-added marketplace products and services. The benefits of such a strategy include increases in economies of scale and competitive scope, and opportunities for new customer relationships (Rayport and Sviokla, 1995). Porter (1985) claims that there are four dimensions to competitive scope which can be reconfigured to have an effect on competitive advantage and the value chain. First, there is segment scope which refers to the range of products and/or services produced and customers served; second, vertical scope which refers to the extent to which activities are performed in-house rather than by independent firms; third, geographic scope which describes the range of regions, countries, or groups of countries in which a firm competes with a coordinated strategy; fourth, industry scope which describes the range of related industries in which the firm competes with a coordinated strategy.

Porter (1985) also notes that the relationship between competitive scope and the value chain provides the basis for defining an organization's relevant boundaries. Organizations must weigh the benefits of disintermediation or intermediation by comparing the strength of interrelationships in serving related segments, geographic areas, or industries to the differences in the value chains best suited to serving them separately.

2.2.5 Creating competitive advantage

Significant literatures have evolved exploring the role of information technology as a source of sustained competitive advantage (Porter and Miller, 1985; Scully and Fawcett, 1993; Daniels, 1994; Gustin *et al.*, 1994; Porter, 1996). Daniels (1994) argues that changing the industry structure creates competitive advantage for the companies that lead the change and can have devastating effects on slow-moving companies that fail to react. Porter and Millar (1985) argue that one of the most important elements in competitive advantage is information and suggest that information technology will create competitive advantage by providing companies with new ways to outperform their competitors. Scully and Fawcett (1993) support this view emphasising that the firm's competitive survival depends on its ability to understand the changing global environment and to adopt the emerging rules of global strategy. Gustin *et al.* (1994) highlight the link between information and competitive advantage arguing that computers and information are both critical to achieving integration and are viewed as resources to be used by the firm in gaining competitive advantage in the marketplace. Porter (1996:64) also stresses that competitive strategy is about "*deliberately choosing a different set of activities to deliver a unique mix of value.*" Choosing activities that are different from its competitors, a company can create a unique positioning. For a strategic position to

be sustainable it involves trade-offs, or choices, with other positions and it offers protection against imitators.

However, information technology also promotes changes in the nature of the work, the integration of business functions, and the transformation of competitive forces (Scott-Morton, 1991). Special emphasis is given here to information technology as an enabler of business process reengineering. Since the early work of Hammer (1990) and Davenport and Short (1990) there has been a growing interest in business process reengineering, also referred to as business process innovation (Davenport, 1993). Business process reengineering is concerned with redesigning existing operations in such a way as to exploit new technologies and serve customers better. It often involves radical changes to business processes to achieve dramatic improvements in cost, quality, and speed. Hammer and Champy (1993:32) define business process reengineering as:

The fundamental rethinking and redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance.

Business process reengineering involves the critical analysis and redesign of existing business processes to achieve improvements in performance measures. This does not necessarily imply the increased use of information technology but rather its rationalized, efficient support of business processes. Today's business environment is demanding organizations to strategically develop and offer products that will satisfy customers' needs.

Previous literature, (Naisbitt and Aburdene, 1985; Davenport and Short, 1990; Hammer, 1990; Scott-Morton, 1991; Davenport, 1993, Love and Gunasekaran, 1997), emphasises that this environment forces a change in business processes to feature reduced mediation and increased collaboration through: cost savings and

improving the accuracy of exchanging information; avoiding human error when complex and repetitive tasks are performed; saving money through time and accuracy efficiency; integrating and coordinating several functions simultaneously; and improving organizational efficiency and effectiveness by eliminating delay, administrative intermediaries. By making these changes possible, information technology can be considered an enabler of business process reengineering.

To conclude, organizations are at the point of revolutionary change in their ability to gather and use information. The convergence of voice, data and broadcasting devices (telephones, computers, and televisions) and the development of ever-more powerful communication networks open up boundless prospectus for data transmission. In striving for competitive advantage, business utilisation of information technology is increasingly a strategic necessity (Bardley, 1993).

2.3 THE INTERNET PHENOMENON

2.3.1 What is the Internet?

The Internet is very much what its name implies - an interconnection of computer networks, i.e. a "network of networks". It consists of thousands of networks worldwide that are connected and can communicate by exchanging information using **Transmission Control Program/Internet Protocol (TCP/IP)** technology (Mathiesen, 1995). McKeown and Watson (1996:5) defined the Internet as:

*A network of networks with millions of users world wide, the Internet is the largest decentralised computer network in the world. In addition, users on any network can exchange information with each other user. The Internet protocol is called **TCP/IP**, which stands for Transmission Control Protocol/Internet Protocol.*

The Internet is an extremely efficient medium for accessing, organizing and communicating information (Peterson *et al.*, 1997) and is essentially provides a

communication infrastructure consisting of four elements: networked computers (the physical platform to process, store and transfer data), users (the providers and requesters of information), services (protocols and standards used to organize, access and transmit information), and Information (formatted data with meaningful content).

2.3.2 The Internet explosion

The Internet has grown into a mass medium with millions of people accessing it each day (Hunter, 1996). Estimates of the growth of Internet users around the world are many and varied although there is a consensus that the growth has been rapid and exponential. In 1995, CommerceNet/Nielsen indicated that only 10% of people over the age of 16 in Canada and the USA were using the Internet, in 1998, the White paper on the availability of the Internet for Business quoted that MIDS (Internet-measuring Organization) estimated 57 million users (consumers) on the Internet world-wide (Baker *et al.*, 1999). Early in 1999, NUA Internet Surveys announced that the number of users increased to 153 million, 87 million of them in the USA. Growth continues to be rapid, especially across the developing world (NUA Internet Surveys, Gvu User Surveys, Jupiter Communications, Forrester Research) - the number of users is predicted to expand to reach 717 million by the year 2005. The revenues generated by the Internet in billions of dollars from 1996 to the year 2002, was estimated to be \$1234 billion (NUA Internet Surveys, 1999c).

Cahill (1998) states that the Web is the fastest growing part of the Internet. Growth in websites is even more impressive than the growth of users. In 1994, the Web grew a staggering 1758 % and doubled in size roughly every two to three months (Downer, 1996). In 1995, more than 23000 websites were found by the Web

Wanderer (Hoffman *et al.*, 1995). In 1996, Digital's popular search engine AltaVista, indexed Uniform Record Locators (URLs) from over 225000 website (Hoffman *et al.*, 1995). In 1999 it was estimated by NUA surveys that there were 3.6 million sites on the Web. Although the exact growth can be difficult to estimate, the rate is unquestionably rapid.

2.3.3 User demographics

Since its appearance, the Internet has interested demographic researchers greatly. A major part of research on the Internet and the Web concerns approaches to mapping web user demographics and behaviour. Since 1996 a number of studies (e.g. Internet Society, NUA Internet Surveys, GVI User Surveys, Yankee Group, Cyber Atlas and NOP Internet user profile study) have monitored Internet user profiles. Trends suggest that the user profile is becoming less stereotypically young and male, as more women and older age groups gain access to the Internet.

2.3.4 Why is the Internet so popular?

The Web's popularity can be attributed to the fact that it addresses most of the limitations of Internet information distribution applications that existed before web browsers. In the past, virtually everything on the Internet was in plain text format. Due to this, information could not be richly formatted or presented in a way that is easy to browse and search. Now, thanks to web browsers, e.g. Internet Explorer, information on the Web can be formatted to make the information more presentable, easy to view, and easy to understand. Web browsers integrate Internet-based services transparently into the user interface. People do not have to use separated clients for other applications any more as one piece of software integrates all of these services (Andrews and Dieberger, 1996).

Thus, the Web offers a very easy-to-use interface to the traditionally hard-to-master resources on the Internet (Tierney, 1995). It is probably this ease of use, as well as the popularity of many graphical interfaces to the Web, that caused the explosion of web traffic in 1993 (Hughes, 1994). As a result of this increasing popularity, the Web will continue to evolve from a means of providing an easy way of accessing information on the Internet to a virtual marketplace where a diverse range of products and services can be bought or sold (Meyer, 1999).

This section highlighted the definition of the Internet, its definition, demographics and user profile, growth and exploitation as a mass communication medium. The following section considers the particular issues associated with the marketing of hospitality products and their distribution channels.

2.4 HOSPITALITY MARKETING

2.4.1 Marketing

Kotler (2000:8) defines marketing as:

A societal process by which individuals and groups obtain what they need and want through creating, offering, and freely exchanging products and services of value with others.

Kotler's definition indicates that marketing essentially focuses on integrating all organizational activities towards satisfying customer needs in order to accomplish the organization's long-range objectives. Guiltinan and Gordon (1993:5) support this view adding that marketing is a *"belief about the proper way to manage a business or an economic system."*

According to (Stanton *et al.*, 1991:8) the marketing concept is based on three fundamental bases. These are:

- All planning and operations should be customer-oriented. That is the organization and its employees should be focused on determining and satisfying customers' needs.
- All marketing activities in an organization should be coordinated. In reality this belief means that marketing efforts such as (advertising, product planning and pricing) should be combined in a coherent and consistent way and that one executive should have overall authority and responsibility for the complete set of marketing activities.
- Customer-oriented, coordinated marketing is essential to achieve the organization's performance objectives.

2.4.2 Hospitality marketing - differentiating characteristics

Many authors (Wearne and Morrison, 1996; Reich, 1997; Reid, 1989; Powers, 1990) claim that hospitality marketing is a differentiated field of study within marketing management studies, largely because it is concerned with the provision of services. Hospitality services, like other services, have a number of unique characteristics, notably: intangibility; inseparability of production and consumption; heterogeneity; perishability (Shostack, 1977; Grönroos, 1978; Berry 1980; Lovelock *et al.*, 1981; Zeithaml, 1981; Zeithaml *et al.*, 1985; Bowen, 1990; Onkvisit and Shaw, 1991; Hartman and Lindgren, 1993).

Customers cannot evaluate a service prior to consumption, cannot see or touch a service during consumption, and cannot save or store the service after consumption – services are therefore described as *intangible* (Shostack, 1977; Lovelock *et al.*, 1981). The second dimension of hospitality service is the inseparability of production

and consumption. When services are sold, production and consumption occur simultaneously. This distinction implies that the customer must be present for the service encounter. However, inseparability is taken to reflect the simultaneous delivery and consumption of services and it is believed to enable consumers to affect or shape the performance and quality of the service (Grönroos, 1978; Zeithaml, 1981; Bowen, 1990; Onkvisit and Shaw, 1991).

The third dimension of service is heterogeneity; it is often difficult to achieve standardization in the delivery of certain services. The standard of a service in terms of its conformity to what may be prescribed by the seller may depend on who provides the service or when it is provided. Heterogeneity reflects the potential for high variability in service delivery (Zeithaml *et al.*, 1985). Onkvisit and Shaw (1991) consider heterogeneity to offer the opportunity to provide a degree of flexibility and customization of the service. Perishability is another characteristic of hospitality services as they cannot be stored and carried forward to a future time period (Zeithaml *et al.*, 1985). Onkvisit and Shaw (1991) suggest that services are “time dependent” and “time important”. Hartman and Lindgren (1993) also claim that the issue of perishability is primarily the concern of the service producer and that the consumer only becomes aware of the issue when there is insufficient supply and they have to wait for the service.

2.4.3 The hospitality marketing mix

The term “*marketing mix*” refers to the mixture of elements useful in pursuing a certain market response. The traditional marketing mix concept, most often summarized by the popular McCarthy’s (1960) label of the “4Ps - product, price, place, and promotion”, is an inadequate framework for marketing services (Booms and Bitner, 1981) due to the differentiating characteristics of hospitality products

(see Section 2.4.2). Thus, the traditional marketing mix needs modification in order to be more useful for service marketers through expansion to include three new Ps: participants; physical evidence; process of service assembly and delivery (Booms and Bitner, 1981).

Participants. All the human actors who play a part in service delivery and thus influence the buyer's perceptions: namely, the firm's personnel and the other customers in the service environment.

Physical evidence. The environment in which the service is assembled and where the firm and the customer interact; and any tangible commodities which facilitate performance or communication of the service.

Process of service assembly and delivery. The procedures, mechanisms, and flow of activities by which the service is delivered.

Booms and Bitner (1981) argue that these new elements are essential to the definition and promotion of the service in the consumer's eyes, both prior to and during the service experience. They influence buyers' responses and, therefore, belong in the hospitality marketing mix - hospitality service marketing is therefore more complex than the marketing of goods.

2.4.4 Distributing hospitality products

Buhalis (2000:110) defines distribution or marketing channels as “*sets of interdependent organizations involved in the process of marketing the product or service available for use or consumption*”. Until recently, the distribution of hotel products was based around obsolete systems involving intermediaries and resulting in the inefficient use of resources and high distribution and administration costs. Hotel bookings (reservations) were traditionally arranged via travel agents, hotel central reservations systems, global distribution systems or market organizations. The following paragraphs focus on these traditional distribution channels for hospitality products (central reservation systems and global distribution services) and briefly discuss challenges to them.

Central reservation systems have been leading the information technology development in hotels since the 1970s (O'Connor, 1999; Frangialli, 1999). The primary objective of these systems was to increase sales of hotel room-nights by making computer reservations easy and inexpensive (O'Connor, 1999). A central reservation system is basically a dynamic database, which enables a hotel to manage its inventory on-line and also to make it accessible to its distribution partners, i.e. travel agencies and tour operators (Buhalis, 1996). It enables flexible pricing and capacity alterations on-line, and thus supports a great degree of flexibility. Buhalis (1996:35) reviews the importance of computerized systems for managing different sectors of the industry and relates the need for these systems to both supply and demand, explaining that:

The tourism industry could only be managed by powerful computerized systems. Airlines were the pioneers of this technology although international hotel chains and tour operators realized the potential and followed by developing centralized reservation systems.

Frangialli (1999) relates the need for these systems to both supply and demand, as well as to the expansion of the tourism industry in the last decades; he emphasises that the use of information technology is driven by the development of complex demand requests, as well as by the rapid expansion and sophistication of new products, which tend to address niche market segments. For years, central reservation systems allowed hotel management to keep track of inventory on-line where distributors such as travel agents and tour operators have access to this system. As a result, travel agents have been able to offer reasonable pricing and capacity modifications which have increased overall flexibility in product/service offerings.

Early in the 1980s, central reservation systems were purposely developed into global distribution systems - more sophisticated systems which travel agents used as a "one-stop" shop integrating air, hotel and car rental reservations. In simplest terms, the ultimate objective of global distribution systems was to deliver *"the right quality and quantity of a product, in the right place, at the right time, at the right cost, to the right customer"* (Buhalis, 2000:110).

More clearly, the primary role of a hotel global distribution system is one of simple utility: transaction processing and maintaining, controlling, and reporting room inventory levels and hotel rates. Initially, it provided a simple accounting of rooms available versus rooms sold at predetermined rates, generally set by each hotel for some defined period of time (e.g. seasonal rates). Over time, this function has expanded in complexity and strategic importance as more emphasis has been placed on yield management to maximize a hotel's total revenue (Connolly, 1999).

Although the traditional distribution channels had only improved the information communication between tourist businesses, originally between airlines and travel agents, as they do not directly interact with consumers, they also have their drawbacks. The most common criticism to the traditional distribution channels is that they are expensive for both the tourism producer and the retailer (Baker *et al.*, 1999). For instance, a typical global distribution system costs accounted, on average, for 8.1% of the International Air Transport Association (IATA) member airlines' distribution costs in 1996 (IATA 2000). The major global distribution systems charge around US\$600 a month to put a terminal in a travel agency. Moreover, the systems are flawed by incompatibility between each other, especially in the lodging sector, where "switch" companies such as THISCO (The Hotel Industry Switching Company, later known as "Pegasus") were needed to connect hotels with all the major global distribution systems to facilitate room reservations by travel agencies worldwide (Sheldon, 1997).

After the evolution of switch companies, the next major change in distribution channels occurred when the Web welcomed Hyatt as the first hotel chain to go on-line using a company called TravelWeb. This website, also initiated by THISCO, provides hotel booking capability. In the last five years total hotel bookings on the Web have gone from two million dollars per year to a half billion dollars per year (Eastman, 1998). Effective use of the Web successfully addresses many of the problems associated with traditional distribution channels. Today, in addition to its traditional function, a web-based hotel global distribution system can increase the speed of information transmission, improve the quality of information delivery, reduce the cost to the user as no special connections are necessary, and most important of all, has the potential to interact with all web customers in the world reach customers globally (Eastman, 1998; Palmer, 2002).

2.5 WEB MARKETING AND ELECTRONIC COMMERCE

2.5.1 Characteristics of the Web as a marketing tool

The Web, unlike traditional media, is characterized by interaction, its global reach and its 24/7 accessibility (Pitt *et al.*, 1996; Peterson *et al.*, 1997; Hanson, 2000). IT creates a hybrid of products and blurs traditional distinctions between interpersonal and mass communication. The Web, as both medium and market, is more likely to be successful if it frees consumers from their traditionally passive role and allows them to become active participants in the marketing process (Hoffman and Novak, 1996a). Characteristics of the Web that are important from a strategic marketing perspective are set out in table 2.1 below.

Table 2.1 Pertinent Characteristics of the Web	
CHARACTERISTIC	DESCRIPTION
Interactivity:	The ability to interact both with and through the medium.
Availability:	24 hour-a-day presence.
Facilitation and flexibility	Advertising, informing, full-colour virtual catalogues, on-line transactions, on-line customer support, distribution of certain products and services, and the eliciting of customer feedback.
Non-intrusiveness:	The customer generally has to find the marketer rather than vice versa, to a greater extent than is the case with most other media and thereby renders the medium unique from a marketing perspective.
Cost:	Initial presence on the medium is relatively easy and inexpensive to establish.
Reach:	Any business or organization that has a web presence is international by definition.
Equality:	Compared to other media, the Web provides a more or less level playing field for all participants - access opportunities are essentially equal for all players, regardless of size.

Source: Berthon *et al.* (2000).

Berthon *et al.* (1996) claim that the Web warrants the serious attention of both marketing academics and practitioners, pointing out that:

- The customer generally has to find the marketer rather than vice versa, and to a greater extent than is the case with most other media.

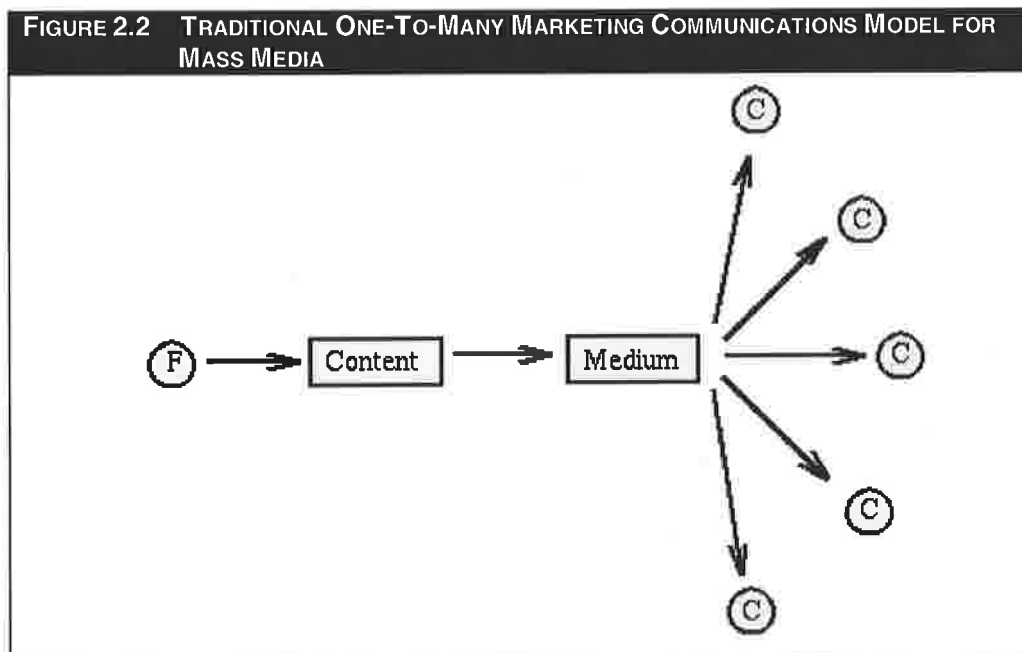
- Initial presence on the medium is relatively easy and inexpensive to establish and is international by definition.
- Compared to other media, the Web provides a more or less level playing field for all participants:
 - Access opportunities are essentially equal for all players, regardless of size. No individual or organization has a 'better right' than others to establish a place on the Web.
 - Share of voice is essentially uniform; no player can drown out others. It is difficult, if not impossible, to shout louder on the Web unlike conventional advertising media.
 - The marketing communication cost structure is altered if the Web is used as an advertising medium. Initial set up cost on the Web is so low as to present minimal barriers to entry. Advertisers and media owners will have to seriously consider the communication implications of a medium in which variable costs (the cost of reaching individual contact) tend to zero.

The Web possesses unique characteristics which distinguish it in important ways from traditional commercial communications environments (Hoffman and Novak, 1996b). Sheth and Sisodia (1997) suggest that, as marketing is a context-driven discipline, marketing will change in the web context. In particular, location-centric concepts will be fundamentally altered by the evolution of the Internet.

Because of this new marketing environment or new medium, it has been proposed that the marketing paradigm itself will evolve towards interactive web marketing (Rayport and Sviokla, 1994, 1995; Hoffman and Novak, 1996b; Deighton, 1997; Wigand, 1996; Brännback, 1997; Peterson *et al.*, 1997). Two models are provided by Hoffman *et al.* (1995) to contrast the new marketing communication potential of the Web - the traditional marketing communication model of one-to-many marketing communications (see figure 2.2) and the new marketing communications model for the Web of many-to-many (see figure 2.3).

The traditional mass media model of one-to-many marketing communications

Marketing communications perform three functions: to inform, remind and persuade. The traditional passive one-to-many marketing communications model is illustrated in figure 2.2.



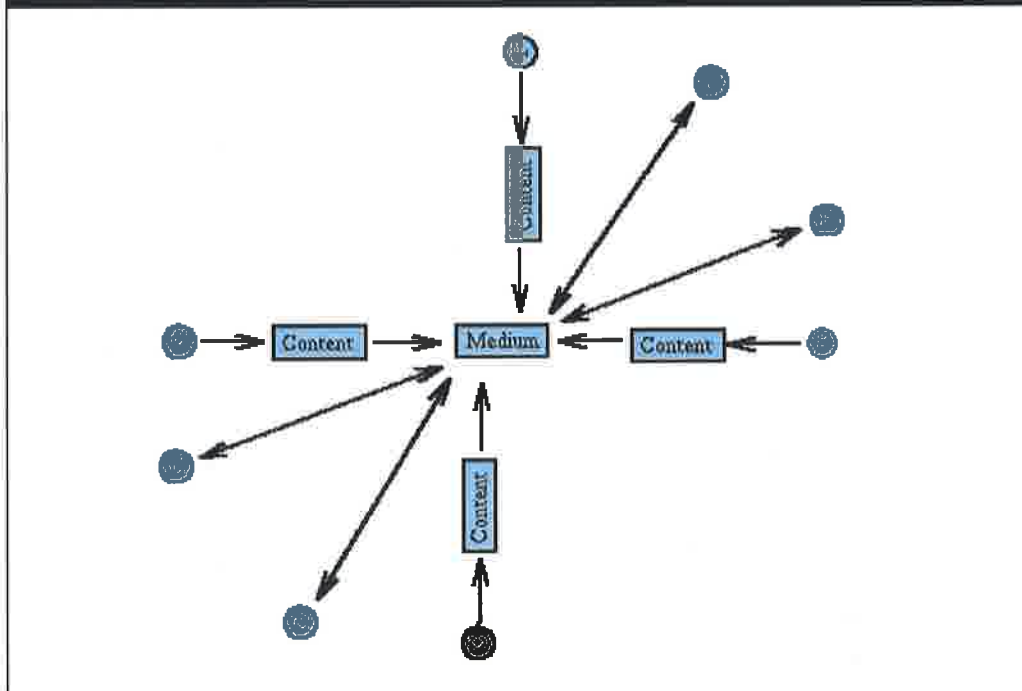
Source: Hoffman *et al.* (1995).

In the passive model, firms (denoted by F) broadcast content through a medium to a mass market of consumers (denoted by C). Traditional communication models may perform the first two functions of marketing communications. However, the persuasion function necessary for differentiating a product or a brand is limited by the unidirectionality of traditional mass media (Hoffman and Novak, 1996b). The Web, a revolution in distributed computing and interactive multimedia many-to-many communication, has dramatically altered this traditional model (Hoffman and Novak, 1996b).

The new model of marketing communications for the Web

The Internet offers an alternative to mass communication. Some applications on the Internet represent narrow-casting to the extreme, with content created by and for consumers. As a marketing and advertising medium, the Web has the potential to radically change the way firms do business with their customers (Hoffman *et al.*, 1995).

FIGURE 2.3 NEW MANY-TO-MANY MARKETING COMMUNICATIONS MODEL FOR THE WEB



Source: Hoffman *et al.* (1995).

Hoffman *et al.* (1995) describe this form of communication as an interactive multimedia many-to-many communication model (see figure 2.3), where both consumers and firms can interact with the medium, provide content to the medium, communicate in one-to-one or one-to-many forms of communication and have more direct control over the way they communicate than by using other media. When everyone can communicate richly with everyone else, not only the old communication models become obsolete, but also the business structures and communication channels that are based on them (Evans and Thomas, 1999). In comparison to traditional media, the Web combines and integrates five functional properties: information representation; collaboration; communication; interactivity; and transactions. This flexibility makes the Web rich and appealing but also complex and problematic (Gretzel *et al.*, 2000).

There is a minimal time gap between the production of information and its distribution, which in turn places pressure on the management of websites since timeliness of information and continuous updating of web pages have become a necessity in the battle for web customers. Collaboration, and possibly the building of virtual communities or organizations, requires flexible and open structures, a change in the organizational mindset and new business processes (Grenier and Metes, 1995). However, web marketing and electronic commerce requires unique and innovative concepts. Leading web marketers do not simply use the Web to put up advertising banners or basic information; they create fully-functioning businesses. Besides direct marketing and branding, these websites offer extranets for suppliers, intranets for employees, and a variety of sales and service links for customers (Klein and Quelch, 1997). Electronic marketing through the Web requires new skills and distinctive approaches; however, it cannot be accomplished without knowing the basics of traditional marketing.

The Web, most importantly from a marketing viewpoint, provides an efficient channel for advertising, marketing and even direct distribution of some goods and services. However, the real opportunity on the Web is not to do things faster and cheaper; it is the chance to rethink the business models organizations employ, both in terms of delivering value to the customer and in building relationships with customers, suppliers, and other business partners (Hagel, 1999). Hagel (1999) calls this new business model "collaboration marketing" and argues that building a virtual community for leisure travellers has considerable economic potential. Consumer virtual communities are focus groups that last 24 hours a day, 7 days a week and offer an enormous learning opportunity for organizations. It is simply a matter of getting to know about these messages, learning from them, and implementing appropriate action (Hagel, 1999).

"The essence of interactive marketing is the use of information from the customer rather than about the customer" (Day, 1998:47). It differs from traditional marketing in as much as it is based on a dialogue instead of a one-way communication, and deals with individual consumers instead of mass markets (Parsons *et al.*, 1998). However, success factors for marketing on the Web include: attracting users; engaging users' interest and participation; retaining users and ensuring they return; learning about user preferences; and relating back to users to provide customized interactions (Gretzel *et al.*, 2000). King *et al.* (1997) emphasise that marketers must make a fundamental shift of paradigms for how they communicate marketing information.

The Web presents a fundamentally different environment for marketing activities than traditional media. Traditional marketing activities often need to be reconstructed in forms more appropriate to the new medium (Hoffman and Novak,

1996a). In response, organizations are required to go beyond the traditional means of reaching the target customer (Brännback, 1997). Web marketing opens up new aspects of the old marketing concept, but on-line marketers need to know the basics of the traditional marketing process, including needs assessment, market research, product development, pricing, distribution, advertising, promotions, public relations and sales (Janal, 1997). Web marketing, therefore, requires marketers to develop their strategies in new and different ways. A new marketing paradigm is being developed where competitiveness is no longer based on the traditional marketing concepts but includes standards and customer information (Duijnisveld and Groenewegen, 1997). A comparison of traditional marketing and web marketing is summarized in table 2.2.

TABLE 2.2 TRADITIONAL MARKETING VERSUS WEB MARKETING

	TRADITIONAL MARKETING	WEB MARKETING
Segmentation	Uses segments based on demographic and psycho graphic profiles of current customers or likely converts. Treats individuals with similar profiles as identical.	Uses data about actual behaviour to identify customers/prospects and uses statistical models to assess their individual profit potential and value.
Advertising	<p>1 Communications are designed for the "average" or "typical" member of the target group.</p> <p>2.The existing media, which consist of print, broadcast, and display media are non-personal communication channels, which carry messages without personal contact or interaction. They offer one-way communications to relatively large audiences with varied buying interests.</p> <p>3.Retailers, distributors or salespersons are responsible for the success of the relationship with customers.</p>	<p>1.Communications are individualised-based on detailed customer information.</p> <p>2.The Web can serve as a personal communication channel, which involves two or more persons communicating directly with each other i.e. through e-mails. It offers two-way communication with targeted groups, with similar buying interests.</p> <p>3. The Web will force marketers to deal directly with the customer. It's now the marketer who will be held accountable for the success of the relationship with customers.</p>
Promotion	Promotions are broadcast via geographically defined home delivery.	Promotions are tailored based on an individual's past behaviour.
Pricing	Price discrimination depends on customer self-selection.	Price discrimination utilises information about an individual's price sensitivity and is delivered specifically to that individual.
Sales Management	Customer data tend to reside with sales people, who use them to achieve their own goals.	Sales Management has access to customer files and can use them to achieve organizational goals.
Distribution Channels	Depends on intermediaries or direct selling from sales force.	Direct links to customers when intermediaries (e. g. retailers) are used, leads and customers relationships are jointly managed.
New Products and Services	<p>1.Driven by firm's technology and production system.</p> <p>2.In the past four decades we have gone from creating products that manufacturers want to create and then "selling" them to the public (creating needs) to a gentler method of researching and finding new products that people may think they want and then presenting them to them, all in very seductive ways that "force" purchasing.</p>	<p>1.New products and services offered on the basis of company affinity with the customer.</p> <p>2.Marketers will have to begin thinking in a whole new mind-set. They will have to become true providers of products that the buying public will want, and they will have to be information providers as opposed to seducers. They will have to provide either the best product, or one that's less perfect or more streamlined but fits lower budgets better. In other words: They will have to produce a valid product, not just sell an idea or a feeling.</p> <p>3.The greater ability to exchange and verify detailed information on customer needs will force corporations to provide previously unheard-of levels of service.</p>
Monitoring	Focus is on tracking market share, sales volume and profit.	Great focus is on customer retention, cost of new customer acquisition and lifetime value of customer base. Monitoring is generally continuous.

Adapted from: Duijnsveld and Groenewegen (1997).

2.5.2 The impact of the Web on the market place for hospitality products

The Internet and the Web, in concert, have become the most significant technological advance to affect the marketing, and therefore the economics of, the global hotel industry. The Web is revolutionising the hotel industry through all phases of the promotion and distribution of hotel products and services. It affects the way that hotel businesses reach their customers and cuts out intermediaries in the supply chain. A plethora of web start-up firms, working as intermediaries and travel agencies are fuelling the growth of a new on-line travel market. Currently, travel agencies and intermediaries account for more than half the on-line travel revenue: 54% travel agencies, 25% airlines, 13% hotels, 8% car rental companies (eMarketer, 2000). It seems there can be no question about the commercial importance of the Web to the hotel industry.

As a result many hotel companies are aggressively utilizing the Web to market their room inventories and other related travel products and services, disseminate information, correspond interactively and instantaneously with their customers, and extend their booking channels. They are frantically trying to figure out the critical success factors of today's digital economy, what have become commonly and collectively known as the five C's of the Internet world: *content*, *community*, *commerce*, *convenience*, and *context* (Connolly, 1999). For example five of the world's largest hotel chains (*Bass, Hilton, Hyatt, Marriott, and Starwood hotels*) have developed a mega site with the goal to build consensus on which technology platform should be used for the on-line distribution of the 1.4 million rooms they offer for rent each day at their combined 7,000 hotels world-wide. To these companies, the Web represents an economically-appealing opportunity for redefining their fundamental business models. The overall goals are to take full advantage of the

Web and offer consumers the best possible experience in the least expensive way, this will also help to enhance the customer value proposition, to establish customer intimacy and build guest loyalty.

Another related issue that has been brought into focus is the impact that the emerging nature of the Web has had on the business of traditional hotels' products distribution companies. The increased presence of the Web in the hotel industry, poses a number of serious threats to these traditional global distribution systems companies (Palmer, 2002). They are now shifting from voice to electronic global distribution systems as a result of increased consumer access via the Web. Many of these companies have already decided to invest in their own websites while others preferred to go into partnership with other large on-line companies. In January 2000, for example, Amadeus launched Amadeus Pro Web, a browser-based reservation tool allowing travel agents to service customers worldwide without a dedicated communications line and at a greatly reduced cost. Another example is Sabre, a successful global distribution system company which has enhanced its existing range of on-line booking tools, and in turn, developed a new Sabre.Res product line. Sabre.Res products enable travel agencies to create and/or enhance their own travel booking Website that can connect travellers to more than 450 airlines, 50 car rental companies, 50,000 hotels, 33 railroads, 228 tour operators and eight cruise lines worldwide (Sabre, 2002).

2.5.3 Disintermediation and redefinition of the customer-hotel relationship

Early in 1996, it was claimed that the Web has the potential to redefine the relationship between hotel companies and their customers. Although nearly half of the hotels with websites were still in the planning stages and still did not use their

existing websites for sales, a number of studies and surveys have reported a strong preference for the Web as a medium for promoting and distributing hotel products and services. Olsen and Cassee (1996) make the point that the issue of hotels entering into strategic alliances in the context of marketing programs will become more complex in the future and that alliances will extend to those who provide information, those who own or control access to the Internet and others captured by the growing Web of information retrieve. In mid 1998, the International Hotel and Restaurant Association (IHRA) identified a set of new marketing paradigms for hotels entering the twenty first century stating that hotel businesses that offer value-added solutions and conduct effective web marketing under the umbrella of a powerful brand will emerge as victors in the new marketing revolution. The IHRA congress (1998), entitled "*One-to-One, Marketing in the Interactive Age*", focused on the Web and its tremendous potential as a marketing, promotion and sales tool for the tourism and hotel sector. Later, the IHRA (1998) announced that many hotel companies started to appreciate the importance of the Web in distributing their products and were starting to invest in establishing websites to exploit this new emerging medium.

PhoCusWright (1999) reports that revenue from the Web for tourism-related industries reached \$25 billion in 1998. This report also provided even more interesting findings related to the evolution of the Web in hotel marketing, among these are: most hotels expect the Web to represent approximately 10% of total bookings within five years; leading hotels that offer real-time bookings on their websites report that 82% of the total reservations are made through those websites compared to 18% through intermediaries such as TravelWeb.com, MSN Expedia and Hotel Reservation Network; hotels represented about 13% of the total travel electronic commerce in 1998, including airline sites, car rental sites and on-line

travel agencies. PhoCusWright also reported that leading hotel companies invested an average of \$20 million in their websites in 1998. Moreover, the World Tourism Organization (1999) considered the year 1999, as the beginning of a new era in information technology highlighting that the development of the Internet and the Web enabled customers to access information on-line and undertake their reservation from the convenience of their own computer. This certainly has persuaded more hotel companies to engage in web marketing and as a result a significant increase of direct bookings of hotel rooms and other products and services was anticipated, as hotel websites became popular destinations for the on-line traveller.

Ader (1999) supports these facts as he confirms that websites offering hotel reservations are some of the most heavily marketed and visited on the Internet. In 1998, there were approximately 150 million visits to such sites, with that number expected to more than triple by the end of the year 2002. Ader argues that hotel Web reservations appeal to leisure travellers for the same reasons a visit to the local travel agent historically did, i.e. hotel companies must examine new financial models for web-based booking that incorporate their need to sell accommodations at average daily room rates that rise at least at the rate of inflation or higher and customers' desire for an on-line auction market of goods and services purchased via the Web. Today hotel bookings on the Web are among the fastest growing areas in Internet-travel services, the investment bank Bear Stearns Co. Inc. estimates hotel reservations made via the Internet will generate \$3.1 billion in revenues in 2002, up from less than \$100 million in 1997. That compares to a total market for hotel reservations of \$58 billion, which is expected to reach \$62 billion by 2002 (Bear Stearns, 1999).

It is obvious that the hotel industry has started to seriously recognize the potential of the Web, both to drive more bookings and to reduce distribution costs. Clearly, the evolution of the Web in hotel marketing has persuaded many hotel managers to aggressively involve themselves in web marketing. Hotel companies, whether small independents or large multinational corporations have equal presence on the Web at a comparatively low cost. A site on the Web would not only save hotel's administration costs but would also reduce marketing expenses. Accordingly, the hotel industry today is committed to the Web as a major distribution channel and marketing tool. This indicates a widespread confidence within the hotel industry of the future of the Web as a strategic marketing tool. Larger hotel companies are spending thousands of dollars on establishing websites. Gilbert *et al.* (1999) point out that hundreds of hotel companies have already established themselves on the Web with their own websites or via a link from a third party such as TravelWeb. PhoCusWright estimates that \$1.1 billion of hotel on-line revenue was generated in 1999 and that by 2003, this will rise to \$6.6 billion with 50% of business being done on a hotel's own website (PhoCusWright, 1999).

2.5.4 Distribution options for hospitality businesses

There are a number of distribution options for hospitality businesses (see figure 2.4). These include direct and indirect channels. Indirect options may, or may not, use the Web. Both direct and indirect channels utilising the Web can be accessed through the use of Internet search directories (web portals). These are popular search directories (engines) like Yahoo, Excite or Lycos, or software companies like Microsoft and Netscape. They all have invested in on-line travel vending business serving hotel and travel customers through devoting a section on their global websites to serve these customers' travel needs.

Direct channels – hotel websites

The Web, through its interactivity and connectivity, provides equal opportunity to hotel companies to create an equal presence on-line. Small hotels can create websites to serve as an information source and an effective way to communicate with their potential customers. However, studies indicate that travellers who are not totally brand driven like to shop in a supermarket-style environment with many choices on the screen, and this reflects the design of large hotel chains' websites.

Indirect channels

These include on-line agencies, global distribution systems, switch companies, on-line travel retails, discounters and hotel guides, third party sites and portals. These are described in turn below.

On-line agencies

This category usually refers to companies such as Expedia.com and Travelocity.com which offer all the products and services of a traditional agency. While airlines and other suppliers have cut their commissions, on-line agencies have an advantage over bricks-and-mortar agencies as they can continually offer value-added elements such as promotions, informational services, and email alerts. These early on-line agencies are electronic overlays of the global distribution systems which traditionally worked far better for airlines than hotels.

Global Distribution Systems

As mentioned earlier, a number of traditional global distribution systems have already developed their own websites in an effort to reach customers directly. Reservations booked through Travelocity are referred to a switching company and then processed through the traditional reservation structure.

Switch companies

Switch companies have their own websites, such as TravelWeb by Pegasus and Fast-Connect by WizCom. These allow the switch companies to cut into the role of global distribution systems using their partnerships with hotels to host occupancy and rate data and to forge relationships with travel agencies and customers, instead of simply relaying data between hotels and global distribution systems.

Hotel reservation networks

WorldRes, for example, is an Internet-based hotel reservation network open to all hotel properties, regardless of size or affiliation. These Internet-based reservations networks do not charge hotels a membership fee, but they do charge a percentage markup over the rack rate. While WorldRes dominates domestically, it faces European competition from all-hotels.com and leisureplanet.com. These companies are geared to hotel companies that have not typically had access to the global distribution systems and are targeted to the leisure traveler. Hotel Reservations Network (HRN) and Priceline.com and lastminute-travel.com are other examples. These have become on-line giants with own booking engine systems. HRN and Travelscape are distinctive form of these applications because they buy blocks of rooms in bulk from hotel companies and build in their own margins.

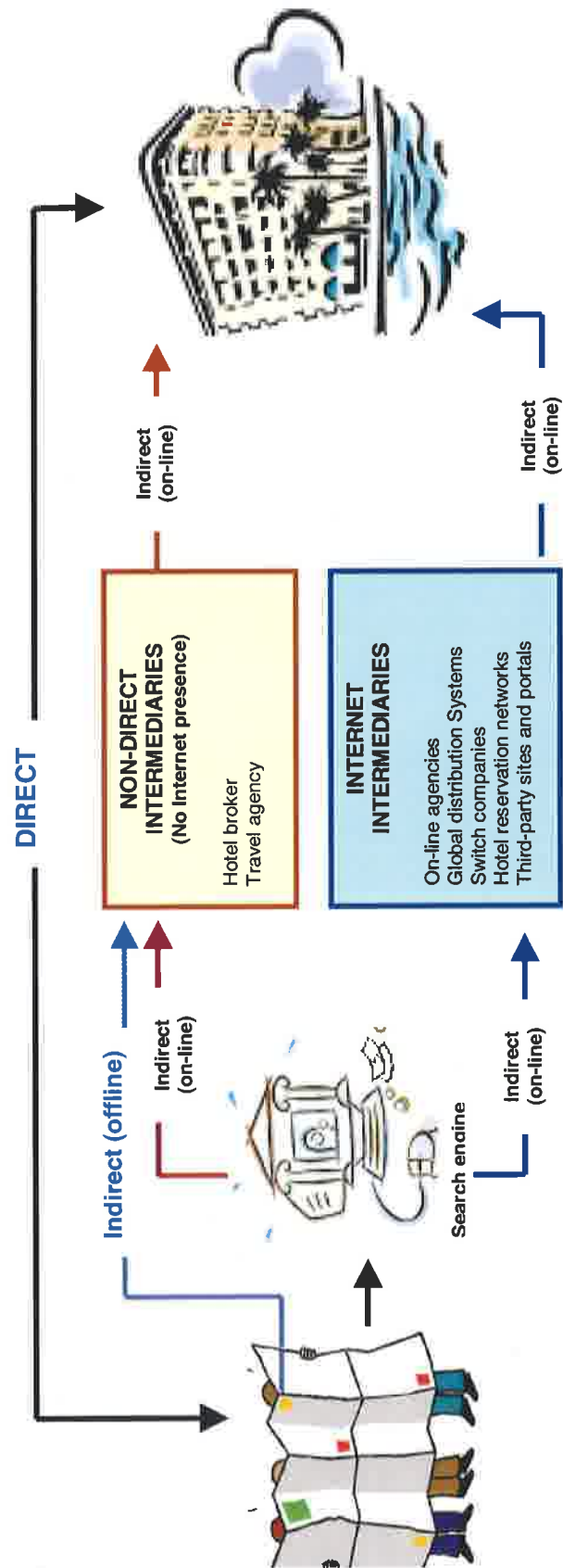
Third-party sites and portals

These include everything from convention and visitor bureaus to city guides to the American Hotel & Motel Association (AHMA) itself. Often these sites work with Pegasus or HRN or others to serve as their booking engine, earning some revenue by sending business to those sites and adding value to their own sites. For example the AHMA's site, which involves a partnership with WorldRes, is Got-rooms.com; it

allows customers to book through the association's 50 affiliated member state associations.

Thus, the Web combines many of the features of existing media with new capabilities of interactivity and accessibility as well as it makes it much easier for all hotel industry players to achieve a global reach for their products and services. For this research the focus will only be on hotel websites described above. However, the present study claims that the plethora of these websites reflects the massive scale of applications of hotel web marketing by international hotel chains and independent hotels and any mention of the term "website" would be related to this category.

FIGURE 2.4 DISTRIBUTION OPTIONS FOR HOSPITALITY BUSINESSES



2.5.5 What is Electronic Commerce?

Hoffman and Novak (1996b) emphasise the importance of reflecting the impact of the Web on marketing, sales and distribution of products through engagement with the new paradigm of electronic commerce which is made possible through the power of on-line networks, computer communications and digital interactive media (Kan, 1997).

There are various definitions of electronic commerce. Janal (1997) refers to web marketing and electronic commerce as:

A system for selling products and services to target audiences who use the Internet and commercial on-line services by utilizing on-line tools and services in a strategic manner consistent with the company's overall marketing program.

(Janal, 1997:39)

Alternatively, electronic commerce is defined as:

the seamless application of information and communication technology from its point of origin to its endpoint along the entire value chain of business processes conducted electronically and designed to enable the accomplishment of a business goal. These processes may be partial or complete and may encompass business-to-business as well as business to consumer and consumer-to-business transactions.

(Wigand, 1997:5)

Zwass (1996) defines electronic commerce as:

The sharing of business information, maintaining business relationships, and conducting business transactions by means of telecommunications networks...Therefore as understood here, E-commerce includes the sell-buy relationships and transactions between companies, as well as the corporate processes at support the commerce within individual firms.

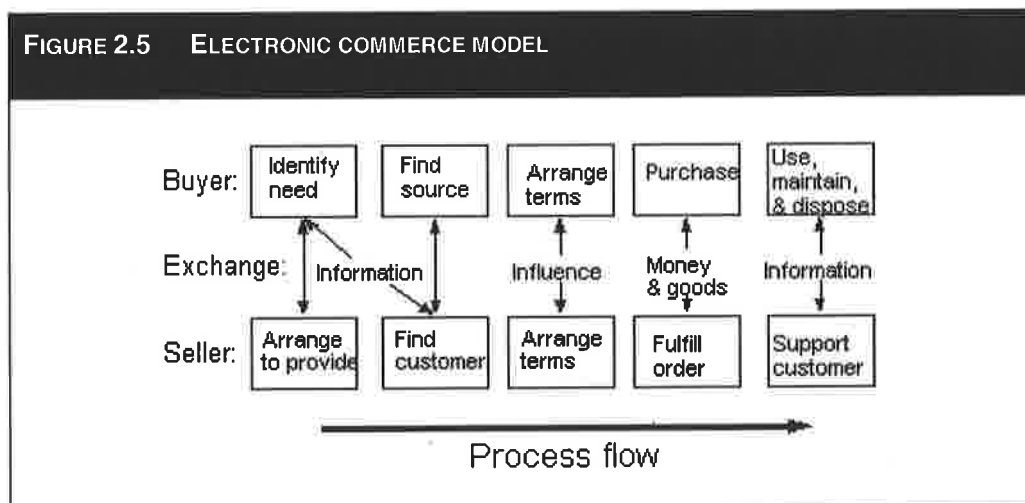
(Zwass, 1996:3)

Electronic commerce is broadly defined as:

A modern methodology that addresses the needs of organizations, merchants, and consumers to cut costs while improving the quality of goods and services and increasing the speed of service delivery.

(Kalakota and Whinston, 1996:1)

Electronic commerce encompasses a wide range of electronically-enabled business processes and supporting technologies. It is made possible by the Internet as it fulfils three commercial functions that facilitate electronic commerce activities: contact (concerning the exchange of information of products and companies); contract and distribution; and integration of three sectors: on the supply side, companies will work together by forming virtual companies (or Internet-working); on the demand side users will form a virtual community and; the combination of the two sectors creates the Internet conglomerates or the combination of the Internet-working and the virtual community (Von Versen, 1999). Bloch *et al.* (1996) put forward a model of electronic commerce (see figure 2.5), which illustrates how it may be used in all phases of commercial transactions.



Source: Bloch *et al.* (1996).

2.5.6 The business value of electronic commerce

Considering the new information and communication technologies that support electronic commerce and their use by leading-edge companies, Bloch *et al.* (1996) introduce a framework of improvement, transformation and redefinition that leads to enhancement of the business value of electronic commerce (see figure 2.6). These are described in turn below.

FIGURE 2.6 SOURCES OF THE BUSINESS VALUE OF ELECTRONIC COMMERCE

The organization	Sources of business value
Improve it !	<ul style="list-style-type: none"> - product promotion - new sales channel - direct savings - time to market - customer service - brand image
Transform it !	<ul style="list-style-type: none"> - technological and organization learning - customer relations
Redefine it !	<ul style="list-style-type: none"> - new product capabilities - new business models

Source: Bloch *et al.* (1996).

- **Improving existing processes within an organization:** improving product promotion through mass-customization and one-to-one marketing, offering new direct sales channel for existing products, reducing the cost of some processes (e.g. information distribution), reducing the time to market, improving customer service through automated service and round-the-clock operation, and finally improving the brand image, by offering electronic access to customers.
 - **Product promotion**, which is achieved through a direct, information-rich and interactive contact with customers. The first benefit of electronic commerce is the ability to provide product information to customers through an additional marketing channel through which a company can maximize its reach. Product information is permanently available to anybody who has access to the Web. Interactivity allows for customising different graphical user interfaces for kids, teenagers, housewives etc.
 - **New sales channels.** Electronic communication systems can be used as new sales channels. Selling and advertising products through the Web give customers given access to information unavailable through conventional sales channels. For example, one can get information on the winery, the quality of the wine, or the food it goes well with. Information products can be directly delivered via the network, resulting in less paper consumption and increasing delivery costs.
 - **Direct savings** results from using a shared digital infrastructure such as the Internet. Marketing, distribution and customer service costs can be reduced, especially for personnel, telephone, postage and printing costs. The customer benefits from faster response times, and better service.

- **Time to market** - the sooner one can market a product, the better. The life cycle of some products, e.g. news, is short. Consumers can be reached quickly by email or a web page.
 - **Customer service.** The Web is an excellent way to provide service to customers, as it can provide information on new products, or on-line system upgrades directly through the net. The service is available 24 hours a day, 365 days a year. By monitoring customer behaviour, the service provider can get useful tips for designing new products, or improving old ones. Two systems that are likely to develop in this area are: products which diagnose themselves, and use an on-line connection to call for help; and knowledge-based systems which assist customers in finding solutions to problems.
 - **Brand or corporate image.** By using electronic commerce systems, a company can help build up a positive image. This is especially important when dealing with customers who are technology- orientated.
- **Transforming the way companies deal with customers** by accumulating knowledge on their detailed preferences and buying habits, targeting them with specific offers, and generally dealing with them in a personalized one-to-one way. Through the early adoption of electronic commerce, organizations also learn to deal with these new technologies, the organizational transformations they imply and the new processes that need to be introduced.
- **Technology learning and organizational laboratory.** By adapting to new systems and learning new technologies a company is more able to respond and adapt to change.
 - **Customer relationships.** Electronic commerce systems make it easy for a company to give individual attention to each customer, thereby enhancing customer relations. By recording customers' behaviour, a company can find out which customers are the most profitable. A direct channel, e.g. e-mail, can be used to send up to date information.
- **Redefining the products, processes and business models used today,** leveraging technology to fundamentally change the ways products are conceived, marketed, delivered and supported.
- **New product capabilities.** By gaining better understanding of what customers really want, a company can customise old products or create entirely new ones. Customers can personally affect the design of a product.

- **New business models.** Electronic commerce will create new businesses as it becomes more widely used. In particular, the selling of information will be a growth area.

2.5.7 The impact of electronic commerce on marketing

The emergence of electronic commerce has significantly impacted on marketing. The appearance of electronic communities implies that marketing professionals must expand their horizons as the advent of this technology will threaten existing channels of business (Armstrong and Hagel, 1996). Those involved in marketing need to understand the full range of products and services required by the electronic community. They must learn to take advantage of the technology that allows customers to move seamlessly from information gathering to completion of a transaction, interacting with the various providers of products and services as necessary.

According to Hagel (1999) these communities are not mutually exclusive. Moreover, many commercial websites do not fully exploit the community-building capabilities of the electronic medium. They simply advertise their products on the Web and hope that somebody will buy something. The main purpose of on-line communities is to develop a critical mass of participants by being the first mover and, thereby, making it difficult for other new entrants to draw customers away from existing communities. However, electronic commerce is transforming the marketplace by changing the way firms do business, changing relations among market actors, and contributing to changes in the structure of markets (Moreton and Chester, 1996). As a result, this is creating new models for organizing production and conducting business transactions. New business models that either substitute, complement or enhance traditional models are emerging.

These new models also encourage streamlined business processes and flatten organizational hierarchies (Moreton and Chester, 1996), constituting an evolving paradigm which can be adapted to the needs of different firms in different contexts. The possibilities of the new trading era challenge traditional business thought, as companies experiment with a number of alternatives and organizational forms (Venkatraman and Henderson, 1998). Electronic commerce offers the potential for competitive advantage and impact on intermediation in industry (Bloch *et al.*, 1996).

2.5.8 Obstacles to the diffusion of electronic commerce

Many customers are still reluctant to try new technologies (Burke, 1997; Jones and Biasiotto, 1999). Sheth and Sisodia (1997) argue that the future success of marketers will depend on their ability to deliver total customer convenience. There are several commonly-discussed barriers for electronic commerce such as legal, cultural and technical problems, lack of common trust, security and privacy concerns, credibility and reliability of web vendors and a more limited variety of offerings than off-line vendors. Perceived barriers of a technical nature are discussed below.

Security

This is perhaps the most cited issue facing the development of the Web (Forcht and Fore, 1995; Hoffman *et al.*, 1995; Cockburn and Wilson, 1995; Bloch *et al.*, 1996; Hanson, 2000). There is a central perception among the public and commerce that the Web is not a secure vehicle for communicating their personal credit card details, although many stress that it is a perception rather than a reality. However, there are three basic methods of securing information being transmitted over a computer network.

Encryption is a method of scrambling a message so that no one can read it except people who have the key to decrypt it (Loeb, 1996). The current leader in this field is a system called "*Standard Encryption Technology (SET)*" (Bloch *et al.*, 1996; Loeb, 1996) which is being developed by the major players on the Web field e.g. Visa, MasterCard, IBM, Microsoft, and Netscape. The cryptography used in SET is reputed to be better than the system used by the military for nuclear launch codes (Loeb, 1996).

Firewall is a computer that sits between the networks and the Web and enforces the security policy. This security measure is designed to exclude unauthorised access from the Web to private computer networks and thus prevent malicious computer use such as hacking, virus planting and sabotage. These are the much-publicised aspects of computer crime that greatly influence public opinion and confidence.

Digital signatures can be appended to a message so that the recipient can authenticate the message content. The Web is structured upon the exchange of information. Commercialisation of the Internet requires payment mechanisms to be implemented that facilitate the trading of "fine granularity" items of information. This means that these mechanisms must be able to cost effectively support very low value transactions (known as micro payments) (Cockburn and Wilson, 1995; Bloch *et al.*, 1996). Without these mechanisms, it is suggested that the full potential of the Web as a market for electronic information cannot be realised.

Access problems

This includes a number of factors under the general heading of access (Hoffman *et al.*, 1995; Cockburn and Wilson, 1995; Bloch *et al.*, 1996). These factors are firstly,

the diffusion of the hardware/software/modem technology into the home. The cost of purchasing this equipment for the home is for many prohibitive and many companies are waiting for low-cost innovative technologies to be more widely available before adopting its use (Bloch *et al.*, 1996). Whilst there are benefits to be gleaned now, mass home market adoption is some way off.

Lack of reliable market data for web measurement

Whilst this has been discussed, there is a great deal of web demographic information around it is scattered, incomplete and sometimes totally incoherent (Cockburn and Wilson, 1995). Without the mechanisms for measuring investment opportunities, reliably targeting specific audiences and assessing the degree of business success there will be a major barrier to adoption (Hoffman *et al.*, 1995; Cockburn and Wilson, 1995).

Other related issues

Other issues related to electronic commerce drawbacks are legal liability and copyright, poor interface with legacy systems, and consumer information overload (Hoffman *et al.*, 1995; Cockburn and Wilson, 1995; Bloch *et al.*, 1996), but it is security, payment mechanisms and access that research shows to be the issues causing by far the most concern.

The previous sections of this chapter discussed web marketing and electronic commerce and the significance of the new communication models offered by the Web for hospitality marketers. Branding and its implications for the selection of hospitality products by consumers is then considered in the following section and the key role of the development of a special relationship between the supplier and the consumer is explored.

2.6 BRANDING HOSPITALITY PRODUCTS

2.6.1 What is branding?

Branding is a marketing concept that widely used to create a certain image (brand) for products and services in the eyes of potential consumers. The concept of branding is neither new nor unique to the hospitality industry. Modern day branding has existed in one form or another in hospitality marketing and has continually evolved for at least the past hundred years. Branding starts with a brand which:

*conveys a specific set of features, benefits, and services for buyers.
It is a mark, an emblem, which says something about the product.*

(Kotler *et al.*, 1999:571)

It can be a symbol that signifies something to the consumer, e.g. the Nike tick. It reflects how a firm's products differ from its competitors' products – whether tangible or intangible. Brands are legally protected, in principle, forever upon registration unlike other patents on physical products which expire after a certain number of years (Kotler *et al.*, 1999).

Brand equity is one of the most crucial elements to success in today's global marketplace. Since the late 1980s brand equity has been one of the most important marketing concepts in both academia and practice. While several different definitions of brand equity have been offered over the years, many of them are consistent with Aaker's definition of brand equity as:

A set of assets (and liabilities) linked to a brand's name and symbol that adds to (or subtracts from) the value provided by a product or service to a firm and or that firm's customers.

(Aaker, 1996:7-8)

These significant assets include: brand awareness; brand recognition; brand recall; brand loyalty; perceived quality; brand associations; brand decisions. It is of course

true these aspects of branding are considered powerful assets for hotel companies to create and maintain strong brands in competitive markets. These will be discussed below to provide clues as to what a branding strategy encompasses.

Rossiter and Percy (1996) describe brand awareness as being essential for the communications process to occur. Without brand awareness occurring, no other communication effects can occur. For a consumer to buy a brand they must first be made aware of it. Brand attitude cannot be formed, and intention to buy cannot occur unless brand awareness has occurred (Rossiter and Percy, 1996). Aaker (1991) cites brand awareness as a vital brand asset which add value to the product or service and/or its customers. Brand awareness adds value by:

- Placing the brand in the consumer's mind;
- Acting as a barrier to the entry of new and as yet unestablished brands (Stokes, 1985);
- Reassuring the customer of the organization's commitment and product quality;
- Providing leverage in the distribution channels (Aaker, 1992).

When consumers engage in information search they rely on a wealth of consumer-related knowledge and experiences stored in their memory (brand recognition). Researchers have concluded that people in general tend to like things more when they are familiar with them. Thus, the way in which the brand is positioned will reinforce how much the brand is liked (Hoyer and MacInnis, 1997).

Hoyer and MacInnis (1997) assert that one of the most important goals of marketers is to have their particular brand included in the consumer's evoked set - a set of brands that consumers rely upon when contemplating a purchase "*a subset of brands evaluated for choice*" (Hoyer and MacInnis, 1997:195). The phenomenon of brand loyalty occurs when consumers distinctively experience heightened levels of cognitive and affective involvement with a brand (Hoyer, 1984). Repeat purchases that take place consistently over long periods of time reflect just one of the major benefits of encouraging brand loyalty (Busch and Houston, 1985). The more successful a firm is when it comes to brand loyalty the greater the impact on marketing expenditures. "*Because a powerful brand enjoys a high level of consumer brand awareness and loyalty, the company will incur lower marketing costs relative to revenue*" (Kotler *et al.*, 1999:573). Indeed, the value of the firm's brand is only worthwhile inasmuch as it can induce brand loyalty among its customer base (Aaker, 1996).

"Among all brand associations, only perceived quality has been shown to drive financial performance" (Aaker, 1996:21). Corporations often adopt quality assurance as a strategic thrust. Quality also tends to bias other associations linked to a brand (Aaker, 1996). It is important to understand which cues consumers use to make quality judgments. In cases where there are no cues or the consumer is unaware which ones are relevant, the company educate its customers (Aaker, 1996). Brand association is another element associated with positioning the brand in the mind of the consumer aiming at securing a distinct identity for the brand while at the same time improving the process during which consumers retrieve information. A brand identity provides direction, purpose and meaning for the brand. There are two main levels of brand identity. The core identity, the central timeless essence of the brand, is most likely to remain constant as the brand travels to new markets and products.

The extended identity includes brand identity elements, organized into cohesive and meaningful groupings, that provide texture and completeness (Aaker, 1996). However, the question to brand or not to brand (branding decisions) must be weighed. Risks, e.g. financial, physical, psychological and social risks, all contribute to enhance the added value which a brand ultimately provides. In situations where making a less than optimal choice has significant negative consequences and as those perceived consequences become more severe a brand is increasingly relied upon as a choice tactic (Kapferer, 1998).

However, research shows that customers like to buy the brands they know and trust on-line (Graphics, Visualization, and Utilization (GVU), 1998; Harvin, 2000). GVU (1998) concludes that many users prefer a brand name when ordering over the Web (43%) although it is only essential for a few (10%) and there is some variation depending on the nature of the purchase. Ernst and Young also reported that for 82 % of surveyed customers (1,363 consumers) brand names play a significant role in on-line buying decisions preferring to buy from a website which belongs to a strong company brand or selling a well known brand/product (Ernst and Young, 1999). Retailers surveyed by Ernst and Young recognize the importance consumers attach to brands when shopping on-line (Ernst and Young, 1999). Attracting consumers to a website is one thing but encouraging them to take the next step and purchase a product is quite another issue. Maintaining a good customer relationship resulting in bottom-line business is critical to the survival of brands on-line.

2.6.2 Branding hospitality products

Looking at the issue of branding in the hospitality industry, it is evident that the concept of branding has received much attention in recent years. During the 1980s, the hotel industry saw an explosion of new brands, most particularly in the ultra-competitive U.S. marketplace, but also in several countries in Europe, including the United Kingdom and France (Cline, 1996). In the UK, for example, there were many reasons for the introduction of branding by UK hotel companies. The competitive environment of the UK hotel industry established that the growth and profitability are likely to be achieved by increased market share, rather than by the development of completely new markets. Branding assisted this process by facilitating the development of customer loyalty. An established brand will tend to have a relatively stable market share as consumers purchase it repeatedly due to brand loyalty (Busch and Houston, 1985). Brand loyalty develops as customers learn that certain brands provide high satisfaction (Foxall and Goldsmith, 1994; Jones and Sasser, 1995). This is because such a brand uniquely provides customers with the benefits they seek, fits into their lifestyle, or its image matches that of the consumer (Foxall and Goldsmith, 1994). Perceptively, hospitality operators all over the world attempt to differentiate their products and services from those of competitors. This is particularly true of the larger hotel companies as they attempt to create brand loyalty by operating chains with common product ranges, fixed prices and service styles.

However, it is possible here to argue that factors that apply to product brands are not the same as those that apply to service brands. For example, the tight specifications necessary for product consistency cannot be achieved in services or service products. This is because those services, as discussed earlier, normally contain aspects which are intangible and difficult to reproduce. Because of the necessity for standardization needed for the product consistency which is achieved

in brands, hotels cannot be subject to the branding process in the same way as consumer goods because they vary in their geographical locations, size, type, market level and specific customer mix, thus making the standard, consistent experience of the consumer difficult to achieve.

Running as a parallel to this, Slattery and Johnson (1991) differentiate hotel brands to be of two types - hard and soft brands. Hard brands are the closest to the branding of consumer goods or products. Standardization of the product or hotel can only be achieved when it is a new-build property, as it can then conform to the specification in architecture, product facilities, design and decor. An example of hard hotel brand would be Travelodge, the budget chain owned and operated by the Forte company. Soft brands, by contrast, are when companies assign their operations the same name, signage, menu and product range, and perform to the same established specifications without the standardization in architecture, size and type. Within the industry, the approach of soft branding is defended on the grounds that as long as the product is consistent in standards, it needed not be standardized in every aspect.

Marketing consortia with an established brand image, e.g. "Small Leading Hotels of the World" and "Welsh Rarebits", are a way in which independent hotels can participate to strengthen their customer loyalty and brand-building through a more intimate and trusted consumer relationship. Morrison and Harrison (1998:355) comment that membership of marketing consortium can *"transform the small firm from a corner shop to a participant in the electronic shopping mall. However the downside relates to concerns that the small hotel loses autonomy and the return on investment is low."*

Given all these complex factors, it is clear that branding hospitality products and services is becoming an essential part of the marketing landscape of the future. Those companies that control well-recognized brands will be well rewarded by higher than average returns and capital market support that values such customer focus. This raises the question of how the industry's leading hotel companies will proceed in their efforts to promote brands globally. However, to be effective brands must be promoted through the mass media that is offered by today's technology. In the hospitality industry, technology represents one of the most significant means of branding. Traditional distribution channels for hotel products are all now shifting to the Web and this is considerably affecting booking patterns and consumer behaviour. This, of course, has potential implications for the benefits associated with the branding of hospitality products.

There is no doubt that the emergence of the Web has attracted many hotel companies to consider the implications of their brands being globally promoted. International hotel chains around the world spend billions to promote and support their brands and to deliver consistent messages to their customers. The Web has become an integral part of the marketing mix in building such brands. Through successful marketing programs, these companies have acquired loyal customer bases willing to seek them out and buy their brands on-line. For example, Forte (an international hotel chain with 350 hotels in 55 countries), is a good case in point. Launched in 1997, Fortehotels.com (encompassing Le Meridien, Heritage Hotels, Post house and London Signature Hotels) had an initial generic site that included hotel search/booking by TravelWeb and maps. In 1999 it developed branded sites, including: partner links, content, special food and beverage offers. Through developing the Le Meridien website with content management tools - regional sites and individual hotels can build their own sites themselves, and do not have to rely

on an external programmer. The site integrates a 'fast access' function eliminating graphics for time-pressured customers. It uses one platform with consistent navigation regardless of which region the property is in and so consistently reflects the brand image. It also offers a range of functions, including: virtual room tour; e-mail postcard (which collects e-mail addresses to target promotional campaigns); location maps and restaurant facilities; local attractions and community events (for leisure travellers); a meeting planner and booking facility (Eurhotec, 2000).

There are however issues of branding for the independent and multiple independent hotels which are the subject of this thesis. These businesses do not benefit from the economics of scale and are not able to invest as heavily in websites development as international chains. They do not benefit from their name being "known" and reinforced through a presence in cities around the world. These hotels can register themselves on the major search engines and thus can appear high on the list returned from customer searches. However, it is at this point that brand awareness and brand loyalty kick in and it is possible that they will be bypassed as customers click onto familiar names. International hotel chains have developed products to respond to specific market segments and these products are delivered consistently around the globe. The customer thus knows what to expect and can be confident that they understand the nature of the product being presented. With the continuing reluctance of consumers to purchase products on-line brand awareness can enhance consumer confidence and promote sales.

So, there is an inherent dilemma for the independent hotelier – the Web gives them equal access to the consumer in the global marketplace alongside the international hotel chains but the brand name of the international hotel chains and its brand assets are likely to win its battle for customers on the search engines. So

independent hoteliers must carefully analyse the distinctive characteristics of their products which differentiate them in the marketplace and project a unique selling point for the website as they build customer relationships. The unique ability of independent properties to respond to niche markets can thus enable interaction with very narrow market segments exploring the full benefits of the many-to-many narrow-casting potential of the Web (Hoffman and Novak, 1996 a, b).

2.7 BRAND-BUILDING ON THE WEB

2.7.1 Successful Website Design

The strategic development of websites to support specific marketing activities has been one aspect of the emerging strategies on the Web (Palmer and Griffith, 1998). According to Guenther (1999) an important part of the Web development strategy is to adapt rational standards for website design. Palmer and Griffith (1998) add that the design of websites is influenced by the core market offerings of an organization that determines the sophistication of technology used and marketing functions that will be offered in a website. However, many scholars (Pollock, 1996; Loban, 1998 a, b; Palmer and Griffith, 1998; Pollock, 1999; Wilson, 1999; Baker *et al.*, 1999; Gilbert *et al.*, 1999; Morrison *et al.*, 1999; Morgan and Pritchard, 2000; Gilbert and Powell-Perry, 2000; Reid and Bojanic, 2001; Sigala, 2001; Sigala, 2002) from different disciplines, have already raised issues related to effective website design, some of these key issues are summarized below.

Pollok (1996, 1999) states that the key elements for a successful website are appearance, contents, good navigating tools, interactivity, repeat visits, ability to form strategic partnerships, and to enhance brand loyalty. This is also asserted by Hamill and Gregory (1997) who suggest that successful websites have a number of common features including being information-rich and featuring regular updating to

encourage repeat visits, sales including interactivity and responsiveness to user feedback and having clear navigation paths to allow smooth information and services rather than just place for marketing. Such a website should be designed to allow gathering of information by users and the integration of the site with other marketing channels used by the company to insure institutional support.

Similarly, in a more comprehensive hotel-specific study using a “balanced scorecard” approach (Morrison *et al.*, 1999) evaluate the effectiveness of small hotels websites against a total of 25 critical success factors (features) in four perspectives: technical, marketing, internal and customer. The study emphasises that a successful hotel website design should serve as a dynamic interactive relationship marketing tool rather than an electronic brochure. In order to reach that, Reid and Bojanic (2001) advise that a firm’s website needs be creative and catch the attention of users of the site. However, it is important to avoid overly complex layouts with hard-to find links that slow movement between pages of one site. There should be a balance reached regarding the use of graphics and the speed of movement. Reid and Bojanic suggest that *“hotels can give visitors a ‘tour’ of the facility using snapshots or a video file. To conserve space, the hotel could use a thumbnail gallery with small pictures visitors can click on if they want to see a target version”* (Reid and Bojanic, 2001:237).

In addition, Gilbert *et al.* (1999) add that the website, once established, allows a hotel to conduct a more targeted business 24 hours a day, 365 days in the year, with a potential customer worldwide. This makes the hotel product more accessible to the new global marketplace and reduces the need to depend on other distribution channels. The most valuable Web applications (websites) are those that allow companies to transcend communication barriers and establish dialogue directly with

customers. For example, hotel websites can contain electronic forms for customer completion and hotels can reply directly via electronic mail (Gilbert *et al.*, 1999).

Moreover, Morgan and Pritchard (2000:337) discuss these features with relation to the company's overall marketing strategy, they define successful websites as "*those which are used as part of an overall marketing and promotional strategy with clearly defined objectives, designed to a tight brief and informed by thorough analyses of customer profiles, needs and expectations.*" In an attempt to identify the best design features for this successful website Morgan and Pritchard (2000:333) elaborate:

The most successful sites are those which seek to build relationships with users, inviting comments and feedback, collating profiles and tailoring more personal promotional messages which can then be 'pushed' to consumers.

Morgan and Pritchard (2000: 337) proceed to argue that the successful website also offers a number of strategic marketing functions:

- The potential to reach a mass audience directly, yet each individual consumer feels as though they are being personally addressed on a one-to-one basis.
- Access to a growing audience of upscale consumers who are rapidly developing on-line brand preferences.
- Opportunities for organization to link with partners which are complementary and synergize with their brand.
- Effective dialogue and relationship-building opportunities between consumers and advertisers.
- Low-cost, easily updated, interactive promotional and distributional opportunities.

Another hotel-specific study (Sigala, 2001) discusses these features with relation to three capabilities: interactivity, connectivity and convergence arguing that real-time and on-line interactivity enhance the richness of customer relationships and creates new paradigms of product design and customer service. This study is also supported by Sigala (2002) who studied the design of electronic commerce enabled websites that are designed to manage competition along three dimensions: achieving reach and exposure, exploiting richness and simulating the shopping experience.

Although many of the above views (Palmer and Griffith, 1998; Baker *et al.*, 1999; Gilbert *et al.*, 1999; Morrison *et al.*, 1999; Morgan and Pritchard, 2000; Reid and Bojanic, 2001; Sigala, 2001; Sigala, 2002) are very useful in defining and understanding the importance of a successful website design, few are based on actual evaluation of website performance or investigation of the needs of their users. An understanding of what constitutes an effective hotel website from the customer point of view is seen important by this study and therefore the following chapter of this thesis is devoted to adopt and implement an effective methodology for this purpose as an initial task towards reaching the specific objectives of the research.

2.7.2 Website evaluation techniques

Websites can be evaluated using various tools and techniques, for example, they can be electronically evaluated by counting hits and tracking visitor activities by analysing site log files that are routinely collected by web servers which the website runs on. The popularity of this method is likely due to the economy and ease with which log information concerning users' browsing patterns can be obtained.

Although many log file analysis software products are available commercially (e.g. wwwstat, wusage, Analog, WebStat), many of these tools suffer from a number of weaknesses, for example, certain data, such as individuals' identities, is not logged (inherently incomplete) as well as the increasing use of caching that also imposes other technical difficulties. However, the introduction of cookies did overcome some of these problems, although their use presented other concerns such as privacy and security issues (Wong and Marsden, 2001).

Other common evaluation techniques, are those presented by numerous forms of web guides and checklists that have been developed to help users rate websites and provide numerical scores to compare them (Lemay, 1996; Flander, 1996; Lynch and Horton, 1997). Some of these are in the form of guides that provide rating services for an actual review of sites (e.g. Rate-O-Matic, Magellan, Excite and CyberHound), others are created to provide advice on extensive style and design instructions, or to show bad examples of website design (Flander, 1996). Although most of these rating services and guides worked for sometime, they are criticized for being self-appointed as they give little consideration to contents (Venditto, 1997).

Web usability questionnaires or sites feedback mechanisms, represent other instruments that have been developed to test the usability of a user interface for a traditional interactive application or a website, among these questionnaires are: Software Usability Measurement Inventory (SUMI) (Cork, 1997), Website Analysis and MeasureMent Inventory (WAMMI) (Cork and Nomos, 1997), and the Questionnaire for User Interaction Satisfaction (QUIS) (HCIL 1996). These questionnaires are mainly designed to provide reliable and consistent cross-platform and cross-application satisfaction measures by asking participants about a variety of factors that assess user satisfaction during their visits to websites. They are also

designed to be configured according to the needs of each interface analysis by including only the sections that are of interest to the user (HCIL, 1996).

However, these feedback mechanisms have their limitations (Murray and Costanzo, 1999):

- Users must be willing to respond. Because the respondents are self-selected, correspondence will, as a rule, be very positive or very negative. There will be very few responses from individuals whose attitude toward the site ranges from mildly negative to mildly positive.
- Users must have the appropriate software configurations, e.g. technologies that require a certain type of browser or plug-in will limit responses.
- The location of the feedback mechanism within the site will also affect the response rate.
- A user will not have the same level of commitment and attention as someone who is participating in a user test. As a result, feedback received through such mechanisms is often too generic to be useful.

Another common evaluation tool is heuristic evaluation; a usability engineering method for finding the usability problems in a user interface design so that they can be attended to as part of an iterative design process. Heuristic evaluation involves having a small group of evaluators (usually three to five) examine the interface and judge its compliance with recognized usability principles called the "heuristics" (Nielsen and Molich, 1990; Nielsen, 1994a,b).

Depending on the circumstances, the site designers and evaluators may choose to use a pre-existing set of heuristics, or may develop a customized set of principles to address specific site issues. A search of the Web will turn up literally hundreds of guidelines, standards, and usability criteria that can be used to develop a list of general principles for evaluation purposes. In a heuristic evaluation the evaluators work independently, identifying usability problems and matching each problem to the usability principle that it violates. In some cases, scenarios (list of steps the user would take) are used to assist evaluators to understand realistic tasks. When the evaluators are finished all the results are merged, and the problems are rated according to severity (Murray and Costanzo, 1999).

The drawback to heuristic evaluation is that it does not provide design solutions - it simply identifies usability problems. Also, it does not address the positive aspects of the design. However, the general usability principles can be used as guidelines for fixes or re-designs and a debriefing or brainstorming session at the end of the process may also help to generate design ideas (Murray and Costanzo, 1999). To conclude, it is apparent that there is no academic evidence that any particular guide, questionnaire or evaluation method is considered the best applicable strategy to evaluate hotel websites. Although most of these methods claim that they are applicable to any sector or industry, the question of how could one determine what method is most appropriate to evaluate hotel websites is still posed. However, some of the basics of this issue were already discussed above, the following section will attempt to demonstrate that the importance of coupling the results of relevant studies that considered hotel website evaluation and other related commercial websites typologies can indeed address the research's perennial quest for a richer and more comprehensive analytical method for evaluating hotels websites.

2.7.3 Relevant hotel website evaluation studies

Many researchers have taken different approaches to evaluate the effectiveness of tourism and hotels websites. A common approach is the use of contents/features analysis (Gilbert *et al.*, 1999; Weeks and Crouch, 1999; Procaccino and Miller, 1999; Cano and Prentice, 1998; Murphy *et al.*, 1996a,b). For example Murphy *et al.* (1996a) investigated 32 features on the websites of 20 chain hotels and 16 freestanding hotels, and 10 features on the websites of 37 restaurants. They also conducted an e-mail survey to all 36 hotels and 13 restaurateurs and received 13 and 9 replies consecutively. Another study by Rachman and Richins (1997) also investigated forty-three features on 50 tour operator websites using Ho's (1996) purpose-value evaluation framework. Cano and Prentice (1998) used website contents to appraise tourism websites in Scotland to see how far the concept of endearment applies. Weeks and Crouch (1999) sought to examine the content of Australian-based tourism and hotels websites reflecting the predominant features that organizations believe are essential on sites. Moreover, Procaccino and Miller (1999) aimed at comparing and contrasting the technical capability and overall business utilization (marketing, sales, support) of tourism-related websites of US and French-based businesses.

Although many of these studies pioneered the research activity into evaluating tourism and hotels websites, they criticized for their methodologies limitations of its methodology (content analysis) which is often criticised for separating the data analysed from its context (Denscombe, 1998; Denzin and Lincoln 1994). Another persistent criticism of content analysis is that it is a subjective procedure. It is often not possible for a researcher to explain in a research report all the subtle nuances that lead to one classification rather than another.

Web-based survey techniques are other methods of evaluating websites. Schonland and Williams (1996) used web-based survey techniques to evaluate the use of the Web for travel services. Similarly Tierney (2000) combined web-based surveys with e-mail surveys to measure the effectiveness focusing on only one tourism website (California Division of Tourism), his findings effectively demonstrated the role of electronic media in survey projects but were only of limited value with regard to evaluating the site itself (Scharl *et al.*, 2001). However, Tierney (2000) argues that research in this area is still very limited. He adds: *"a topic that may be useful for future website assessment is an evaluation of the attributes of the site itself for ease of navigation, finding, and requesting information"* (Tierney 2000:219).

Other website evaluation techniques include engaging site users in the evaluation (Loban, 1996a,b) or exploring experts opinions to explore success criteria. Buhalis and Spada (2000) explore success criteria for Destination Management Systems as identified by six key tourism destination stakeholders. They evaluate a list of success criteria from different stakeholders' point of view (consumer, tourism suppliers, public sector, investors, tour operators, travel agents). Another study by Jung and Butler (2000) examined the perceptions of a number of marketing managers from different sectors of the tourism and hospitality industry. Although the findings from these evaluations are limited by the applied research methodology, useful insights can be gained in the way users measure the effectiveness and evaluate the success of websites.

Benchmarking is also a suggested approach to evaluate and develop websites. A number of benchmarking studies for the evaluation of tourism websites are reported recently (Oertl *et al.*, 2001; Frey *et al.*, 2002). Although these studies projected benchmarking as useful tool to evaluate and improve tourism websites, it is argued

that they fail to provide help for best-practice companies as they cannot identify the most relevant criteria for long-term success (Scharl *et al.*, 2001). However, the drawbacks of the described methods above are the effort involved, which precludes frequent benchmark assessments and large sample sizes, the subjective nature of the judgments required by the users or experts and the rapid obsolescence of the results caused by the dynamics of the Web, which would require repeated evaluations in a longitudinal way (Scharl *et al.*, 2001).

2.7.4 Website typologies

A number of typologies for the categorization of commercial websites have been described in the literature, e.g. Hoffman *et al.* (1995); Cockburn and Wilson (1995); Ho (1997); Hoger *et al.* (1998); O'Neil *et al.* (1998); Pan and Fesenmaier (2000). These are summarized below.

Commercial development of websites

Hoffman *et al.* (1995) presented a structural framework for examining integrated destination sites or web traffic control locations that attempt to direct individuals to the destination pages. Specifically, the authors proposed a framework for evaluating the commercial development of the Web. They claim that their categorization scheme organizes the explosion of commercial activity and identifies two major categories of sites: destination sites, and web-traffic control sites. Destination sites include on-line storefronts, Internet presence sites, and content sites. These comprise the ultimate "destinations" competing for consumers' share of visits on the Web. Web traffic control sites, including malls, incentive sites, and search agents, function to direct consumers to these various destination sites. The authors argue that the marketing objective is to integrate these sites into a coordinated plan

designed to achieve the important marketing objectives of generating initial visits and securing repeat visits.

Classification of commercial websites

Another typology is presented by Cockburn and Wilson (1995), they investigated a sample of 300 websites in relation to several areas - the purpose of the website, the use being made of electronic mail and the extent to which multi-media was being utilised. In addition, any other aspects of the site which were designed to make it more interesting to potential customers were also noted. The results of this study classified commercial websites based on a hierarchy of seven levels of categories building on the first category: web presence with basic information about the company but no further details on specific products or services; web presence with company information and some information about products or services; web presence with company information and products or services information together with some price details but with facilities for conventional purchasing only; web presence with company information and products or services information with price details and the ability to order products or services via electronic mail (but with billing occurring conventionally); web presence with company information and products or services information (including price details) with the ability to cope with on-line ordering and payment; web presence with company information and products or services information (including price details) with pre-registration of credit card details by conventional means to gain account number which may be used to order goods on-line; web presence with company information and providing free products or services.

Purpose-value typology

Ho (1997) evaluated 1,800 commercial websites from various countries and continents. He assumes in his paper that the business purposes of a site can be classified into three categories (promotion, provision, and processing) and that sites create *value* for their visitors in four ways (timely, custom, logistic, and sensational). The evaluation consisted of counting which and how many of the 12 possible features (purpose-value combinations) within the given framework a site offers. Then the data were aggregated for industries, countries, and regions. The reliability of such an evaluation cannot be examined and the results are of little help to individual sites. If the evaluation process would be made reliable such an evaluation could serve as a snapshot of web use by industries and geographical units (Alpar *et al.*, 2001).

Corporate use of websites

Hoger *et al.* (1998) proposed a typology of corporate use of websites and pointed out that firms may use the Web as promotion, advertising and communication tools. In this case corporate sites were divided into five categories depending on purpose (function): (1) marketplace awareness and promotion, (2) customer support, (3) sales, (4) advertising, and (5) electronic information services.

A technological perspective

O'Neil *et al.* (1998) developed a typology based on a technological perspective. They categorized websites into three types: (1) Public websites, (2) Private Websites, and (3) Provisional Websites. These types are described below:

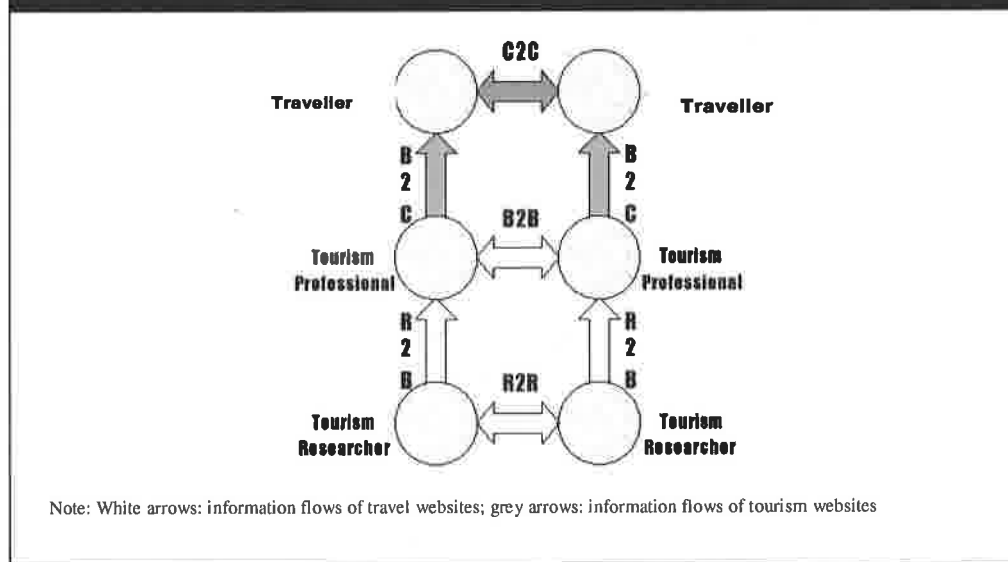
Public websites. Sites that provide unrestricted access to at least a portion of the site, and provide some form of meaningful content. Note that some portion (but not all) of the site may be restricted.

Private websites. Sites that prohibit access to users without prior authorization. Typically, a password is required before access to the site beyond the home page can be obtained.

Provisional websites. Sites that contain meaningless content, server templates, pages re-directing users to another site, pages indicating that the site is not in service or is under construction, etc. The common theme is that the site, as currently presented, is not ready or intended for access by web users.

The concept of information flow

Pan and Fesenmaier (2000) used the concept of information flow between different stakeholders (senders and receivers) in the tourism industry and the context within which they exchange this information in order to define a typology of tourism related websites. Figure 2.7 below shows the flow of information in a tourism website context.

FIGURE 2.7 FLOW OF INFORMATION IN A TOURISM WEBSITE CONTEXT

Source: Adapted from Pan and Fesenmaier (2000).

The authors identified the primitive building blocks underlying websites, and the nature and characteristics of tourism. They argue that, websites can be fundamentally seen as a tool for the exchange of information. Email, bulletin board system (BBS), audio, video, and real time chat, for example, can be implemented through a website using server-client structure. They then suggest that a critical typology should be based on the analysis of the nature of information and information exchange within the Internet environment, Pan and Fesenmaier (2000) identified three levels of richness for different information search contexts and tasks see table 2.3.

TABLE 2.3 THREE LEVELS OF INFORMATION RICHNESS OF DIFFERENT WEB PAGES

Levels	Characteristics of Information	Web Site Examples
High Richness	Customization, high bandwidth, audio and video, currency, interactivity, security transaction	www.expedia.com
Moderate Richness	Moderate bandwidth, interactivity, updated periodically	www.enjoyillinois.com
Low Richness	Static web pages with low bandwidth	www.cupartnership.org/cyb/main.htm

Source: Pan and Fesenmaier (2000).

Low Richness. Provides basically static and text based web pages with little graphic content and very little interactive content;

Moderate Richness. Provides large quantity of graphs and pictures, and some degree of interactivity like basic search engines, and the content of these web pages may be updated on a weekly or monthly basis;

High Richness. Animations and 3D images will appear on these websites. They can provide web customers with customized, up-to-date, interactive information, which is dynamically generated through a Common Gateway Interface (CGI) program, or other client-side or server-side programs.

Nevertheless, it is clear from the previous review that such frameworks focus on the functional or the technological side of website design and do not expansively consider web marketing features and customer interactivity. Thus these frameworks do not classify websites according to the extent to which they reflect the marketing and distribution of products and services. There is a need to develop a more

comprehensive methodology encompassing functionality, design, web content and customer interactivity, to enable a comparative analysis not only of technical aspects of hotel websites but also other characteristics of hotel websites to evaluate their effectiveness.

2.8 SUMMARY

During the 1990s, the development of the Internet and its Web evolved as the most efficient means of communicating and as a primary business necessity. Particularly, the advent of the Web has transformed the traditional marketing system. Besides functioning as a communication medium, the Web has been used as a marketplace in which marketing functions are performed under a hypermedia-computer-mediated-environment where interactivity and connectivity are replacing the traditional mode of "face to face" negotiation and communication.

The Web has become the most significant technological advance to affect the marketing of the global hotel industry. It is revolutionising the hotel industry through all phases of the promotion and distribution of hotel products and services. The evolution of the Web in hotel marketing has persuaded many hotel operators to involve in web marketing. A website would not only save hotel's administration costs but would also reduce marketing expenses. Accordingly, the hotel industry today is committed to the Web as a major distribution channel and marketing tool and this indicates a widespread confidence within the hotel industry of the future of the Web as a strategic marketing tool.

The chapter also reviewed different methods and previous methodologies that studied the evaluation of websites. It examined a number of previous typologies for the categorization of commercial websites. Such frameworks focus on the functional

or the technological side of web design and do not expansively consider web marketing features and customer interactivity. Thus these frameworks do not classify websites according to the extent to which they reflect the marketing and distribution of products and services. There is a need to develop a more comprehensive methodology encompassing functionality, design, web content and customer interactivity, to enable a comparative analysis not only of technical aspects of hotel websites but also other characteristics of hotel websites to evaluate their effectiveness based on the needs of their users and also on their ability to build the brand. This will be the focus of the following chapter.

CHAPTER THREE

RESEARCH APPROACH

3.1	INTRODUCTION	80
3.2	QUALITATIVE RESEARCH	81
3.3	THESIS EPISTEMOLOGY AND THEORETICAL PERSPECTIVE	84
	3.3.1 Constructionism	85
	3.3.2 Interpretivism	86
	3.3.3 Phenomenology	87
3.4	METHODOLOGY JUSTIFICATION	87
3.5	PHASE ONE: DEVELOPING A DIAGNOSTIC AND ANALYTICAL TOOL TO EVALUATE THE PERFORMANCE OF HOTEL WEBSITES	90
	3.5.1 Semi-structured interviews with web customers	90
	3.5.2 On-line survey	92
3.6	PHASE TWO: CASE STUDY - CURRENT EXPLOITATION OF WEB MARKETING IN THE EGYPTIAN HOTEL SECTOR	95
	3.6.1 Procedure: Collecting data	97
	3.6.2 Sampling techniques and subjects	100
	3.6.3 Designing interviews	101
3.7	DATA ANALYSIS	103
3.8	VALIDITY, RELIABILITY AND TRIANGULATION	105
3.9	GENERALIZATION OF RESULTS	107
3.10	SUMMARY	108

CHAPTER THREE: RESEARCH APPROACH

3.1 INTRODUCTION

This chapter presents the epistemological and theoretical perspective of the research. It provides a justification of choosing the appropriate methodology and therefore the suitable methods applied to achieve the specific research objectives. The chapter describes two phases of methodology developed for this research: first, it describes the methods used to support the development of a model, to function as a diagnostic and analytical tool for the evaluation of hotel websites in terms of their brand-building capacity. This phase includes two research methods to develop a consumer focus for the evaluation; (1) semi-structured interviews with web users to explore their scenarios when searching for or buying hotel products on-line and to identify what websites features constitute a successful hotel website and (2) on-line survey to support the data form the interviews and to identify the user-relevant website design features. Second, the chapter describes the methods used in an exploratory case study in which an evaluation of a selected sample of Egyptian hotel websites were performed and a series of semi-structured interviews, with Egyptian hotel marketers and Egyptian web designers was conducted, to assess the current performance of the Web as a strategic marketing tool for the Egyptian hotel sector.

3.2 QUALITATIVE RESEARCH

There are several ways in which research methods can be classified. A common method is to make a distinction between quantitative and qualitative research methods. Berg (2001) differentiates between qualitative and quantitative research by identifying qualitative research as referring to meanings, concepts, definitions, characteristics, metaphors, symbols, and descriptions of things, whereas quantitative research as referring to counts and measures of things. Quantitative researchers assimilate facts and study the association between one set of gathered facts with another, while qualitative researchers are more interested in understanding individual or group perceptions of their environment (Bell, 1992).

Denzin and Lincoln (2000:7), in a paraphrase of Nelson *et al.*'s (1992:4) definition of qualitative research, point out that it is "*an interdisciplinary, transdisciplinary, and sometimes counterdisciplinary field. It crosscuts the humanities and the social and physical sciences.*" Qualitative research is often referred to as a bricolage (Denzin and Lincoln, 2000:4) with the researcher therefore, a bricoleur " - *a kind of professional do-it-yourself person*" (Denzin and Lincoln, 2000:4), who creates the bricolage which is a "*pieced- together set of representations that are fitted to the specifics of a complex situation*" provide solutions to a problem in a concrete situation (Denzin and Lincoln, 2000:4).

Qualitative research was developed in the social sciences to enable researchers to study social and cultural phenomena. Examples of qualitative methods are action research, case study research and ethnography (Myers, 2000). Qualitative data sources include observation and participant observation (fieldwork), interviews and questionnaires, documents and texts, and the researcher's impressions and reactions (Myers, 2000).

Strauss and Corbin (1998) claim that qualitative methods can be used to better understand any phenomenon about which little is yet known. They can also be used to gain new perspectives on things about which much is already known, or to gain more in-depth information that may be difficult to convey quantitatively (Strauss and Corbin, 1998).

Central to the notion of qualitative research are the concepts of “ontology” (a branch of philosophy concerned with “what is”, i.e. the study of being and the nature of “reality”) and “epistemology” (a branch of philosophy concerned with the nature of knowledge, dealing with issues of how we know what we know). This means that all research has to answer the question of how its specific research subject relates to the world of theory and knowledge “epistemology”. Thus in turn needs to be based on a statement of what the world must be like “ontology” in order for us to have knowledge of it (Crotty, 1998). Thus the researcher approaches the world from “being in the world” with a set of ideas, an ontological framework that specifies a set of questions (epistemology) that are then examined (methodology, analysis) in specific ways (theoretical perspective) (Denzin and Lincoln, 2000).

“Epistemology deals with the nature of knowledge” (Crotty, 1998:8). It informs the theoretical approach one chooses. The epistemological stance of a study provides a context or broad map for the assessment process.

Epistemology is concerned with providing a philosophical grounding for deciding what kinds of knowledge are possible, and how we can ensure they are both adequate and legitimate.

(Maynard, 1994:10)

Crotty (1998) provides a three-fold classification of epistemologies into: objectivism, constructionism and subjectivism. Objectivism *“holds that meaning, and therefore meaningful reality exists as such apart from the operation of any consciousness.”*

(Crotty, 1998:8). Constructionism *"rejects the view of human knowledge, meaning is not discovered, but constructed"* (Crotty, 1998:8). In this view, subject and object emerge as patterns in the generation of meaning in relation to the same phenomenon. In subjectivism meaning does not come out of an interplay between subject and object but is imposed on the object by the subject. This three-fold classification is found helpful and the one that is adopted here. Crotty (1998) argues that much more can be said about possible epistemological stances, and the three he has referred to are not seen as watertight compartments. However, it is possible here to simplify Crotty's classification of the three different epistemological stances as shown in table 3.1.

TABLE 3.1 DIFFERENT EPISTEMOLOGICAL STANCES (PERSPECTIVES)				
EPISTEMOLOGY	OBJECTIVISM	CONSTRUCTIONISM		SUBJECTIVISM
THEORETICAL PERSPECTIVE	Positivism Post – Positivism	Interpretivism - Symbolic Interaction - Phenomenology - Hermeneutics	Critical Theory - Post colonialism - Feminist Theory	Postmodernism
METHODOLOGY	Experimental Research	Phenomenological research Grounded Theory Ethnography Case Study	Action Research Discourse Analysis Feminist Standpoint Research Critical Ethnography	Postmodern Influence - Ethnography - Case study - Biography Can use lens of critical theory, feminist theory to deconstruct given "reality"
METHODS	Sampling Measurement and Scaling Survey Questionnaire	Observation - Participant - Non-participant Interview Focus Group Document Analysis		Visual ethnographic Statistical analysis Data reduction Theme identification Comparative analysis Cognitive mapping Interpretive methods

Adapted from Crotty (1998:5)

3.3 THESIS EPISTEMOLOGY AND THEORETICAL PERSPECTIVE

As mentioned above, every research has to answer the question of how its specific research subject relates to the world of theory and knowledge in terms of epistemology and theoretical perspective.

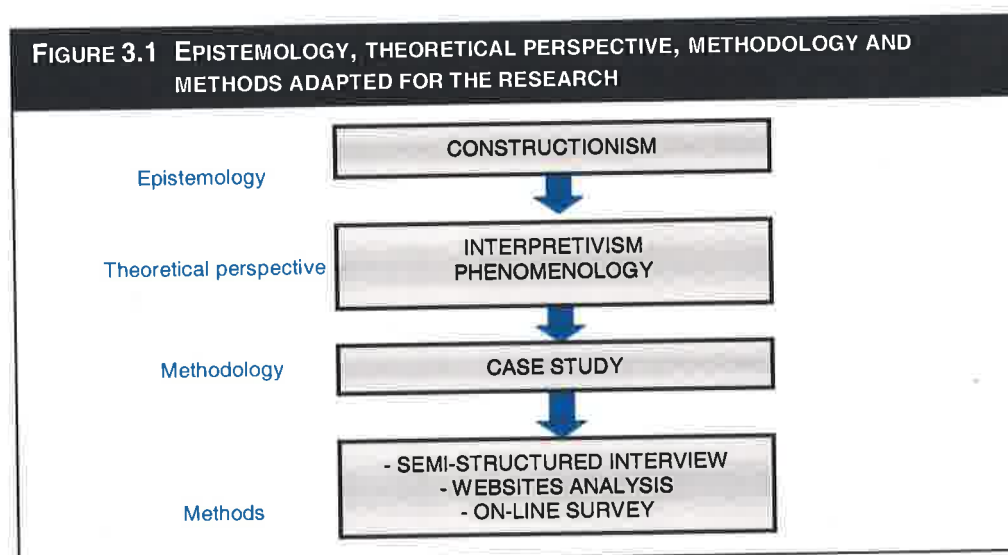
In adopting an approach to social enquiry, the researcher is buying into a set of choices with far-reaching implications. They therefore need to be given careful consideration. No one approach or strategy, and its accompanying choices on these issues, provides a perfect solution for the researcher; there is no one ideal way to gain knowledge of the social world.

(Blaikie, 1993:203)

The adoption of a paradigm literally permeates every act even tangentially associated with inquiry, such that any consideration even remotely attached to inquiry processes demands rethinking to bring decisions into line with the worldview embodied in the paradigm itself.

(Lincoln, 1990:81)

In this research, the experiences of the web customers and the principal stakeholders of the hotel website design (hotel marketers and web designers) to the Web as a strategic marketing tool were explored via a research string of constructionism - interpretivism – phenomenology, see figure 3.1. Below is a discussion of the epistemological choice and the theoretical approach for this research that justifies this combination.



Adapted from Crotty (1998)

3.3.1 Constructionism

Constructionism provides a methodology for investigating the beliefs of individual respondents rather than investigating an external reality, such as the tangible and comprehensible economic and technological dimensions of management (Hunt, 1991). It rejects the objectivist view of human knowledge and holds that there is no objective truth waiting to be discovered (Crotty, 1998). Truth, or meaning, comes into existence in and out of our engagement with the realities in our world. There is no meaning without a mind. Meaning is not discovered but constructed. In this understanding of knowledge, it is clear that different people may construct meanings in different ways, even in relation to the same phenomenon (Crotty, 1998).

According to Hunt (1992), one cannot be a realist while also being a constructionist. Scholars working within the constructionism paradigm maintain that reality does not exist "out there" but is constructed by human beings in relation to each other (Guba, 1990; Lincoln, 1990; Guba and Lincoln, 1994; Schwandt, 1994; Crotty, 1998). Therefore, reality is contingent upon human meaning making. But, as Crotty (1998) notes, constructionism is not just about the human construction of meaning as if it were independent of phenomena in the world. Rather, it is human interaction with the world and how humans then make sense of that interaction.

Thus, constructionists believe that there can be no objectivity. Researchers and those being researched, or the phenomena studied, engage in dynamic interaction that creates the meaning of findings. Thus, knowledge is always a human construction and never value-free. The purpose of a constructionist research project is not to predict the world or to control it as positivists and even post-positivists might desire (Guba, 1990; Lincoln, 1990; Guba and Lincoln, 1994; Schwandt, 1994; Crotty, 1998). In summary, constructionism identifies the myriad of mental

constructions of the world, try to understand them, to locate some consensus among them, and to reconstruct the world based on these understandings. Drawing from the inductive nature of qualitative inquiry constructionists seek theories that arise from the data and help explain the many ways that humans conceptualize the world in which they live.

3.3.2 Interpretivism

Interpretivism is the *“systematic analysis of socially meaningful action through the direct detailed observation of people in natural settings in order to arrive at understandings and interpretations of how people create and maintain their social worlds”* (Neuman, 2000:71). Myers (1997) argues that interpretive research attempts to study a phenomenon in its natural settings and interpret the phenomenon through the meanings that people assign to them.

However, interpretive research is fundamentally concerned with meaning and it seeks to understand social members' definition of a situation (Schwandt, 1994:118). It often addresses essential features of shared meaning and understanding whereas constructionism extends this concern with knowledge as produced and interpreted to an anti-essentialist level. Constructionists argue that knowledge and truth are the result of perspective (Schwandt, 1994) hence all truths are relative to some meaning context or perspective. Moreover, Sandberg (2000) argues that interpretivism is compatible with constructionism. The main feature of the interpretive research tradition is the stipulation that person and world are inextricably related through persons' lived experience of the world.

3.3.3 Phenomenology

Phenomenology has its origins in the thinking of the German philosopher Husserl and the French phenomenologist Merleau-Ponty, that which Crotty (1998) calls the classical phenomenologist approach. According to Patton (1990), a phenomenological study is one that focuses on descriptions of what people experience and how it is that they experience what they experience. It seeks to explain the structure and essence of the experiences of a group of people:

A phenomenological perspective can mean either or both (1) a focus on what people experience and how they interpret the world (in which case one can use interviews without actually experiencing the phenomenon oneself) or (2) a methodological mandate to actually experience the phenomenon being investigated (in which case participant observation would be necessary.

Patton (1990:70)

3.3 METHODOLOGY JUSTIFICATION

Methodology comprises the strategy or plan of action, it is the research design that shapes choices and the use of particular methods, and links them to the desired outcomes (Crotty, 1998). As discussed earlier, the theoretical perspective informing this research is phenomenology where the concern was with the essence or basic structure of a phenomenon (web marketing as a strategic marketing tool). Phenomenological methodology is also consistent with the theoretical framework of this research, constructionism, because the Web itself is a phenomenon, so as web marketing, and therefore this framework provides a methodology to investigate the meanings individuals create from their experiences, using the Web for marketing purposes. It is constructionist in its notion of the essential relationship between conscious subjects and their objects. Indeed, in phenomenology, "*consciousness is always consciousness of something. An object is always an object for someone. The object, in other words cannot be described adequately apart from the subject*" (Crotty, 1998:79).

However, this research, with the aim of evaluating the Web as a strategic marketing tool from the point of view of its stakeholders, utilized a phenomenological methodology that employed qualitative and quantitative research tools. As a result of this perspective, the development of research methods was geared more toward qualitative methods of study. Kaplan and Maxwell (1994) argue that the goal of understanding a phenomenon from the point of view of the participants and its particular social and institutional context is largely lost when textual data are quantified.

A phenomenologist is concerned with understanding certain group behaviours from that group's point of view. Phenomenological inquiry requires that researchers go through a series of steps (phases) in which they try to eliminate their own assumptions and biases, examine the phenomenon without presuppositions, and describe the "deep structure" of the phenomenon based on internal themes that are discovered (Marshall and Rossman, 1995). This situation applies to this research, therefore as a series of steps were followed to examine the phenomena. These are described below in the two phases of data collection (see table 3.2).

TABLE 3.2 PHASES OF THE RESEARCH

PHASE ONE	PHASE TWO
<p><u>OBJECTIVES</u></p> <ol style="list-style-type: none"> 1. To develop a diagnostic and analytical tool for the evaluation of hotel websites in terms of their brand-building capacity. 	<p><u>OBJECTIVE</u></p> <ol style="list-style-type: none"> 2. To evaluate a selected sample of 36 hotel websites in three destinations (UK, USA and Egypt) in terms of their brand-building capacity. 3. To explore web marketers' perspectives of the impacts and benefits of web marketing for their business activities and practices and its potential as a strategic marketing tool for Egyptian hotels. 4. To explore web designers' perspectives of the issues for hotel website design and particularly web design in support of hotel brand-building.
<p><u>PROCEDURE</u></p> <ol style="list-style-type: none"> 1. Adapting the market-space model. 2. Developing a customer focus for the evaluation by conducting a series of semi-structured interviews with web customers. 3. Streamlining the identified hotel web site design features using on-line survey instrument. 4. Developing a hierarchy of considerations to support brand-building websites design. 5. Applying the hierarchy in the evaluation of a two exemplar websites. 6. Visualizing the results using radar chart approach to reflect three levels of performance. 	<p><u>PROCEDURE</u></p> <ol style="list-style-type: none"> 1. Evaluating the performance of Egyptian hotels websites using the developed tool in phase one. 2. Semi-structured interviews with Egyptian hotel marketers. 3. Semi-structured interviews with Egyptian web designers.
<p><u>METHODS</u></p> <p>Semi-structured interviews. On-line survey.</p>	<p><u>METHODS</u></p> <p>Case study</p> <ul style="list-style-type: none"> - Semi-structured interviews. - Evaluating hotel websites.

3.5 PHASE ONE: DEVELOPING A DIAGNOSTIC AND ANALYTICAL TOOL TO EVALUATE THE PERFORMANCE OF HOTEL WEBSITES

The objective of this phase was to develop a diagnostic and analytical tool to evaluate the performance of hotel websites. Two data collection methods were used in this phase: semi-structured interviews with web customers and an on-line survey. These are described below.

3.5.1 Semi-structured interviews with web customers

This stage, was designed to reach three objectives, these are:

1. To identify the aspects of interviewees that act as motivating factors for them to shop on-line and relevant concerns that might prevent them from completing purchasing transaction.
2. To identify the scenario/s of hotel website users when buying/searching for hotel products on-line.
3. To find out what websites features constitute a successful hotel website.

This stage included twelve semi-structured interviews with an international-based sample (convenience sample) of hotel web users. During interviews the researcher was able to identify the logic scenarios of web customers when buying hotel products on-line and to investigate the considered necessary (important) features in the design of hotel websites. In the beginning of each session the interviewer provided interviewees with information about the aim of the research: why it was conducted and the reasons why they were chosen to participate. They were also

informed that the interviews would be tape-recorded to assist the interviewer in his analyses. Following the brief introduction, interviewees were asked a few demographic questions which were meant to provide the interviewer with their personal data to form a profile of each. This happened, because the selection of the informants took place prior to the interviews and was based on the researcher's previous contacts and familiarity with them (convenience sampling). The second section of the interviews was clearly related to the first objective and attempted to find out what would motivate interviewees to shop on-line. The issues raised by the interviewer were an attempt to identify the aspects of interviewees' lifestyles that act as motivating factors for them to shop on-line and relevant concerns that might prevent them from completing an on-line transaction.

The third section was a combination of observation and conversation and interviewees were asked to go through the buying process of hotel products on-line. While interviewees were going through steps, like searching for a specific hotel, reservation etc., they were asked to express their opinions and feelings about what they were experiencing on the hotel websites. The issues raised during this stage of the interview were related to functionality of sites through the whole process. This part of the interviews aimed at producing some answers related to the second and third objectives, i.e. to find out the scenario/s of hotel website users when buying/searching for hotel products on-line. Finally, in order to meet the third objective interviewees were asked to share their thoughts regarding successful hotel website design features related to functionality and design. A copy of the interview pattern is included in appendix A-1 and an example of an interview transcription is shown in appendix A-1-1. Results of these interviews are discussed in the following chapter.

3.5.2 On-line survey

Since any system must be “user-driven” rather than “technology-driven” or “content-driven” it was important to streamline the 48 identified hotel website features from an evaluative review of the literature (see table 4.1) to reflect user requirements. This was achieved using an on-line survey instrument in which web customers were asked to rank the importance of each feature on a Likert scale of 1 to 5 (1 = critically important and 5 = not at all important).

The use of on-line surveys for research has been a topic of interest among statisticians and information scientists (Pitkow and Recker, 1995). Dillman (1998) identifies four forces of change (changes in societal organization and culture; available technology; sources of cost and efficiency; a consideration of contributors to survey error), which contribute to the increased use of email and other information and communication technologies in surveys. There are benefits and drawbacks to all survey techniques. Benefits of on-line surveys include cost effectiveness, efficiency of administration, ease of data transfer and collation; visual presentation of figures and questions; removal of time constraints for answering questions; general convenience of on-line access for some participants (Pitkow and Recker, 1995; Dillman, 1998). General drawbacks of surveys cited by Groves (1989) include sampling, coverage, measurement, and non-response.

One could argue that sampling bias is an issue in this study, which sampled from UWIC staff with access to the Web and their representativeness of the wider population of web users. Coverage was addressed by administering the survey to all UWIC staff with access to UWIC's email system. Measurement and non-response are no better or worse addressed in this study than they would have been had another survey technique been selected. This survey followed up on non-

response in the same way as would have been done in traditionally-administered survey. On balance, it was decided that the benefits of an on-line survey outweighed potential concerns for this particular study.

The survey was conducted on-line for 49 days and collection involved two stages: firstly an email invitation was sent to the selected sample asking them to participate in the survey by clicking on a hyperlink that transferred them to another webpage, which included the full survey form (see Figure 3.2). The survey instrument comprised three sections: the first collected background information of the use of the Web by the respondent; the second allowed rating of the relative importance of hotel website design features; the third collected respondent demographics. The survey was designed so that user responses were collected into a comma-delimited file which was imported into a (MS-Excel) spreadsheet for analysis. Sampling was non-random - the survey was administered to every member of staff of University of Wales Institute, Cardiff (UWIC) with access to the UWIC's e-mail system. This mode of sampling ensures that the respondents are all potentially Internet users as by definition they have e-mail access. The survey was conducted on-line for 49 days and data collection involved two stages: firstly, an e-mail invitation was sent to the selected sample asking them to participate in the survey by clicking on a hyperlink that transferred them to another web page, which included the full survey form (see figure 3.2). Secondly, a reminder for all staff members including a brief description of the survey was placed on the on-line notice board of UWIC (see figure 3.3). A copy of the on-line survey is in appendix A-2. The results of this survey are presented in the following chapter.

FIGURE 3.2 EMAIL INVITATION

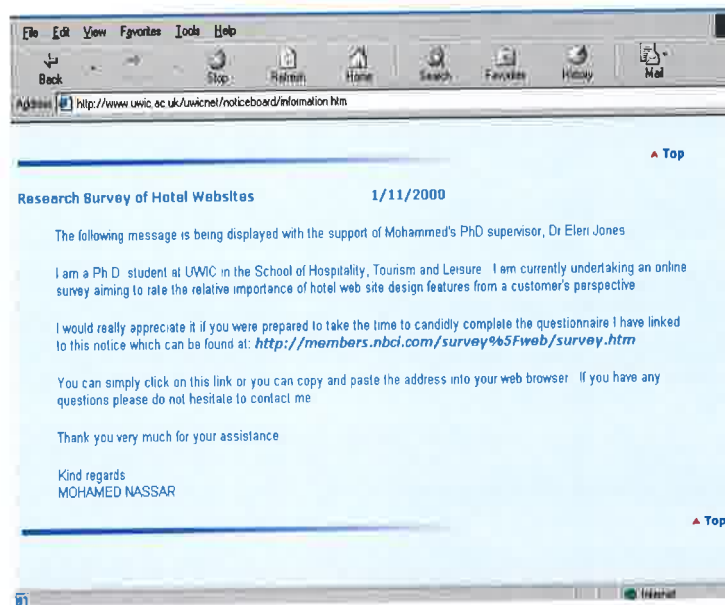
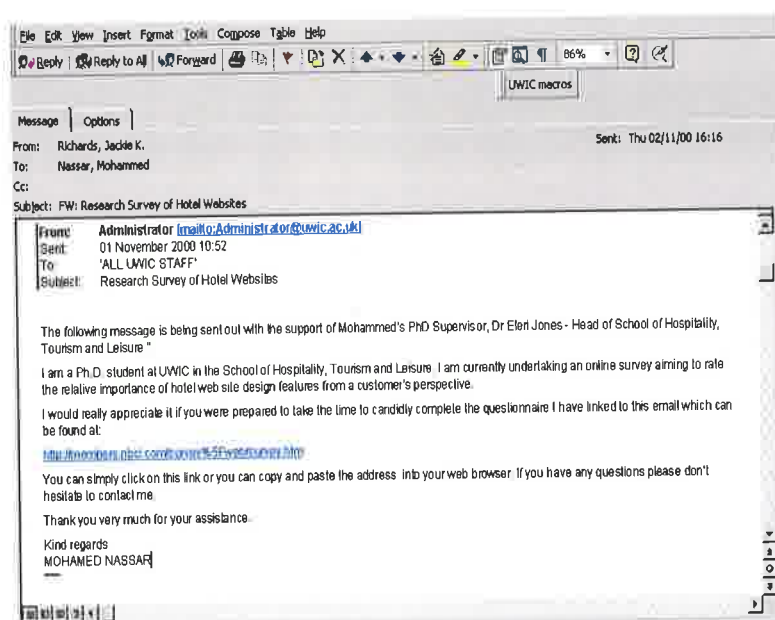


FIGURE 3.3 EMAIL REMINDER



3.6 PHASE TWO: CASE STUDY - CURRENT EXPLOITATION OF WEB MARKETING IN THE EGYPTIAN HOTEL SECTOR

In many respects this phase of the research can be described as a case study. Yin (1994) describes the case study as being an empirical inquiry that investigates a contemporary phenomenon within its real - life context; when the boundaries between the phenomenon and context are not clearly evident; and in which multiple sources of evidence are used.

The essence of a case study, the central tendency among all types of case study, is that it tries to illuminate a decision or set of decisions: why they were taken, how they were implemented, and with what result.

(Yin, 1994:12)

However, it is also important here to highlight a distinction between single and multiple case studies.

The single case study

Case studies can focus on the study of a single case or use a collection of cases to study a certain phenomenon. In the former, the case itself is the topic of interest (Stake, 1994). Yin (1994) suggests three primary reasons for the selection of a single case as the subject of inquiry, and by definition, each of these reasons typically implies the selection of only one case. First, a single case is chosen because it represents a unique or extreme example of some phenomenon worthy of study and of interest to the researcher. Second, the single case of interest may represent a critical case for testing well-formulated theory to see if it can be upheld or if it should be refuted. Finally, a single case study approach is appropriate when the selected case serves a revelatory purpose; that is, the case provides the researcher with a contextual setting to observe and analyze a phenomenon that would otherwise be inaccessible to scientific inquiry. Yin (1994) adds that a single

case study may also be appropriate as an exploratory tool or as a pilot test for a multiple case study. In this situation, unlike the previous three examples provided by Yin (1994), the single case study does not stand on its own as a complete study.

The multiple case study

The methodological framework and procedures for a multiple-case study are virtually identical to those followed in a single case research (Yin, 1994). A study involving multiple cases can provide more robust insight than a single case study and are preferable to a single case in descriptive studies. Each case can be viewed and studied alone (i.e., within-case analysis), and then, cross-case comparisons/contrasts (i.e., analyses between cases) can be made to provide richer detail and insights regarding the subject matter under investigation (Benbasat *et al.*, 1987; Eisenhardt, 1989; Stake, 1994). This cross-case comparison allows the researcher to observe patterns and to discern idiosyncratic differences from one case to the next so as to unveil the true relationships among the variables under study. It is also argued that the use of multiple cases in a study also lends greater credence to the results and findings through a higher order of external validity than do those of a single case study (Kerlinger, 1986; Yin, 1994; Babbie, 1995).

Case selection for the study

The case study approach is commonly used where available literature, existing knowledge, and access to data is uncertain (Yin, 1993). As discussed above, Yin (1994) affirms that the single case study approach can be used when the case is a revelatory. This situation applies to the present study and therefore the exploratory single case study approach was entirely appropriate. However, the great advantage of the exploratory case study approach is that by focusing on a single case, the case

can be intensively examined even when the research resources at the investigators disposal are relatively limited.

3.6.1 Procedure: Collecting data

According to Kerlinger (1986:280), the research design represents and articulates the researcher's plan and the structure of investigation that will be followed when seeking answers to the research questions posed. Supporting this thinking, Yin (1994:18) defines the research design as the logic that links the data to be collected to the initial question/s of a study. Simply stated, the research design serves as a blueprint that outlines the overall research program and guides the investigator in collecting, analysing, and interpreting observations (Kerlinger, 1986; Yin, 1994).

The objectives of this exploratory case study were:

2. To evaluate the performance of Egyptian hotels websites in terms of their brand-building capacity using the developed tool in phase one.
3. To explore web marketers' perspectives of the impacts and benefits of web marketing for their business activities and practices and its potential as a strategic marketing tool for Egyptian hotels.
4. To explore web designers' perspectives of the issues for hotel website design and particularly web design in support of hotel brand-building.

Evaluating hotel websites

Objective one was achieved by applying the developed model to evaluate a sample of Egyptian hotel websites of three categories: international hotel chains, multiple independent hotels and independent hotels. During this phase a hierarchy of considerations that enables websites to be evaluated in terms of their brand-building capacity was developed. Using the developed hierarchy an evaluation of web presence of a selected sample of 12 international chains, 12 multiple independent and 12 single independent hotels in the USA, the UK and Egypt, were evaluated. To identify hotel websites for the evaluation, the key words: "*hotel+Egypt*", "*hotel+UK*" and "*hotel+USA*", and "*chain hotels+Egypt*", "*chain hotels+UK*" and "*chain hotels+USA*" were entered into the Yahoo search engine (Forrester Research (1999) rated Yahoo as the leading travel-related site on the Web). The search revealed a number of different hotel chains and companies. Related sites were clustered according to location (Egypt, UK, and USA) and categorized as follows: international hotel chains; multiple independent hotels which own and/or manage more than two hotel properties in one destination (multiple independent hotels); and independent hotels owned by one person or a company and operating on independent basis (single independent hotels). A total sample of 36 hotel chains and independent hotels from three destinations was thus selected, four websites from each category (see appendix A-3). The evaluation was undertaken between June-July of 2002. All websites were viewed using Netscape Navigator and Microsoft Internet Explorer browsers working over a Pentium III system with 56K-baud modem. OptiView (formerly known as Gif Wizard) (<http://www.OptiView.com>) on-line software was used to compare download times of sites. Results of this evaluation are presented in chapter five. Appendix A-4 shows an example of hotel website evaluation.

Investigate the dynamics of the principal stakeholders

In two related stages, the second and the third objectives were achieved. These two stages of the data collection took place in Egypt over a period of three months (between 15 December 2000 to 15 March 2001). Two academic bodies provided funds for this field trip: the Egyptian government (The Missions Department of the Ministry of Education) and the University of Wales Institute, Cardiff (UWIC). All conversations and interviews were recorded on audiotapes for transcription and analytic induction purposes. The two stages of data collection are detailed below.

Stage one: Interviewing Egyptian hotel marketers

This stage included interviews with a selected sample of twelve Egyptian hotel marketers/marketing executives (managers/owners). All interviewees have already established their presence on the Web with their in-house or commercially designed websites. The interview pattern was based on a set of interview questions, which were drawn from an extensive literature review encompassing the trends in web marketing in the tourism industry, and specifically, in the hotel sector (see appendix A-5). Questions were also based on the authors' knowledge of hotel web marketing trends in Egypt and on themes evolved from the first phase of the research. Some flexibility in approach was adopted to accommodate and be responsive to the varied responses received from interviewees.

The interviews conducted lasted between one and two hours, and were designed to encourage interviewees to describe their understandings of web marketing and to articulate their beliefs about the impacts of the Internet and the Web, in particular, on their business activities and practices in the future. The interest of the researcher was thus to arrive at an understanding of the impacts of web marketing from the hotel marketers' perspectives and to reveal their feelings and beliefs about website

design and the potential usage of the Web as a strategic marketing tool for their properties. Each of the twelve interviews was transcribed and subject to qualitative analysis using a ready-made computer package (see section 3.7). To translate the results from these interviews, a specific approach that involved categorization of responses into certain themes that were inherent in the interview questions is used. Results from these interviews are presented in chapter five.

Stage two: Interviewing Egyptian web designers

Similar to the above methodology, this stage involved semi-structured interviews with five Egyptian hotel website designers. In these interviews, the researcher commenced with a broad topic in which interviewees were interested and guided the interview along these lines using a series of open-ended questions. This stage aimed at identifying how web designers translate the relationship between the hotel and end user preferences and on determining the features they consider most important when they design hotel websites that meet the needs of this user. A copy of the interview pattern is included in appendix A-6. The analyses of these five interviews are presented within a number of four integrated themes in chapter five.

3.6.2 Sampling techniques and subjects

Sampling is a process that involves the selection of some, but not all, the members of the larger population (Bell, 1992; Bakeman, 1992). Given that the importance of a truly representative sample matters less to case study research (Bell, 1992), a sampling technique called convenience sampling (also known as purposive sampling) was used. Purposive sampling maximizes the chance of obtaining accurate information about the studied phenomenon for it relies upon choosing those who have both the experience of the phenomenon and also the ability to communicate their experience of that phenomenon.

Many qualitative researchers employ...purposive, and not random, sampling methods. They seek out groups, settings and individuals where ...the processes being studied are most likely to occur.

(Denzin, 1994:234)

However, a purposive sample was carefully selected from each of the two stakeholder groups (web marketers and web designers). The sample consisted of twelve Egyptian hotel marketers and five Egyptian web designers. Web marketers represent the hoteliers of the evaluated hotel websites that were purposively selected from 3, 4, and 5 star hotels in Egypt and of which their designers were also interviewed. Participants were purposively sampled according to the following criteria:

1. All of them have experienced the phenomenon under study,
2. They can communicate their experience of the phenomenon as free as possible from embarrassment and bias, and
3. They are able to "bracket" their knowledge, beliefs, and common understandings about the phenomenon.

3.6.3 Designing interviews

The phenomenological approach to research typically involves five to ten people and depends almost exclusively on in-depth interviewing (Leedy, 1997). An in-depth interview is a dialogue between a skilled interviewer and an interviewee. Its goal is to elicit rich, detailed material that can be used in analysis (Lofland and Lofland, 1995). Therefore the present study adopted, as the primary method of data collection, in-depth (semi-structured) interviewing of individuals representing the

principal stakeholders of hotel website design. The general purpose of interviewing is *"to find out what is in and on someone else's mind. ... [Researchers] interview people to find out from them those things we cannot directly observe"* (Patton, 1990; 278). The aim of in-depth interviewing is to develop an understanding of the respondent's world and their constructs, and is suitable where the step-by-step logic of a situation is unclear (Easterby-Smith *et al.*, 1991). However as mentioned above, in this research the used interview format was semi-structured using a variety of open-ended questions with the purpose to explore the subjects' experience in as much depth as possible. The rationale behind this was to collect detailed information surrounding the subject's personal perspectives, experiences, and relationships to their web marketing experience.

Many authors (e.g. Neuman, 1994; McCracken, 1988; Seidman, 1991; Dwyer, 1993; Putnis and Petelin, 1996) provide instructions on interviews techniques. They make the distinction between casual conversations and interviews; the latter having such attributes as planning and structure that the former lacks. McCracken (1988), Seidman (1991) and Minichiello *et al.* (1995) also offer further guidelines for interviewing, such as recommended length and tone, appropriate questions and the use of pilot interviews. However, the information of most relevance to the research is that which enabled a picture to be built up identifying the interaction and levels of involvement between the different hotel website design principal stakeholders. Brainstorming generated ideas for questions related to this area. A mind map was drawn up and multi-nodal links of a wide array of topics and questions of interest were also produced. These topics were then produced into relevant categories for question generation to create interview patterns with each of the stakeholders (see appendices A-5 and A-6). Pilot interviews were also conducted to facilitate refinement of these interviews questions.

3.7 DATA ANALYSIS

As components of a research methodology, data collection and analysis approaches are sometimes considered as being either “qualitative” or “quantitative” (Neuman 1994). Miles and Huberman (1984) assert that some research traditions do mix qualitative data with quantitative analysis, and quantitative data with qualitative analysis. However, both quantitative and qualitative data analysis techniques were employed in this research. Quantitative methods, in the form of a basic statistical analysis (median, standard deviation), were used on some data collected from the on-line survey and during the process of codifying the website design features to provide levels of performance. Qualitative analysis techniques were used to evaluate data collected from the three sets of interviews included in the two phases of the research.

“In general, [qualitative] data analysis means a search for patterns in data recurrent behaviours, objects, or body of knowledge. Once a patterns identified, it is interpreted in terms of a social theory, the setting in which it occurred.”

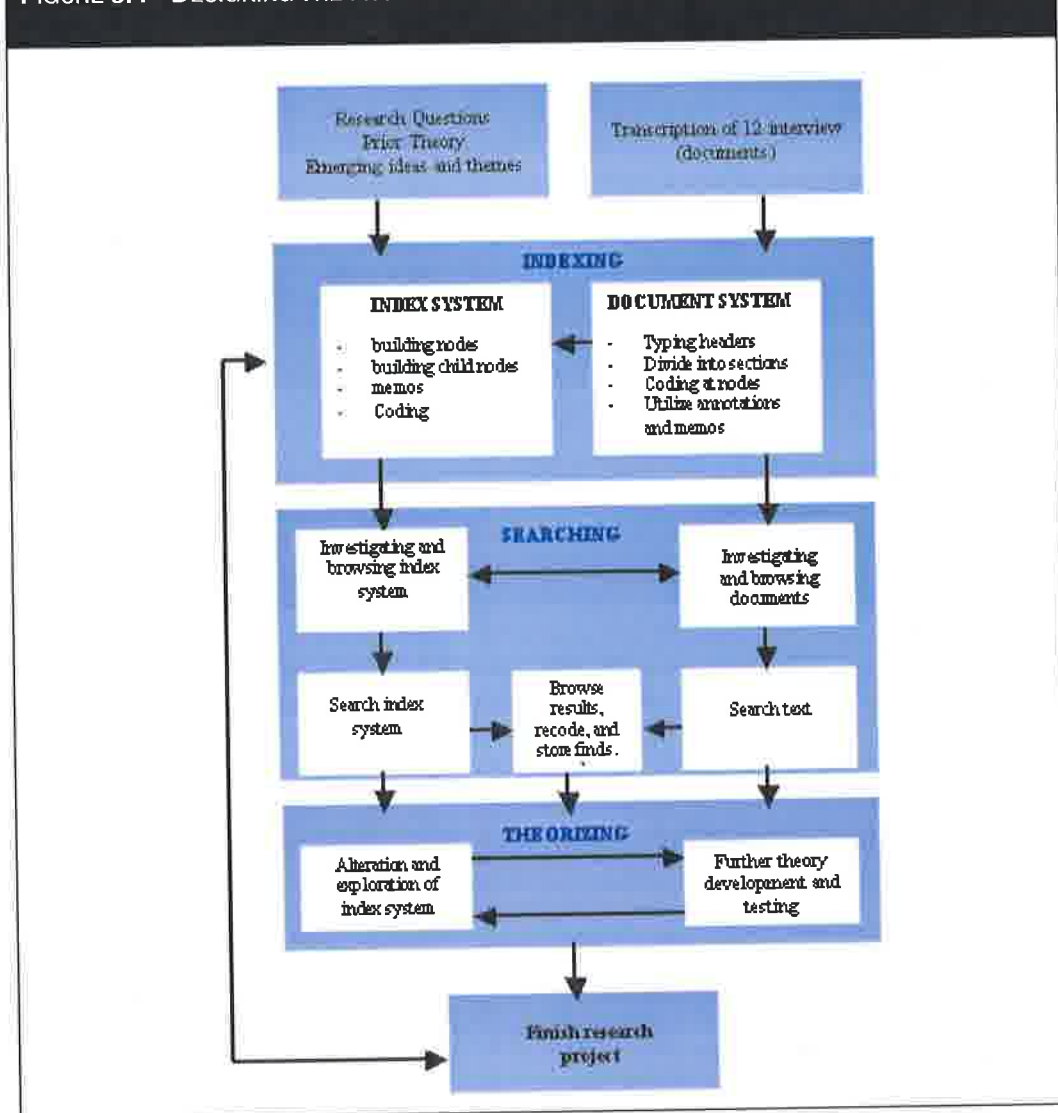
(Neuman, 1994:411)

Computers have vastly enhanced traditional methods of analyzing qualitative data. There is a growing body of technical as well as sophisticated methodological literature about computer-aided qualitative data analysis software (CAQDAS) (Lee and Fielding, 1991, 1996; Richards and Richards, 1991; Kelle, 1995; Weaver and Atkinson, 1994) highlighting both advantages and disadvantages. Generally, CAQDAS automates and speeds up the coding process; provides a more complex way of looking at the relationships in the data; provides a formal structure for writing and storing memos to develop the analysis; and, aids more conceptual and theoretical thinking about the data (Lee and Fielding, 1991, 1996). Lee and Fielding (1991) point to disadvantages of CAQDAS, such as the dangers of the convergence

of quantitative and qualitative methods, the limitations for analysing temporal or sociolinguistic data; and the loss of the 'untypable'.

Weaver and Atkinson (1994) assert that QSR-NUD*IST has a more sequential, linear structure that is more intuitive and easier to learn than other packages (e.g. ETHNOGRAPH; FYI 300Plus; Kwalitan; GUIDE) programmes. They argue that QSR-NUD*IST represents a sophisticated coding and theory building package that is easy to use. Barry (1998) also compares between two packages: Atlas/TI and QSR-NUD*IST, she outlines the different personalities and strengths of each of the packages and concludes that QSR-NUD*IST tends to win out on sequential structure, project management and sophisticated searching while Atlas/TI's strengths lie in its inter-connectedness and creative interface.

To identify common themes (patterns) a software computer package "QSR-NUD*IST 4" was used. This involved the transcription of and interviews that organised and categorised into instances of occurrence. As the value of qualitative research is enhanced when it is teamed with qualitative computing, the decision to use "QSR-NUD*IST 4" is based on the research commitment to the need to stay close to the original text (interviewees thoughts and opinions), and to develop a comprehensive index of the data to enable themes to be tracked across transcripts. Details of the procedure of generating documents, coding and designing the QSR-NU*DIST project is detailed in appendix A-7. Depicted in figure 3.4 below are different steps followed by the researcher to design the project.

FIGURE 3.4 DESIGNING THE PROJECT AND THE ANALYSIS OF DATA USING QSR-NU*DIST4

3.8 VALIDITY, RELIABILITY AND TRIANGULATION

Validity and reliability are two properties to measure the quality of research. Validity refers to the extent to which an empirical measure adequately reflects the real meaning of the concept under consideration (Babbie, 1995). To increase the level of validity, the researcher must provide supporting evidence that a measuring instrument does, in fact, measure what it appears to measure (Nachmias and Nachmias, 1992). Many validity standards were applied in the present study: during the personal interviews, a tape recorder was used to reduce the risk of wrongly-

interpreted answers during transcription of interviews, and to be able to double-check the answers after the interview. Follow-up questions were also used during interviews, to make sure that the respondents understood the questions and to allow the collection of more data. However, the validity during the semi-structured interviews in the case study may be lowered due to the fact that interview patterns were translated into Arabic language and accordingly answers were again re-translated into English during transcription, in the translation process words can unintentionally get the wrong meaning. To overcome this the interviews patterns and transcription of results were sent to two authorised translation specialists to check the translation and edit the transcription.

Yin (1994) suggests that triangulation is a common means to satisfy the conditions of construct validity. Keyton (2001) cites Denzin (1978) and Janesick (1994), to emphasise that data triangulation is the use of a variety of data sources to give a researcher more confidence about his/her findings and conclusions. Five types of triangulation were presented in literature: (1) Data Triangulation – the use of multiple sources of evidence in a study, (2) Investigator Triangulation – the use of multiple researchers and/or evaluators, (3) Theory Triangulation – the use of multiple perspectives or rival theories to explain and interpret a set of data, (4) Methodological Triangulation – The use of multiple methods in a study to investigate the same problem, and (5) Interdisciplinary Triangulation – the use of multiple disciplines to inform a research process. In the present study, two types of triangulation were employed: data triangulation and interdisciplinary triangulation. Data triangulation was established by using multiple sources of evidence (i.e. case study (semi-structured interviews), websites evaluation, and an on-line survey). Interdisciplinary triangulation was achieved during the literature review stage by

drawing upon the works of many different disciplines including information technology, hotel marketing, e-commerce, and web marketing.

Reliability refers to whether a particular research technique will yield the same results if applied repeatedly to the same object (Babbie, 1995). It addresses issues of conformability and dependability (Miles and Huberman, 1984). Reliability is the extent to which a procedure will produce the same results under constant conditions (Bell 1992, Kirk and Miller 1986). Reliability attempts to remove or minimize errors, biases, and subjectivity (Nachmias and Nachmias, 1992). In order to increase the reliability of the methods used in the present study, three measures were applied. First the use of an on-line survey supported the streamlining of hotel website design features based on consumer perceptions (see section 3.5.2). Second, in classifying user-relevant features (see section 4.2.6), various previous studies addressing the issue were reviewed to increase the reliability of the degrees of performance evaluated and thus to reduce subjectivity. Finally, pilot studies were employed to reduce reliability errors in evaluating websites and conducting interviews. These pilots were used to test the developed model and to test the patterns of the semi-structured interviews. The feedback from these trials was then reflected in the revised research design.

3.9 GENERALIZATION OF RESULTS

Another aspect related to validity is generalization of research findings. According to Merriam (1998), the possibility of generalizing the findings of a study like this is enhanced if the study contains a "rich, thick description" of the studied phenomenon. If external validity is obtained the result of the research can be transferred and applied to other studies within the area (Merriam, 1998). At the outset of this research effort, the boundaries and context of the present study were established.

The units of analysis and the research models clearly and narrowly defined the scope of this study to generate a generic model for small independent hotels to evaluate their web presence, diagnose its problems and find solutions to overcome them. Also the different theories used gave a clear picture of the key issues regarding web marketing and the creation of a successful web presence that may be also applicable to other industries or sectors.

3.10 SUMMARY

This chapter has presented the epistemological and theoretical perspectives of the research, it has described its methodology, data collection techniques and methods of data analysis. A research string of constructionism (epistemology) – interpretivism (theoretical perspective) – phenomenology (methodology) is appropriate for this study as it is concerned with understanding the different perspectives of key groups of web marketing stakeholders.

In developing the tool a mixed methodology comprising quantitative and qualitative techniques enabled the evaluation of the brand-building capacity of hotel websites. The development of the tool is described in chapter 4.

The methodological choice of the single case study, was justified as the best approach to investigate the dynamics of web marketing in the Egyptian hotel sector and assess and review the current status of its exploitation. The three stages of data collection, evaluating websites and two sets of interviews with hotel marketers and web designers, included in this case study allowed the collection of rich data set that provide basis for comprehending the web functionality and effectiveness as a strategic marketing tool for the Egyptian hotel sector. The results of this case study are described in chapter 5.

CHAPTER FOUR

EVALUATING HOTEL WEBSITE DESIGN

4.1	INTRODUCTION	109
4.2	DEVELOPING A MODEL FOR THE EVALUATION OF A BRAND-BUILDING HOTEL WEBSITE	110
4.2.1	The marketspace model	110
4.2.2	Translating the features into questions to facilitate the evaluation	116
4.2.3	Developing a consumer focus for the evaluation	121
4.2.4	User-relevant hotel website features	140
4.2.5	A hierarchy of website design considerations	149
4.2.6	classifying user-relevant features in terms of sub-optimal, satisfactory and good performance	154
4.2.7	Visual representation of results – using radar plots	172
4.3	AN EVALUATION OF TWO EXEMPLAR WEBSITES	176
4.4	SUMMARY	178

CHAPTER FOUR: EVALUATING HOTEL WEBSITE DESIGN

4.1 INTRODUCTION

This chapter describes the development of a model to evaluate the brand-building capacity of hotel websites. Section 4.2.1 describes the Dutta *et al.*'s (1998) market-space model which is the starting point for the development of a diagnostic and analytical tool for the evaluation of hotel websites in terms of their brand-building capacity. The chapter proposes that this model requires some refinement to become an appropriate tool for the evaluation of hotel websites and emphasises 48 hotel website design features for this evaluation grouped into six elements. To allow testing the model, section 4.2.2 translates these 48 features into evaluative questions that might be raised at various stages of website evaluation. Sections 4.2.3 and 4.2.4 develop a consumer focus for website evaluation by applying two research strategies: 1) conducting a series of semi-structured interviews and 2) using an on-line survey instrument, to streamline the identified 48 hotel website features into 28 user-relevant features.

In section 4.2.5 these user-relevant features are organized under six headings: accessibility; information; credibility; e-commerce; immediacy; customer relationship, and further into a hierarchy of considerations that enables an emphasis towards how a website can support hotel brand development. Section 4.2.6 classifies the user-relevant features in terms of three levels of performance (sub-optimal, satisfactory and good) by rating each of the individual hotel website design features on a performance scale of 0-5. These are then visualized in terms of three levels of

performance using radar charts as a simple visual representation tool in section 4.2.7 to graphically represent the evaluation of multiple considerations of hotel website design and to quantify overall performance. In section 4.3 the developed tool is applied to the evaluation of two exemplar websites. Finally, the chapter is summarised in section 4.4.

4.2 DEVELOPING A MODEL FOR THE EVALUATION OF A BRAND BUILDING HOTEL WEBSITE

4.2.1 The marketspace model

Perhaps the simplest and most effective way to evaluate hotel websites is to return to marketing basics and examine websites with respect to the four Ps (the marketing mix): product, place (distribution), promotion, and price which comprise the marketplace. The Web, through its functionality, challenges the traditional marketplace by offering lower costs and adding value for consumers and can transform traditional businesses (Fletcher and Bahargi, 2000). Rayport and Sviokla (1994) propose the term “marketspace” as “the virtual equivalent of the traditional physical marketplace”.

Dutta *et al.* (1998) define the marketspace model as comprising two dimensions: technological capability and a strategic business dimension reflecting the 4Ps and “C” – the relationship between the business and the customer (interactivity and connectivity). Björk and Guss (1999:56) redefine “*marketspace*” as “*one area found on cyberspace, an area where business activities take place*”. The basic marketing philosophy found in a traditional market place is likely to be the same in a marketspace, with some key differences.

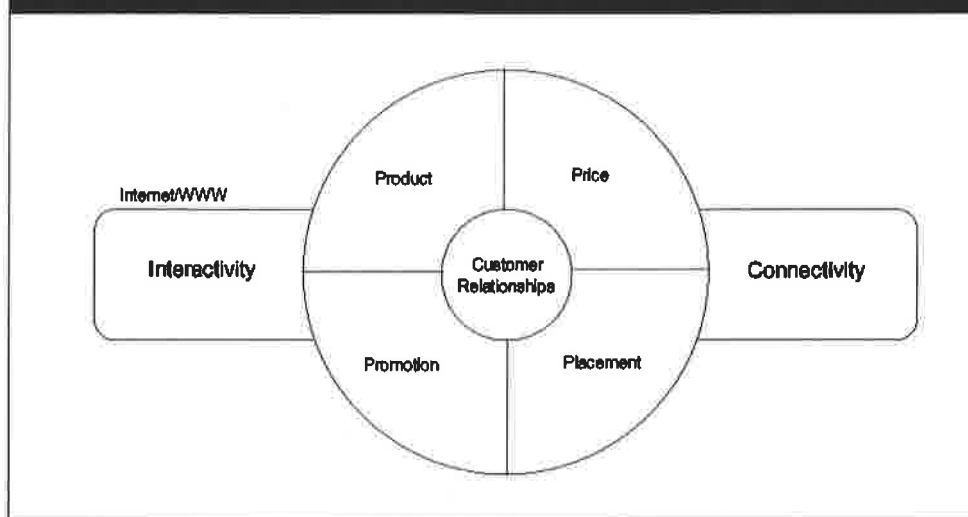
Rayport and Sviokla (1994) suggest a model of new ways of adding value in marketspace and offer a theory of marketspace transaction which disaggregates context and infrastructure to create new ways of adding value, lowering costs, forging relationships with non-traditional partners and rethinking ownership issues. The implications and difficulties of managing in the marketspace become increasingly relevant as more and more products and services, marketing management processes, and even markets themselves, move from place to space (Ahola, 2000). Rayport and Sviokla (1995:78-79) describe the process of building the virtual value chain as an integration of the information the companies capture during stages of the value chain when constructing an information underlay of the business. The processes for creating value are not the same in the virtual and physical worlds. By understanding the differences and the interplay between the value-adding processes of the physical world and those of the information world, managers can see more clearly and comprehensively the strategic issues facing their organizations (Ahola, 2000).

Dutta *et al.* (1998) present the marketspace model (depicted graphically in figure 4.1) as comprising two dimensions: a technology dimension and a business dimension, the technology dimension includes two fundamental characteristics of the Internet and the Web:

Interactivity: due to the real-time on-line nature of the Internet, relationships between organizations and customers are becoming more interactive in the marketspace. This is enhancing the richness of customer relationships and creating new paradigms of product design and customer service; and

Connectivity: the open and global nature of the Internet is fostering the creation of a shared global marketplace. The radical increase in connectivity enabled by the Internet is giving rise to new communication and co-ordination mechanisms both across organizations and customers, and also within groups of customers themselves.

FIGURE 4.1 THE MARKETSPACE MODEL



Source: Dutta *et al.* (1998).

The business dimension includes the four Ps - Product, Price, Promotion and Place (or Distribution) and one C - Customer Relationships. The technology perspectives of increased interactivity and connectivity are having a fundamental impact on the business perspectives – the nature of the “four P’s and one C” - in the marketplace. Using the model, Dutta *et al.* (1998), revealed that few organizations are exploiting the unique business potential of the marketplace. Most organizations are simply taking their existing business models and transporting (instead of transforming) them to the marketplace with different degrees of effectiveness. Later on Dutta and Segev (1999) studied how the firms' approaches to the marketplace had changed within one year, and observed that almost all leading corporations had a presence in

the marketplace, but most firms were only using the publishing features of the Net. The firms were increasingly using their websites for customer service and for building customer relationships. In addition, firms in the top positions were moving towards technologically simpler sites.

This research proposes that the marketplace model requires some refinement to become an appropriate tool for the evaluation of hotel websites from a marketing and brand-building perspective. Dutta *et al.* (1998) separate interactivity and connectivity as dual, but clearly separate, issues labeling these as Internet/WWW. The separation of Internet (the hardware) from the Web (the functionality that sits on top of the hardware) is artificial - the interoperability of different information technology platforms has made the hardware infrastructure transparent to the user and in user terms the real issues that distinguish websites relates to the interactivity. Thus, interactivity and connectivity can be merged into one entity (interactivity) representing the support environment in which web marketing occurs (see figure 4.2). Dutta *et al.* (1998) offer a list of features relating to each element of the model (see appendix B-1). This has been expanded to 48 features through a survey of the vast literature on website design (e.g. Nielsen and Molich, 1990; Nielsen, 1994b; Lemay, 1996; Pitt *et al.*, 1996; McLachlan, 1996; Sholtz, 1996; Venditto, 1997; Dutta *et al.*, 1998; Bell and Tang, 1998; Gilbert *et al.*, 1999; Dutta and Segev, 1999; Nielsen, 1999a, b, c).

Dutta *et al.* (1998) and Dutta and Segev (1999) examine the ways commercial organizations in different industries exploit the Web. They list a number of website design dimensions as a framework for their study of business transformation on the Internet through evaluating web presence (see Appendix B-1). McLachlan (1996) adds other features focusing on the provision of information including information

currency (provision of latest revision date, content is updated frequently and is accurate and links to other sites are current and working properly) and information quality (the site is well organized and offers sufficient information and further information if required). Nielsen (1999 a, b) stresses the importance to encourage first-time visitors to stay longer on websites by including different interactivity features: user profile; simple attractive graphics; short download times; obvious and straightforward navigation. Moreover, Nielsen (1999c) asserts that the web layout needs to be logical and homogeneous throughout the site for easy navigation and that the web content should be easily accessed from any page with as few clicks as possible.

Lemay (1996) stresses the importance of conciseness and clarity through the use of structural devices, such as headers and lists, to make it easy for the reader to find information, and to proofread. She advises the use of a consistent layout and design among related pages and the use of reduced-size graphics to enhance the site content. Furthermore, she recommends that large amounts of text should be broken up into separate, linked documents. Venditto (1997) and Bell and Tang (1998) emphasise the coherence of website layout and navigational aspects, including ease of navigation, clear layout, useful content, and updated information. Similarly, Pitt *et al.* (1996) take a practitioner perspective to discuss the same features and describe a range of different examples of web applications. They link the discussion to the broader issue of managing the communications mix and make suggestions regarding multimedia features and their importance in creating an interactive and a user- friendly environment via boundless extensibility and interactive ability. These considerations potentially turn the prospective buyer from a passive surfer to an interactive customer (Pitt *et al.*, 1996).

Nielsen and Molich (1990) and Nielsen (1994 a, b) provide a list of features (simple and broad heuristics) that enable websites to be challenged throughout the design stages. Nielsen and Molich (1990) initially proposed nine general heuristics, and Nielsen (1994 a, b) later added a tenth. Among the most important features are: language, feedback, ease of navigation, on-line help and on-line search. Gilbert *et al.* (1999), in a hospitality-focused study, assert that a successful web presence depends upon more than just the technology and provide their list of website design features (mechanisms) that support relationship marketing including: rich information; on-line reservation; loyalty programmes; newsletters; feedback; customer service; public relations; value-added services; employee web site; channel member web site; customised research.

Thus, the modified model comprises 48 features grouped into six elements: interactivity (13 features); product (7 features); price (3 features); place (9 features); promotion (6 features); customer relationship (10 features). Table 4.1 details the different features identified in each element of the modified marketplace model.

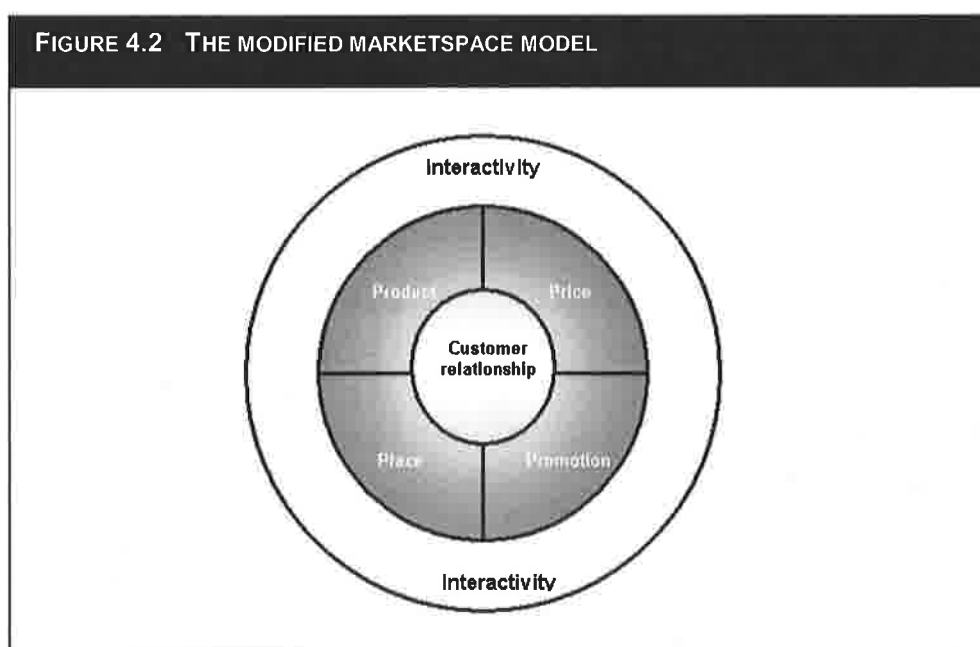


TABLE 4.1 IDENTIFIED HOTEL WEBSITE DESIGN FEATURES

INTERACTIVITY	PRODUCT	PRICE
Accessibility Downloading time Navigation Flow and design Languages URL address Rank on search engines Updates Graphics Multimedia Reliable hyper links Security Search	Basic product information Additional (expanded) product information On-line brochure On-line help for choosing products Customer participation in new product design. Group bookings Destination contents	Price information available on-line Customer participation in pricing Currency converters
PLACE (DISTRIBUTION)	PROMOTION	CUSTOMER RELATIONSHIP
Product availability E-mail reservation On-line reservation Real time processing of orders Confirmation On-line payment Third party booking (GDSs). Credit cards used Privacy and security	On-line advertising Downloadable coupons Special packages and offers Frequent guest programs Membership clubs Discounts	Feedback form On-line customer service Customer identification (profiling) Customer communities FAQ Mailing lists News letters Direct E-mail Suggestions and/or complains What's new

4.2.2 Translating the features into questions to facilitate the evaluation

The 48 identified features were then translated into evaluative questions that might be raised at various stages of website design or evaluation. Table 4.2 below shows the key evaluation features and questions in the six elements of the modified model.

TABLE 4.2 TRANSLATING FEATURES INTO EVALUATIVE QUESTIONS

FEATURES	EVALUATION QUESTIONS INTERACTIVITY
Accessibility	<ul style="list-style-type: none"> • Can the site be accessed reliably, or it is frequently downloaded or offline? • How does the site respond to heavy traffic? • Is a local mirror site available, or do international traffic charges have to be incurred? • Has the site been designed to work well with one software and user interface (for example the latest Netscape release)?
Downloading time	<ul style="list-style-type: none"> • Does the site take long time to download? • Do the graphics load quickly?
Navigation	<ul style="list-style-type: none"> • How easy to navigate the different parts of the site? • Does the site include navigation bar? • Does the site include navigation icons clearly labelled <i>back, home, Go to Top, Previous, forward</i>? • Is it easy to move across the pages of the site? • Is there an easy to follow menu or table of contents page? • Is it generally easy to find information on the site?
Flow & Design	<ul style="list-style-type: none"> • Is the site organized in a logical manner that facilitates the location of information? • Are the design of the home page and other main pages of the site attractive? • Is the design consistent across pages? • How the site is structured operationally? • Does the design hinder access to the content of the site? • Is the site's organizational scheme appropriate (chronological, Geographical)? • Is the writing style of the site appropriate to the intended audience? • Does the site encourage visitor's exploration?
Languages	<ul style="list-style-type: none"> • Does the site offer different languages? • Can the site be translated to other languages?
URL address	<ul style="list-style-type: none"> • Does the hotel investing in its own URL? • Does the hotel URL reflect a strong sense of 'brands'?
Rank on search engines	<ul style="list-style-type: none"> • How does the site rank on different search engines?
Updates	<ul style="list-style-type: none"> • Are the contents up-to-date? • When the site is last revised and updated?
Graphics	<ul style="list-style-type: none"> • If the site includes graphics, are the pages interesting to look at? • Do graphics appear appropriately? • Do graphics serve a purpose related to contents?

Multimedia	<ul style="list-style-type: none"> Do the visual effects enhance the pages? If audio, video, virtual reality modelling, or other effects are used, are they appropriate to the purpose of the site? Are there both multimedia and text-only options (high bandwidth and low bandwidth)?
Reliable hyper Links	<ul style="list-style-type: none"> Does the site contain any hyperlinks? Are all links functioning? Are the links kept up-to-date? Are security and encryption systems employed when necessary?
Security	
Search	<ul style="list-style-type: none"> How effective can information is retrieved from the site? Is a useful search engine provided? Are there any links to search engines? Is use of engine interface intuitive?
PRODUCT	
Basic product information	<ul style="list-style-type: none"> Does the site offer basic product information (description of rooms, suites, facilities, Restaurant menus, and food service hours)? Is it easy to get information about products? Is there any section to include company profile on line?
Additional (expanded) product information	<ul style="list-style-type: none"> Does the site provide additional hotel information (meeting rooms or other group facilities and services)? Are all hotels' products described on the site with adequate level of details? Does the site provide product features? Does the site provide other travel service's information or links?
On-line brochure	<ul style="list-style-type: none"> Is it possible to view/download a brochure from the site? How long does it take to download the brochure? How much space required saving it? Is there any links to other brochure or catalogue pages?
On-line help for choosing products	<ul style="list-style-type: none"> Is help information on choosing products available?
Customer participation in new product design	<ul style="list-style-type: none"> Does the site engage its customers in the design and development of new products/services?
Group bookings	<ul style="list-style-type: none"> Does the site offer group bookings, discounts, or special packages?
Destination contents	<ul style="list-style-type: none"> Does the site provide links to destination's detail? Does the site contain any details on local attractions and activities?

PRICE	
Price information available on-line	<ul style="list-style-type: none"> Are product prices listed on the site?
Customer participation in pricing	<ul style="list-style-type: none"> Does the site engage its customers in product's pricing? Does the site allow on-line price negotiations?
Currency converters	<ul style="list-style-type: none"> Does the site contains/link to a currency converter?
PLACE (DISTRIBUTION)	
Product availability	<ul style="list-style-type: none"> Is it possible to check product availability on-line?
E-mail reservation	<ul style="list-style-type: none"> Does the site provide E-mail reservation?
On-line reservation	<ul style="list-style-type: none"> Is it possible to reserve rooms on-line? Is it easy to use the on-line reservation form? Does the reservation form work properly?
Real time processing of orders	<ul style="list-style-type: none"> Is it possible to purchase the hotel product in real time? If the site offers real time processing, what degree of interactivity does it offer?
Confirmation	<ul style="list-style-type: none"> Does the site provide real time confirmation? Are any other confirmation methods used?
On-line Payment	<ul style="list-style-type: none"> Is it possible to handle payment on-line?
Third party booking (GDSs)	<ul style="list-style-type: none"> Is any sort of third party, financial or other support or sponsorship evident?
Credit cards used	<ul style="list-style-type: none"> In case of on-line payment, does the site accept major credit cards?
Privacy and security	<ul style="list-style-type: none"> In case of on-line payment, are there any security systems used?
PROMOTION	
On-line advertising	<ul style="list-style-type: none"> Is advertising included at the site, and if so, has it had an impact on the content? Is there any advertising/banners on the site? Does the site announce new products/services?
Downloadable coupons	<ul style="list-style-type: none"> Are there any downloadable coupons from the site? If there is any, how long it takes to download them? Is it possible to print coupons/ or use them to buy on-line?
Special packages and offers	<ul style="list-style-type: none"> Does the site offer any special packages or offers (programs, events, and seasonal activities)? Is there any links with other organizations in organizing on-line promotions? Does the site include an event calendar?

Frequent guest programs	<ul style="list-style-type: none"> Does the site include frequent guest programs, or any sort of similar treatment?
Membership clubs	<ul style="list-style-type: none"> Does the site include any membership clubs?
Discounts	<ul style="list-style-type: none"> Does the site offer discounts to its customers?
CUSTOMER RELATIONSHIP	
Feedback form	<ul style="list-style-type: none"> Does the site include a feed back form? Is the form working properly?
On-line customer service	<ul style="list-style-type: none"> Does the site provide on-line customer service? What degree of interactivity does this service offer?
Customer identification (profiling)	<ul style="list-style-type: none"> Does the site maintain customer's identifications?
Customer Communities	<ul style="list-style-type: none"> Is there any sort of customer communities on the site?
FAQ	<ul style="list-style-type: none"> Does the site include a FAQ section? Are new questions regularly added to this section?
Mailing lists	<ul style="list-style-type: none"> Does the site provide to add customers to its mailing list?
News letters	<ul style="list-style-type: none"> Does the hotel send an electronic newsletter to its customers? Is there an archive for newsletters on the site?
Direct E-mail	<ul style="list-style-type: none"> Can customers email the hotel directly from the site?
Suggestions and/or complains	<ul style="list-style-type: none"> Is it possible to customers to give suggestions or complains on-line?
What's new	<ul style="list-style-type: none"> Does the site include what's a new section? If it contains one, is it up-to-date?

To test the appropriateness of the developed model for the evaluation of hotel websites, four different hotel websites randomly selected were evaluated using the checklist of the features identified earlier in this chapter. Two of the evaluated websites belong to chain hotels while the other two belong to small independent hotels. The sample was selected randomly by typing the key words "*Hotels+Egypt*", "*Hotels+UK*", "*Hotels+USA*", in the search engine "Yahoo". This process assisted in testing the overall logic of the model design, and in fine-tuning the evaluation procedures. The results and comments of this evaluation are provided in appendix B-2.

4.2.3 Developing a consumer focus for the evaluation

As discussed in chapter three, any system must be "user-driven" rather than "technology-driven" or "content-driven", thus it was important to develop a consumer focus for website evaluation. Conducting a series of semi-structured interviews allowed the exploration of web users scenarios when searching for, or buying, travel and hotel products on-line and identified the important website design features that are related to brand-building from users point of view. The results of these interviews are discussed in six interrelated themes below.

User's general experience with the Internet and the Web

The first objective of these interviews was to investigate user's general experience with the Web and to identify their web usage patterns. From the analysis, it is possible to calculate an average of 3.5 years of web usage and to categorize interviewees into two main segments of web users with relation to their length of experience with the Web: "*long-term*", those who have experience using the Web for up to 5 years, and "*newer*", who have been using the Web for less than one year. Interviewees stated that the number of hours they spent on the Web per week is approximately 11 hours (range from 6-16 hours/week). These findings concur with

the results of the survey conducted by (NUA, 1999a) which reports that new users have an average of 6.6 hours on-line per week and those who have been on-line for three years or more have an average of 10.5 hours per week. However, it is claimed that the time spent on-line by Internet users also rose by 13 percent, while the number of sessions per month increased by nearly 9 percent (Wired Media, 2002).

Users who access the Web from home, preferred to use the Web at night and on weekends when telephone rates are cheaper. There was no particular time or day stated for those who access the Web from work, users (WU10) and (WU11) comment:

At home I would sort of checking my emails, because I am paying for the calls. I do when I need to, I do not choose certain time, no specific time, and my main use is during the day, some during the evenings, no specific time (WU10).

I suppose also the fact is that if I use the Internet at home, it tends to be other quite late at night or it is on the weekend ... also it is cheaper, phone calls are cheaper over the weekend (WU11).

It is also worth notably that the number of people who use the Internet from home is on the increase. According to a survey by Wired Media (2002), the number of users who use the Internet from home grew by 16 percent from April 2001 to April 2002 to reach a total of 422.4 million home users in the 21 countries surveyed.

Tierney (1995) claims that ease of use, as well as the popularity of many graphical interfaces to the Web has prompted many users to explore the Web for different purposes. The results of the interviews show that users use the Web for personal as well as business purposes, ten out of the twelve interviewees state that the Web is a very important search facility which is convenient as it provides ease of use when looking for information about any topic or particular product or service on-line, among interviewees comments are:

I have used the Web to search; I never used it to buy. I used it quite a lot last summer when I was searching for various holidays, or various flight prices (WU05).

I use the Web mainly for educational purposes with a little leisure activity, and emailing of friends (WU06).

I suppose one of the benefits if you want to know something, or try to find something straight away, you can just go in and search for it (WU11).

Although email service is specifically part (function) of the Internet and not the Web, it was cited by nine out of the twelve users as the first reason of going on-line. For all of them it represents a cheaper and faster way of communication, they comment:

I stay an hour to sort out emails over the whole day, and then actually doing any thing else less than an hour a week (WU09).

The first thing I do on the Web is to check my emails (WU10).

Mainly, educational purposes with a little leisure activity, and emailing of friends (WU06).

This is also evident in the early studies of the Internet and its usage, for example Ellsworth and Ellsworth (1995) assert that email service is the primary and most frequent business use of Internet connectivity. It is far cheaper, quicker method of communication and therefore it can be used as a marketing medium to inform prospective customers of new hotel products directly via offering text, audio, or even video information (Baker *et al.*, 1999).

Users' attitudes toward the use of the Web for shopping

User's attitudes towards the use of the Web for shopping purposes and whether or not web users feel comfortable buying on-line is investigated by these interviews. Ten out of the twelve interviewees answered, that they appreciate the potential of using the Web for shopping, among their comments:

Firms now recognize the potential of the Web for global marketing of their products. They rely on the Internet and the Web as a mechanism for disseminating promotional material to attract consumers on-line based on the ease of access (WU06).

The Web has a great potential for many companies and businesses, it opens up a company's product and service to new customers. It is helpful for businesses that could not exist in traditional markets and could be a way for companies to increase their consumer base on-line (WU07).

It provides companies with new marketing opportunities as it is feasible for any company or service to go on-line with a very simple site at a relatively low cost (WU02).

However, these comments support the notion that the Web through its interactivity accessibility and functionality has provided many businesses with the opportunity to reach customers globally (e.g. Pitt *et al.*, 1996; Peterson *et al.*, 1997; Hanson, 2000).

On the consumer (demand) side, the interviews also delved into respondents' motivations for on-line use. The analysis of the interviews revealed that both long term and newer users share similar goals when shopping on-line: gaining access to product information, comparing products and prices, and choosing from a better and wider array of products. Consumers interviewed by this research were found to appreciate the potential of the Web as a marketing tool for its convenience and ease of use. Three out of the twelve interviewees state that saving time and ease of searching and buying new products and services are the main motives to shop on-line. One of the interviewees (WU07) also commented that the web *"has a great potential as a new [marketing] tool to improve customer service by providing easy access to various products information on-line."*

Another interviewee stressed the potential of the Web to create direct relationship with customers, he explains:

Actually, the Web offers unlimited benefits for customers. It enables companies to deal directly and strength relationships with customers (WU12).

Evidently, this echoes the findings of the survey conducted by the Gvu (1998), which reports that consumers use the Web for shopping purposes because of its user-friendly benefits, such as "convenience", "saving time", "the presence of vendor information", and "the absence of sales pressure". Consequently, marketing communications on the Web are more consumer-driven than those provided by traditional media (Hoffman and Novak, 1996a), and thus, the Web possesses the potential to achieve a high degree of marketing efficiency.

The analysis of the interviews also identified that user's experience of using the Web for shopping varies from one place to another. One user pointed out that the use of the Web is emerging in some parts of the world such as, America and Europe, more than other parts specifically in developing countries, she comments:

I think there is a huge potential for on-line shopping in Europe, the States, and other European countries, but still there is not the same potential in other parts of the world such as the most of developing countries in Africa. (WU01).

This view coincides with NUA (2002a) which reports that of the 770 million people in Africa, one in every 150, or approximately 5.5 million people in total, uses the Internet. The report also indicates that there is roughly one Internet user for every 200 people, compared to a world average of one user for every 15 people, and a North American and European average of about one in every 2 people.

Interviewees were also asked whether they have had experience of buying on-line. Seven out of the twelve interviewees answered "No" to this question. For certain reasons users did not seem very comfortable with the idea of buying on-line, these reasons were identified from the users' answers as quoted below:

I never had the experience of buying any travel or hotel products from the net. I prefer to have the physical experience of talking to someone in a travel agent, a mean of two ways communication, but I think, I would ask for the same information (WU06).

I am not really a shopper by inclination, I have traditionally behaved in a particular way, I am used to buying products over the a counter I'm used to the notion of personal service (WU10).

I have to say I am not an expert in that matter, I find the net a very confusing sometime, I find it a hit and miss, it has flexibility but has also weaknesses, but I enjoy using it, I find it useful (WU08).

These results correspond with the American Express Global Internet Survey (2000), which concludes that despite the promising movement toward on-line purchasing, consumers still overwhelmingly prefer the traditional shopping experience. Respondents said they would be more likely to use the Internet to browse and comparison shop, but actually purchase from a "real world" store. Similarly, consumers acknowledged that they still prefer to physically see the item they are considering and deal directly with a live person.

The interviews also revealed a relationship between age and user's willingness to buy on line. User (WU10), aged 56, claimed that the Web is a new medium that his generation is not used to, he states:

...I suppose as for somebody who is of my age, people call mature, I suspect that there are many people from my generation and age are not used to these technologies. I was brought up with a pen and a paper (WU10).

However, these findings contradict with those of eMarketer (2001), which claim that older Internet users spend more time and more money on the Web. For example in the USA, seniors accounted for 21 percent of total electronic commerce spending US\$4 billion in 1999. It is also predicted that by 2003, their share of the market will rise to over 32 percent which will generate US\$33.5 billion.

The results also indicate that the other five interviewees who answered "yes" to the same question were satisfied with the process of buying on-line although three of them comment that they do not finish the buying process in real-time, and they only prefer to use the Web to look for information and then buy the product via the telephone or any other conventional mean of shopping. One interviewee (WU03) comments, *"browsing product information on-line gives users a better chance to view a wider range of products from different providers and also allow a comparison of the prices instantly."*

These findings however indicate that many customers are more likely to search for products or to find other product-related information than to buy on-line. This is also consistent with the results of Nielsen (1999c) who found that only 95% of customers in his survey visit websites to search for information about products and not to buy.

The other two users (WU07 and WU11) who completed the process on-line, revealed their on-line experiences. They both describe the on-line shopping experience as being interesting and encouraging they explain:

My first experience of buying on the Web...I was working the other night when I received e-mail from a friend telling me about a hot deal. A company that sells computer hardware had posted on its website an offer that was good only for two days, for a printer, I thought "great", my printer is getting older and the offer was a real good bargain. I then visited the website and it was my first time to buy on-line. It was an interesting experience for me I followed the links on site, filled an on-line order form, and got the deal. I remember few days later, I went back to the site, and checked if the deal was being offered again, the product was there but with its original price this time (WU12).

It was my brother's 21 birthday, so I wanted to send him some champagne or something not through the post but delivered like you order flowers or so, so I used the Web. I just went into Netscape or something like that and typed birthday gifts I think and then it gave me a various list of things like drinks direct and companies like that, and I think drinks direct that I used. So I went into a couple and it was just some sort of chocolates and flowers, so I went to the drinks direct, I went to their website and there was a whole range of things

from Champagne to all different types of alcoholic drinks and stuff like that, a lots of picture, sort of brief description under each thing with the prices, so I printed that off ... I then had to use the phone number on the site to place my order and make payment (WU11).

These findings agrees with Klemow (1999:11) who claims that:

although some consumers profess a fear of transmitting their credit card information over the Internet, more and more are becoming comfortable with the concept of using the Internet to purchase products.

Barriers to buying on-line and trust and security issues

Moving web consumers along to the "purchase click" is proving to be difficult (Hoffman *et al.*, 1999). It is clear that it will take a while until web customers start to completely trust websites and maintain full confidence for buying on-line (in real time). Building trust in websites, perhaps would make web marketing more appealing to prospective customers of hospitality products and services. Zeithaml *et al.* (2000) stress that the dimension of trust (assurance and security/privacy) implies that the customer has confidence in the company, that the site is well known, sells reputable brands, offers guarantees and posts ratings by other customers. From the interviews it is clear that even users with positive experiences of purchasing on-line still have suspicions about the integrity and trust of the websites, from their answers the researcher quotes:

I remember a few days later, I went back to the site, to make sure that the deal was not being offered again (WU12).

But I am always a bit dubious about putting my card details on and also even when I go to a shopping site (WU11).

The difficulty to categorize site owners across the globe and trusting their integrity was often perceived a great risk. When interviewees were asked about the reasons beyond these uncertainties regarding on-line shopping, eight of them stated that security of website transactions is the main reason behind many users being

reluctant to use the Web for shopping. Four users also cited that the fear of losing money and no recourse are other related barriers.

This was also evident from the reviewed literature on the diffusion of web marketing and electronic commerce (see section 2.5.8). Customers are still suspicious and wary of trying new technologies (Burke, 1997; Jones and Biasiotto, 1999). However, Sheth and Sisodia (1997) argue that trust and convenience can guarantee the future expansion of successful on-line marketing.

The interviews also revealed that users prefer to buy travel products on the phone as they feel it is more safer to give their credit and personal details on the phone rather than doing this on-line. Three users (WU10, WU11 and WU12) confirmed that they feel more comfortable when companies advertise for their telephone numbers and other contact information on websites as customers can still use the phone to buy the products, interviewees comment:

I would use the Web for information not buying. The pattern of my travel is such as that I do not often need to buy on line... I would often buy on telephone...I would look at a site to look for information but I usually confirm by telephone (WU10).

The trouble with the Internet is you might be able to see a picture and you might have a description, but you cannot ask any questions (WU11).

Although it is really good to make on-line bookings, the telephone number should be provided and customers should have the possibility to talk directly to someone (WU02).

The results also show that users would tend to go to the same websites and make repeat purchases if they practiced secure on-line transactions. Interviewee (WU11) comments:

I think if I was going to do the same thing, I probably use the same site. ...I will use the same one rather than maybe chance a company that I did not use before.

Another major finding of this research is that most of the interviewees go to websites they are already familiar with or have at least visited once before. This confirms that consumers are generally more comfortable doing business over the Web with a supplier they have grown to rely on. From the results there is significance between buying on-line and the reputation of websites. Analysis of the interviews revealed that users who buy on-line usually tend to go to websites with good offline reputation. Three of the interviewees (WU09, WU11, WU08) state that the reputation of the site and knowledge of the service provider is very important to take the decision of finishing the purchasing process on-line. Interviewee (WU09) comments:

If I know the service provider. It is difficult what I would probably do is that I would probably go on-line and look for the information and then book it with other means at the moment, I am not sure if I totally would buy the whole thing on line.

When users were asked under what circumstances they would give their credit information on-line, they replied that they would do so if the site says it is secured, if a friend or relative recommends it, if it belongs to a famous high street company or is related to a highly branded product, among interviewees' comments:

I would want to know that other people have done it, so if somebody told me, oh yeah you know I bought that car of the Internet, and I had no problems, and everything is okay you know this after sales service etc., then fine, I will be quite confident then. It is a lot of money (WU07).

If the site says it is secure. If it is a secure site, you can tell, so it should be okay (WU09).

I would do so if I know the site belongs to a high street company (WU03).

This was also evident in the GUV (1998) survey that concluded that many users prefer a brand name when buying over the Web although there is some variation depending on the nature of the product purchased. Ernst and Young (1999) also reported that 82 percent of the surveyed customers included in their survey stated

that brand names play a significant role in their on-line buying decisions, they prefer to buy from a website which belongs to a strong company brand or selling a well known brand/product. This also concurs with the 2000 American Express Global Internet Survey (2000) which reports that consumers around the world ranked confidence in the brand name is among the most important factors when buying on-line. However, as the Web continues to be integrated into the global world of business, it is increasingly important for companies to differentiate themselves through brand strategies that exhibit clear messages and provide fulfilling experiences. Companies with well-established brand equity and brand power in the off-line world are well poised to extend their brand into the Web (Harvin, 2000).

How do web users buy travel/hotel products?

The interview allowed respondents to interpret their experiences of buying travel and hotel products on-line. It also explored the sort of travel information they usually look for when they are buying on-line compared with the information they require using other traditional methods of buying. Only four of the interviewees answered, "yes" to the question (Have you ever used the Web to buy travel/hotel products?), the rest of the interviewees answered that they have never had any experience of buying travel/hotel products on-line. All users, buyers or non-buyers, state that the sort of travel information they look for on-line does not differ from the information they require when they buy the same products via other conventional methods of marketing. They are mostly concerned about hotel location, destination information, prices and services offered. Typical of comments is:

It is the same, if I was to pick up a brochure of any destination (WU11).

I would want to look at a picture of the hotel location, services and prices as well (WU09).

Two interviewees (WU11 and WU07) also stress the importance of speaking personally to someone when looking for this information.

I would need to go to the travel agent to pick up a travel brochure to see if that place was on the brochure, because you know you could buy a holiday of the Internet, and if you do not have much information about the resort it could be 10 miles from the beach and things like that and how would you know? (WU11).

I prefer to have the physical experience of talking to someone in a travel agent, a mean of two ways communication, but I think, I would ask for the same information (WU07).

Web user scenario when buying hotel products on-line

Interviewees were asked if there are any other marketing medium draw/help to draw their attention to websites. Answers to this question verified that more conventional tools of marketing (TV, newspapers, travel magazines and brochures) are being used to reinforce the content of hotel website information and content. That is why many companies who have already built and sustained their web presence tend to advertise for their websites URL addresses on other marketing materials (Sterne, 1995; Bayne, 1996).

Brochures, T.V. advertisement, and Ceefax were most cited by users as other media or sources of information that direct customers to hotels and travel websites.

Typical comments are:

We quite often get some brochures ourselves look through them and also may be watch travel programs on T.V. Ceefax if it is a last minute thing, and also may be speaking to other people who have been there. So I always got the sense that you are constantly gathering information about where you decided to be going (WU09).

TV advertisements travel brochures, and sometimes the newspapers. Many companies now advertise for their websites using different tools of marketing (WU06).

I suppose, there is a lot of TV. advertisement about companies that are on-line so possibly some of those. Also things like even after some holiday programs they say check our website at the end, and some of them are quite good because you could actually go back and check resort that have been there in the past (WU11).

Question (19) - If you are looking for a travel product on-line what procedure would you follow? – is considered an imperative question for this research since it aimed at exploring the scenario of how web users buy hotel products and services on-line. Significantly, answers to this question appeared identical and logical. The process starts with typing key words about the destination or the hotel into one of the popular search engines (e.g. Yahoo, AltaVista, Netscape search, etc.). Then users tend to follow the links that turn up of the search engine on-line. Some useful comments indicating users scenarios are provided below as quoted from the interviews transcripts.

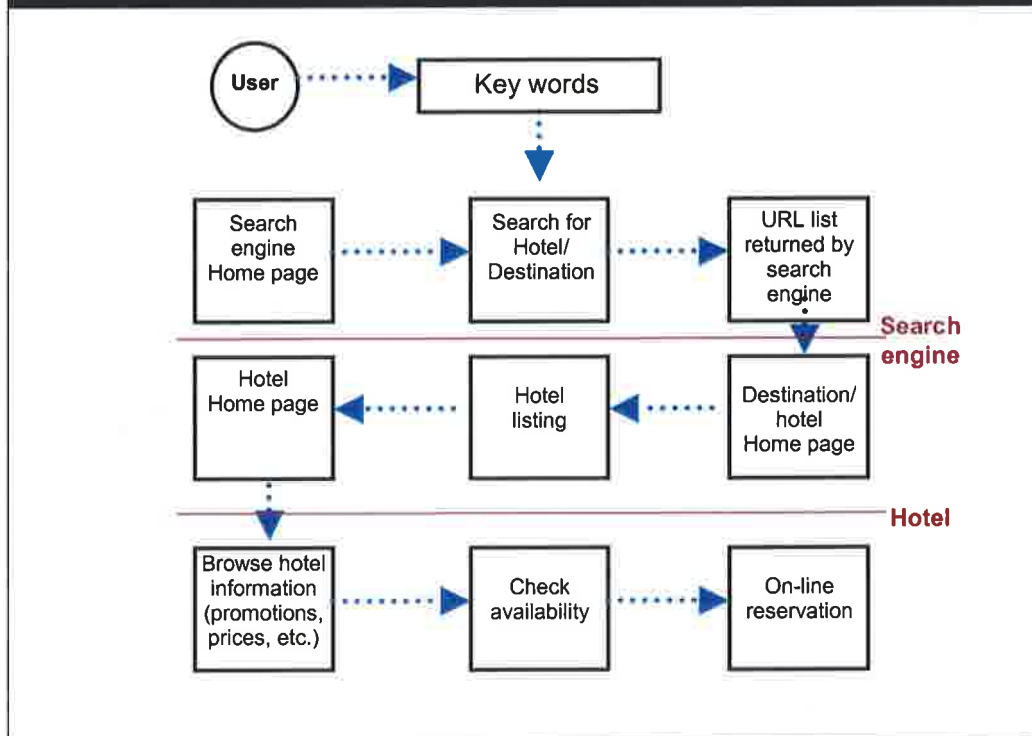
I probably go into a search engine and type some keywords may be of the destination and the hotels, something like that, or may be if I knew it was a certain place I was going to, I just type the name of the destination in straight away to see what I can get from the website (WU09).

Users with more experience of buying travel and hotel products on-line involved other actions in their scenarios, these actions may extend to include comparing prices, looking for rooms availability, and filling booking (reservation) forms on-line. For instance one user commented:

I will then go into their website, you know, enter your dates, whenever you want to travel, wherever, and then I mean, I suppose some websites are different they come back straight away and tell you there is no availability then, or they inform you of a different price or a special deal or something like that and then I suppose you put your payment details or whatever (WU11).

These findings correspond with O'Connor (1999:102), who provides a hypothetical scenario illustrating the steps from the initial search for information to making a reservation (see figure 4.3), he claims that unless the customers know the Web address in advance, their search will invariably involve multiple search steps. These steps are identical to those identified by this study.

FIGURE 4.3 HOTEL WEB BROWSING/BOOKING SCENARIO



Source: Adapted from O'Connor (1999).

Important hotel website features

During this last section of the interview the interviewer provided users with a list of hotel website design features and asked them to comment on each of these features. From answers the researcher was able to generate a break down of the most important features from users' points of view, this break down is provided in table 4.3 below. These features to a certain extent coincide with those rated important and very important by users in the on-line survey conducted earlier in this research.

TABLE 4.3 IMPORTANT HOTEL WEBSITE FEATURES FROM THE USER'S POINT OF VIEW

- | |
|--|
| 1. The site is easy to navigate. |
| 2. The site has reliable Links. |
| 3. The site provides extended information on hotel products. |
| 4. The site provides extensive price information. |
| 5. The site is updated (e.g. product, prices, promotions). |
| 6. The site URL address (e.g. http://www.hilton.com). |
| 7. The site provides on-line reservation. |
| 8. The site is secure for on-line payment. |
| 9. The site offers on-line promotions. |
| 10. The site provides customer service. |
| 11. The site has multimedia items. |
| 12. The site includes FAQ section. |
| 13. The site includes "What's new" section. |
| 14. The site provides a feedback form. |
| 15. The site provides different languages. |

Several issues and useful comments were also raised during this task; some of these are presented below.

Ease of navigation

Ease of navigation was one of the most important features for web users to find distinction between good and bad hotel websites. Users pointed out that the rational quality of hotel website is determined by its ease of navigation in terms of its clearance and coherence of titles, uniformity throughout the site, easy check out, good structure, site map, and consistency of colours and fonts used through pages, (WU07) comments:

Ease of navigation is one of the most important considerations, it helps visitors to easily and quickly find information. The items on the websites and links to pages should be well organized and easy to navigate specially on the site main page, the first place where visitors go on the site (WU07).

Users require that navigation items on the website, especially links to other sites or sections on the same website, should appear straightforward and consistent, one user (WU05) comments:

You know how annoying this is...a link without a destination is really an indication of poor designed site with navigation problems, a good site should have reliable links and should be logically organized (WU05).

These comments all concur with various studies (e.g. Lemay, 1996; Nielsen, 1996; Murphy *et al.*, 1996a,b; Trochim, 1996; Burns, 1997; Hamill and Gregory, 1997; Standing and Vasudavan, 1999) who viewed the ease of use is a very important accessibility and interactivity feature in websites design.

Up-dated contents

The relationship between the contents of the Web and the perception of it was also cited as a "very important" issue of hotel website design. Almost every interviewee underlined the importance of the contents in a hotel website and emphasized that these contents should be extended to include extensively comprehensive hotel products and services information with diverse and accurate prices, among users' comments are:

Information, information, information, certainly when I am buying accommodation, I need that information to be clear, very specific, I do not want any ambiguity I would be very very careful here (WU10).

It is important .The information on any website should be diverse, should be accurate, valuable and most importantly up-to date (WU07).

These findings correspond with those of Gilbert and Powell-Perry (2000), they stated that the web could serve as a strategic information centre. Key information such as lists and locations, new products, services, offers and benefits, could all be posted on the hotel website.

Updating information on websites was also cited as being vital for the survival of the website presence. Users state that it is important to hotel companies to develop and update the contents of their websites and use this as a tool to measure customer orientation, they comment:

The essence of the Web is immediacy, if you are not updating it, you are missing out but also you are actually showing to your customers that you do not understand the culture of the Web, and that could be more damaging, without any doubt (WU10).

When you go to a site you find it is not updated for a month, it puts you off it makes think they are not really a very professional company, and it shows that they are not good in marketing, as if they have not updated, it makes me feel they do not really care too much about their site (WU09).

Some of the travel websites, you go into them and they were last up dated I do not know two months ago, and you pick a travel supplement on you got different offers in there or different prices, so this does not give too much confidence that the information on the Internet is up to date (WU11).

Wilson (1999) supports this opinion he states that there must be a reason to come to the site. A passive site will not provide the customer with a reason to return to a site limiting its potential to develop long-term relationship with potential customer. Cronin (1996) considers that in order to encourage return visits a website should provide valuable information which changes regularly. Effective websites are those which are frequently updated, users do not come back to a static website which is not updated in design and content (Ghosh, 1997; McCune, 1998).

Reservation, interactivity and security

Interviewees also cited other features that they considered vital to the hotel website design such as, checking room availability and reserving rooms on-line. Eight interviewees indicated that they would buy hotel products on-line if more interactivity and services are available, such as checking availability of rooms in certain dates,

showing all possible rates and conditions of purchase, the ability of handling on-line reservation and payment.

It is very important to be able to reserve on line, faster method and it adds convenience to customers I think (WU01).

I think it is important, and it is growing important, bearing in mind that travel is become much more frequent more short term planning and so on (WU10).

Interviewees were also concerned about different issues related to on-line reservation such as the quality of the on-line booking system, customisation, commitment to respecting user's privacy, the quality of forms, and efforts made by hotel companies to ensure that data sent on-line by users is secure. Only three users stated the importance of providing other methods (telephone) of reservation and payment for those customers who do not yet feel very comfortable buying on-line, one of the comments was:

Although it is really good to make on-line bookings, the telephone number should be provided and we should have the possibility to talk directly to the receptionist for example (WU02).

Customer service

Four interviewees have viewed customer service as the key to hotel business success on the Web. That was the conclusion of those users who consider buying hotel products on-line in future. Users comment that any Web-based customer service should involve giving customers control over all aspects of the interaction with the company through the website, (WU07 and WU12) support this view as they comment:

Companies or hotels selling their products on-line cannot see their customer face-to-face, therefore they must invent on-line ways to compete with these expected standards of customer service offered offline (WU07).

It has a great potential, a new tool to improves customer service by providing easy access to various products information on-line. Actually, the Web offers unlimited selling space to explain and

present products to a very wide geographic reach. It enables businesses to deal directly with their customers, and strengthening relationships with customers (WU12).

URL

Only three interviewees were able to remember few websites that they usually go to when they buy travel or hotel products on the Web. They stated that it is easy for them to memorize those websites because of the short and easy to remember URL addresses these sites have. It is however important that URL address is short and easy to remember for consumers. O'Connor (1999) claims that unless customers know the URL address in advance, their search will invariably involve multiple search steps during which they could easily defect to competitors or become distracted by totally different topics.

Other important features

The availability of other languages on the website, a Frequently Asked Questions (FAQ) section, "What's new" section and a feedback form feature were also cited by interviewees, but of less importance than the above-mentioned features. These findings of very important and important hotel websites features provide practical examples to support those and are similar cited in the reviewed literature (see section 2.7.1).

4.2.4 User-relevant hotel website features

As discussed in (3.5.2) an on-line survey instrument was developed to streamline the identified 48 hotel web site features into user-relevant features. Web users were asked to rate the important of hotel website features. Results from the analysis of this survey are provided below.

Response rate

During the analysis of the results, there was no possibility to measure the actual number of UWIC members of staff that logged on to the survey web page during the period of the survey. It was estimated that 70 % of the total number of 800 staff visited the site. Thus, with 206 respondents, over 49 days, (see table 4.4) it is possible to calculate a response rate of 37%. However, this response rate does not necessarily reflect an exact figure that represents the rate of visitor's submission as there were several possible sources of error detected. The same person could visit the questionnaire page several times and thus increase the number of hits on the page and therefore the number of responses. This would however not make the figures differ with more than a few percentage points, and not have any impact on the results of the survey.

However, as expected, a wide variety of views were expressed by the sample population, but the main findings suggest that although many respondents do use the Web for many different reasons, including searching for hotel information, only a limited number of them use the Web to buy hotel products on-line. In order to determine respondents' reactions towards rating hotel website features three main themes of the results of the survey will be highlighted in the following paragraphs.

TABLE 4.4 NUMBER OF RESPONDENTS TO THE ON-LINE SURVEY

Date	Number	Date	Number	Date	Number
01-Nov	72	17-Nov	0	04-Dec	0
02-Nov	19	18-Nov	0	05-Dec	0
03-Nov	13	19-Nov	0	06-Dec	1
04-Nov	0	20-Nov	71	07-Dec	0
05-Nov	0	21-Nov	2	08-Dec	0
06-Nov	10	22-Nov	1	09-Dec	0
07-Nov	2	23-Nov	1	10-Dec	0
08-Nov	1	24-Nov	1	11-Dec	0
09-Nov	1	25-Nov	0	12-Dec	1
10-Nov	2	26-Nov	0	13-Dec	0
11-Nov	0	27-Nov	0	14-Dec	0
12-Nov	0	29-Nov	0	15-Dec	0
13-Nov	3	30-Nov	0	16-Dec	0
14-Nov	1	01-Dec	0	17-Dec	0
15-Nov	0	02-Dec	0	18-Dec	2
16-Nov	2	03-Dec	0		

User's demographics, general experience and use of the Web

As figure 4.4 shows, slightly more females (60 %) responded to the survey than males (40%). The average respondent age is 30, ranging from under 25 to over 65 years (see figure 4.5). Only (17%) of the respondents gain access to the Web from home while the majority of users (58%) access the Web from work and home at the same time (see figure 4.6). Most of these users (47%) use the Web daily and (35%) of them only use it on weekly basis (see figure 4.7).

FIGURE 4.4 RESPONDENT GENDER

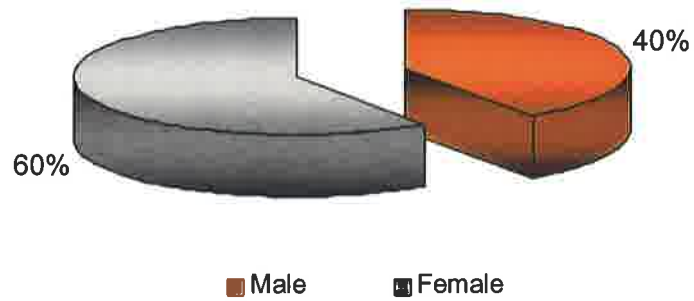


FIGURE 4.5 AGE GROUP

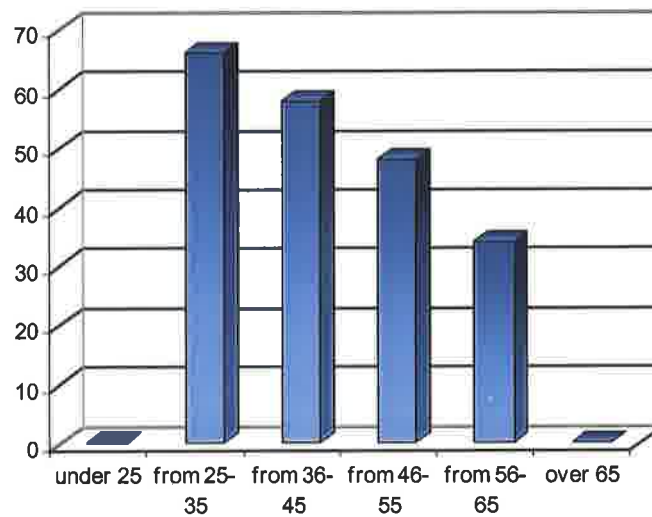


FIGURE 4.6 ACCESS TO THE WEB

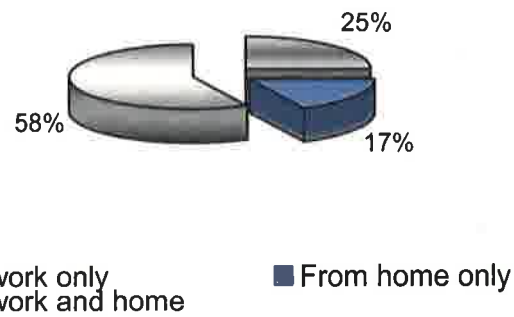
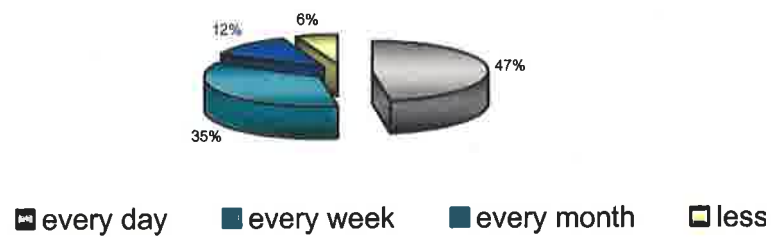
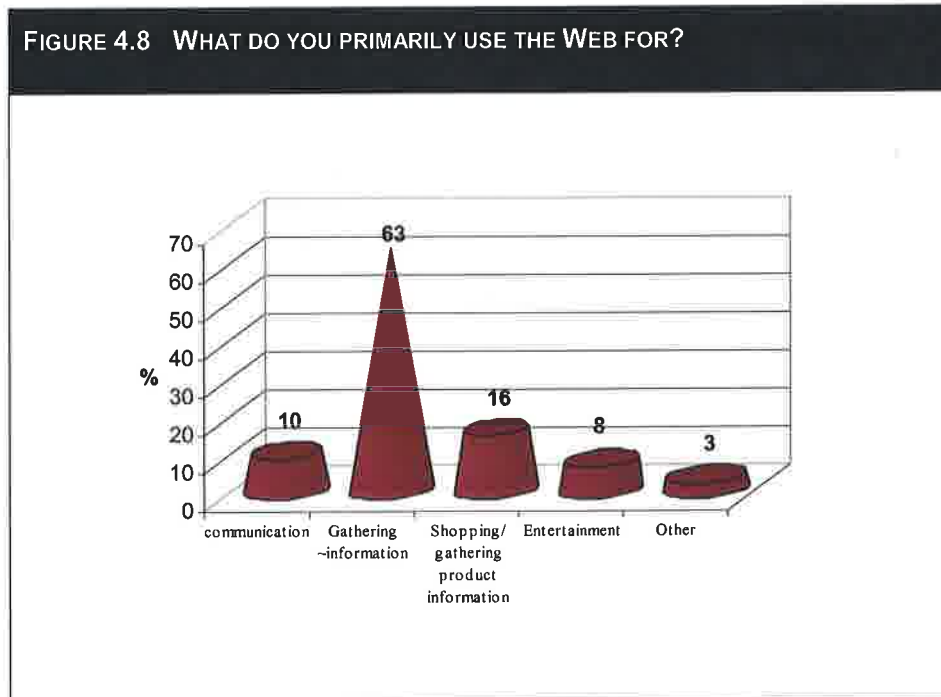


FIGURE 4.7 FREQUENCY OF ACCESSING THE WEB



It is also noteworthy that the majority (63%) of users primarily use the Web to gather information, while the minority (16%) uses it for shopping (see figure 4.8). Indeed, users were able to significantly identify the reasons for being reluctant to using the Web for shopping in sections two and three of the survey.



(57%) of respondents stated that the Web is considered their first source of information when they need to look for hotel information (see figure 4.9). The rest of respondents (43%) selected other sources of which brochures and TV travel programs represented the highest percentages, (31%) and (25%) respectively (see figure 4.10).

FIGURE 4.9 WOULD THE WEB BE THE FIRST INFORMATION SOURCE YOU WOULD CONSULT WHEN LOOKING FOR HOTEL INFORMATION?

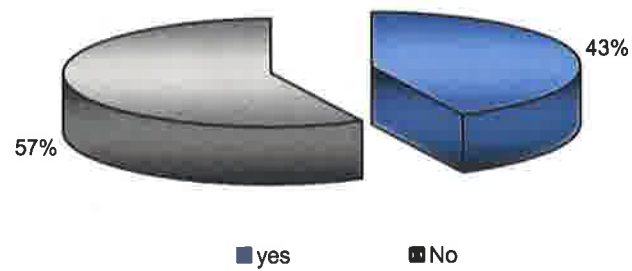
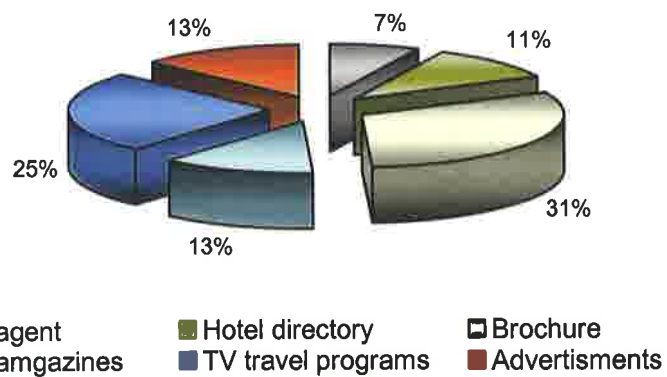
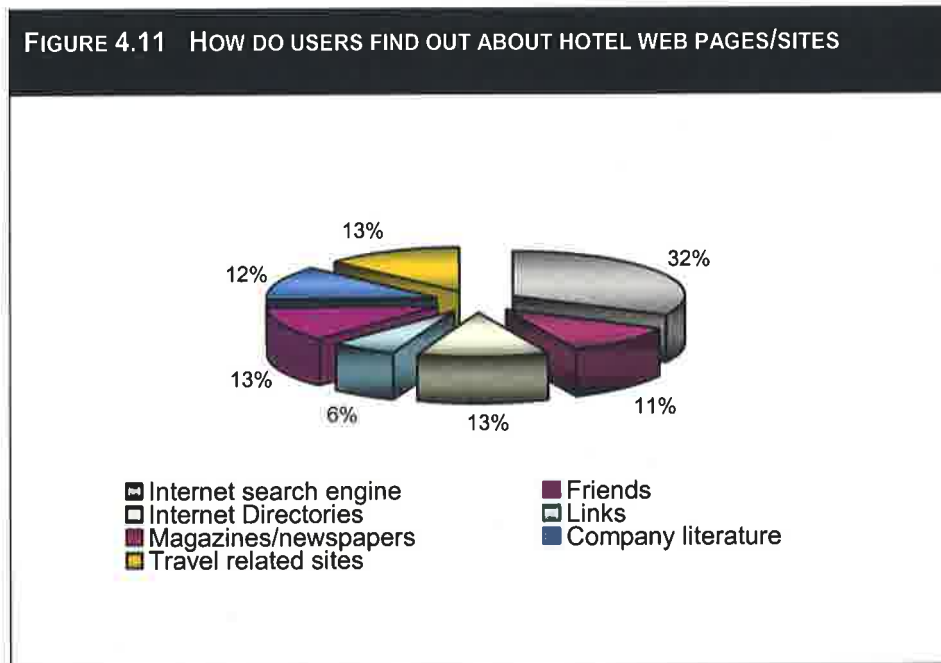


FIGURE 4.10 FIRST SOURCE OF INFORMATION WHEN LOOKING FOR HOTEL INFORMATION



Respondents were also asked to state how they find out about hotel web pages/sites. (32%) of them stated that the Internet and its search engines are the first place they go to when they look for hotel websites. Internet directories and travel related sites were also been highly rated (see figure 4.11).

FIGURE 4.11 HOW DO USERS FIND OUT ABOUT HOTEL WEB PAGES/SITES



User's reactions to the potential of hotel web marketing

This section of the survey asked respondents to indicate to which extent they strongly agree/disagree with seven different positive behavioral statements listed in the survey. Overall, users found their experiences with using the Web for searching and buying hotel products on-line to be positive. Figure 4.12 and table 4.5 show the median and the standard deviation of these responses. Of particular interest is that users found the Web to enable them to get better deals on hotel products, and makes an effective contribution to hotel marketing. They also stated that they would certainly use the Web to search for information on hotels rather than buying hotel products more in the future.

Moreover, users also agree that the Web can reach the right consumers faster and more effectively than other conventional marketing media. Respondents also registered a high level of concern about security and privacy in general to be the main barriers to hotel web marketing. Only 13% of respondents reported they were not very or not at all concerned (see table 4.5).

FIGURE 4.12 USER'S REACTIONS TO THE POTENTIAL OF HOTEL WEB MARKETING

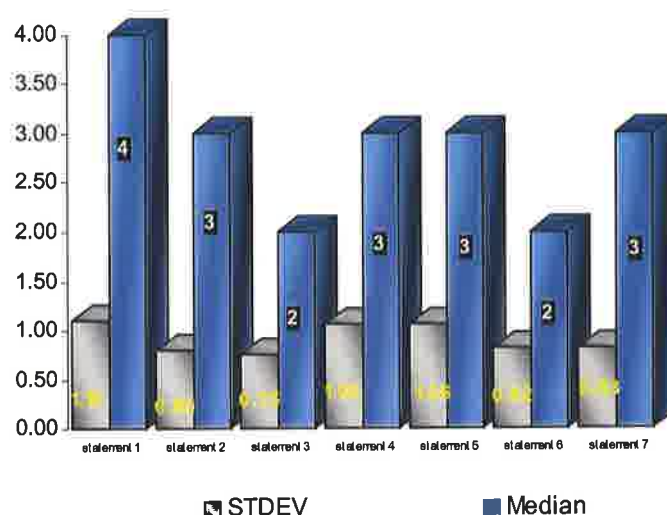


TABLE 4.5 USER'S REACTIONS TO THE POTENTIAL OF HOTEL WEB MARKETING/ MEDIAN AND STANDARD DEVIATION

Statement	SDEV.	MEDIAN
I currently use the Web to buy hotel products on-line	1.10	4
The Web enables me to get better deals on hotel products	0.80	3
I think the Web makes an effective contribution to hotel marketing	0.75	2
I think security and privacy are the main barriers to hotel web marketing	1.06	3
I think the Web can reach the right consumers faster and move effectively than other marketing media	1.06	3
I will certainly use the Web to search for information on hotel more in the future	0.82	2
I will certainly use the Web to buy hotel products more in the future	0.83	3

User's ratings of the hotel website features

In this section users were asked to rate the relative importance of 48 different hotel website features of their experiences on a Likert scale ranging from 1 to 5 (with 1= critically important and 5=unimportant). Of the 48 features, 28 were rated critically important and very important by users. The median response was calculated for each of the 48 website design features. Table 4.6 summarizes the 28 features of website design achieving a median response of 1 (critically important) or 2 (very important). These features comprise the overall quality and coherence of the website design from a user perspective.

TABLE 4.6 CRITICALLY IMPORTANT AND VERY IMPORTANT HOTEL WEB DESIGN FEATURES AS RANKED BY WEB USERS

1. Accessibility	15. Privacy and security matters
2. Downloading time	16. Frequent guest programs
3. Navigation	17. Graphics
4. URL	18. Basic product information
5. Updates	19. Additional product information
6. Search the site	20. On-line brochure
7. Destination contents (details)	21. Currency converter
8. Price information available on-line	22. On-line advertising
9. Product availability	23. Discounts
10. Email reservation	24. Feedback form
11. On-line reservation	25. On-line customer service
12. Real time processing of orders	26. Frequently asked questions (FAQ)
13. Confirmation	27. Mailing lists
14. Credit cards accepted	28. Direct email

4.2.5 A hierarchy of website design considerations

Relating the 28 user-relevant features to the modified Dutta *et al.*'s marketplace model does little to facilitate a strategic approach to the rationalisation of website design. Organizing them under six headings: accessibility; information; credibility; e-commerce; immediacy; customer relationship, and these six headings into a further hierarchy of considerations enables an emphasis towards how a website can support hotel brand development (see table 4.7 and figure 4.13). These considerations are briefly described below. The lower in the hierarchy the consideration; the more fundamental it is. Thus, accessibility is a more fundamental concern than customer relationship and there is little point focusing on aspects of a website relating to customer relationship if its accessibility is sub-optimal.

FIGURE 4.13 HIERARCHY OF CONSIDERATIONS: WEBSITE FEATURES THAT SUPPORT BRAND DEVELOPMENT

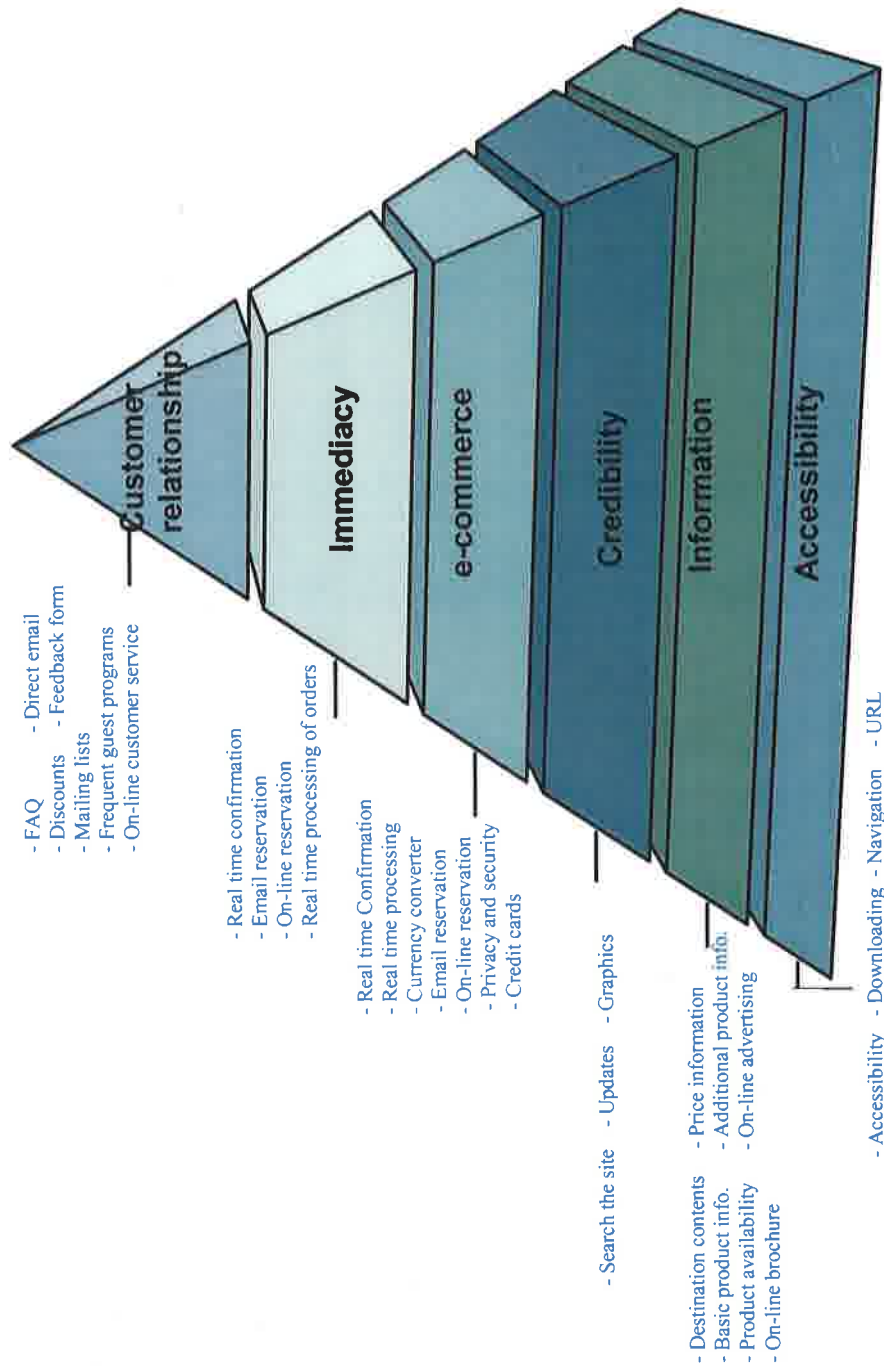


TABLE 4.7 REPRESENTATION OF THE WEBSITE DESIGN FEATURE IN THE HIERARCHY

Features	Accessibility	Information	Credibility	e-commerce	Immediacy	Customer relationship
Accessibility	✓					
Downloading time	✓					
Navigation	✓					
URL address	✓					
Updates			✓			
Search the site			✓			
Destination contents		✓				
Price information available on-line		✓				
Product availability		✓				
Email reservation				✓	✓	
On-line reservation				✓	✓	
Real time processing of orders				✓	✓	
Real time Confirmation				✓	✓	
Credit cards accepted				✓		
Privacy and security matters				✓		
Frequent guest programs						✓
Graphics			✓			
Basic product information		✓				
Additional product information		✓				
On-line brochure		✓				
Currency converter				✓		
On-line advertising		✓				
Discounts						✓
Feedback form						✓
On-line customer service						✓
FAQ (frequently asked questions)						✓
Mailing lists						✓
Direct email						✓

Accessibility

Unless a website is easy to locate and responds to customer searches on the major search engines (e.g. yahoo.com) it will not be able to communicate information to its audience. However accessibility on its own is not enough, the website must download reasonably quickly and “grab” the attention of the user before he/she “surfs on” to another site. Navigation is also a very important accessibility feature, a website should provide clear and consistent navigation mechanisms - orientation information, navigation bars, a site map, etc. - to increase the likelihood that users will find what they are looking for instantly and conveniently.

Information

Perhaps the most important element marketers should keep in mind when deciding on the content of their website is its usefulness to the consumer in terms of its contents. Useful information ranges from basic destination contents, e.g. maps, restaurant facilities, local attractions and community events, to detailed information about products and services and their availability and up-to-date price information.

Credibility (reliability)

Proper website design is largely a matter of balancing the structure and relationship of a menu or “home pages” and individual content pages or other linked graphics and documents. The goal is to build a hierarchy of menus and pages that feels natural and well structured to the user, and does not interfere with their use of the website or mislead them. Links should be carefully labelled and consistently working. Updated and revised content is also important; the site should never contain old or outdated information that may turn users away to a different site.

E-commerce enabled

An e-commerce enabled website offers the speed and convenience of a one-stop availability check, instant purchase and confirmation. It should enable guests to confirm their rooms' bookings in "real-time". It should also allow them to close the sale immediately through an on-line booking engine which is branded to have the look and feel of the website, and is customized to communicate the property's specific terms of the reservation, room views, property directions and other important features.

Immediacy

The key to fully utilize the web for selling is to formulate the means to harness the Web's immediacy. The Web has given customer a continual demand for immediacy and this requires a websites that exploit this feature. It is vital to quickly confirm that on line reservation are received as well as give immediate confirmation or identify any problems quickly.

Customer relationship

A Website should effectively function as a powerful tool to sustain a good relationship with customer and support brand-building. There are many features to perform this, for example, hotel websites can contain electronic forms for customer completion and hotels can reply directly via e-mail or post on its website a series of frequently asked questions from which customers might be able to find answers to common queries. This kind of rapport will improve customer relations and contribute towards the building of customer loyalty.

In the context of brand-building the issues of accessibility and information, credibility, and immediacy, e-commerce and customer relationship cannot be considered individually, they should be considered as complementary and synergistic issues which reinforce each other to enhance the customer relationship and build the brand.

4.2.6 Classifying user-relevant features in terms of sub-optimal, satisfactory and good performance

Each of the individual hotel website design considerations were rated on a performance scale of 0-5 as to thresholds of satisfactory and good performance to give three degrees of performance: sub-optimal (0+1), satisfactory (2+3), and good (4+5) as shown in table (4.8). Detailed description of each of the 28 features included in the six considerations is provided below.

Accessibility

Accessibility is the most important element in the website design - if a website is often off-line or does not appear on a major search engine, e.g. Yahoo, Lycos, Excite, AltaVista, then it will be invisible to potential customers. Various features affect accessibility, among these are, consistent accessibility from major search engines, and a high rank on the search engine. This includes various features among these are, consistent accessibility from major search engines, and high rank on the search engine. From a consumer point of view this is probably the most important feature. The interview conducted with users (see section 4.2.3) identified the typical scenario of the user when searching for hotel websites, the process starts with typing key words about the destination or the hotel into one of the search engines, then users tend to follow the links that turn up of the search engine on-line. Guenther (1999), asserts that listing the website with the most popular search engines is the most effective way to publicise it. Foster (1999) also states that a

website must be in the crucial top 20 positions on a major search engine. Thus good performance would be that the hotel website is consistently accessible from all search engines, and partner or chain sites and ranks among the top 10 sites on search engines. Satisfactory performance would be that the website is accessible and ranks among the top 20 on major search engines. Sub-optimal performance therefore would be that the website is always offline and ranks low on search engines.

Downloading time

In GUV's tenth user survey (1998), web users identified speed as the second most critical issue facing the Internet, second to privacy by a low margin. Nielsen (2000a) states that fast response times are the most important design criterion for web pages. He recommends a minimum goal for response times of 10 seconds because that is the limit of user's ability to keep his attention focused while waiting. Dellaret and Kahn (1999) found that Web waiting time negatively affects consumer evaluation of website content only when slow speeds are not well managed. Staying within 10 second response time means that the user can stay focused on navigating the site (Nielsen, 1999b) while a slow downloading website can diminishes the interest of navigation and distracts the user for little useful effect (Guenther, 1999; Foster, 1999). Successful hotel websites are those that can run on an appropriate platform (web browser) performance, the faster the platform, the faster the response time of the site. Bailey and Schaffer (2001) claim that acceptable downloading times can range from five to over 30 seconds. The delays that are "acceptable" seem to depend on what tasks users are performing and the difficulties they believe the computer is encountering. Thus good performance would be that the website downloads in less than 10 seconds with no missing elements directly on to the user's web browser. Satisfactory performance would be

the same as good performance with the site taking between 10 to 30 seconds to complete downloading. Sub-optimal performance would be that the site downloads with many missing elements in more than 30 seconds on to the user's browser.

Navigation

Lemay (1996) asserts that websites should be easy for the user to navigate. Ease of use is a very important issue in hotel websites design (Murphy *et al.*, 1996a). Navigation, or how an end-user gets from one page in a website to another, is another key issue (Standing and Vasudavan, 1999; Hamill and Gregory, 1997). Using consistent page elements and navigation menus among pages on the same website helps the user easily find his way around the site (Lemay, 1996). While hotel websites use a variety of approaches to achieve this, the trend is toward using a standard navigation bar. A common navigational problem at some websites is that icons are presented to expedite navigation, but no explanation is given to describe the icons or where they will take the end-user. Worse when these are clicked leaving end-users with no way to get to another page of interest to them, or even of finding out if there is another page to go to. This is all supported by the results from interviewing web users (see section 4.2.3), which revealed that ease of navigation is one of the most important features to distinct between good and bad hotel websites in terms of its clearance and coherence of titles, uniformity throughout the site, easy check out, good structure, site map, and consistency of colours and fonts. Thus a good performance on navigation would be that the website posses all of the above mentioned features and elements of easy navigation, websites with sub-optimal performance are those which lacks consistent navigation or navigational tools and do not appear to be straightforward and easy to navigate for the user.

URL

Murphy *et al.* (1996a) argue that a URL address is the key to promoting hotel websites. A good website URL should be short and easy to remember (Farris, 1999; Lederer and Maupin, 1997; Foster, 1999). Successful hotel websites are those operated under their own URLs (Weeks and Crouch, 1999), which reflect their brands, e.g. www.marriott.com. Users interviews also revealed that unless users know the URL address of the website in advance, they will involve multiple search during which during which they could easily defect to competitors or become distracted by totally different topics. Therefore, good performance would be that the website has a short and easy to remember URL addresses which is straightforward and reflects the hotel brand.

Destination contents

The results of the on-line survey conducted by this study show that users rate this feature very important to include in the hotel website design (see section 4.2.4). Examples of destination contents are, more information about the geographical location and other attractions or links to other properties or partners and sources of important information (e.g. weather, transportation, recreation facilities etc.). Good performance on this feature would be that the site provides detailed destination contents and sub-optimal performance would be that the site lacks this feature.

Price information available on-line

Availability of price information on-line is among the most important features as rated by users of the on-line survey conducted in this study (see section 4.2.4). Presence of this feature on the hotel website would reflect good performance and therefore sites are rated sub-optimal on this features if it does not provide any information about the price of the products or services.

Basic product information

Hotel website users want most to obtain information regarding hotel amenities and facilities (Murphy *et al.*, 1996a). Over half of the respondents to the on-line survey conducted by this study stated that the Web is considered their first source of information when they need to look for hotel information (see section 4.2.4). Gilbert *et al.* (1999) asserts that hotels are able to offer information about the *hotel property* (facilities available, amenities, restaurants and lounges, transport services, attractions, maps and directions), *corporate information* (press releases, financial reports, company history, company milestones, product and service information), *on-line directory* (a listing of hotel properties by geographic location), and *virtual tour* of the hotel property. Users interviews (section 4.2.3) shows that users are mostly concerned about hotel location, destination information, prices and services offered. Thus good performance would be that the web site provide this basic information, satisfactory would be that the website only offer few elements of this basic information (e.g. hotel rooms, location and other services) and sub-optimal would be that the website does not at all provide any basic information of the services or the product.

Additional product information

Providing information on prices and hotel locations, as well as availability of services such as pool, health facilities, or room amenities is also highly desirable to meet user's need for information (Lodging News, 2001). This allows extensive customization, permitting each customer to choose the desired set of product characteristics (Bakos, 2001). Providing complete and accurate information and increasing satisfaction with information through a high-quality website design have a significant positive influence on the intention to make a reservation on-line. (Lodging news, 2001). This is also supported by customers, almost every interviewee

included in the interviews with the users (see section 4.2.3) underlined the importance of the contents in a hotel website and emphasized that these contents should be extended to include extensively comprehensive hotel products and services information with diverse and accurate. Thus good performance would be that the site offers extensive product information to its customers and sub-optimal performance would be that the site be deficient in this feature.

Product availability

Search function and product availability are the most important features that Internet users look for in on-line shopping. Product availability is related to real time processing of orders (Gilbert *et al.*, 1999) It is an interactive function and therefore it is very important to be included in the hotel website which offers on-line reservation function. Therefore a good performance would be that the site offers the facility of checking the product availability on-line. Satisfactory performance reflects that it is only possible to check the product availability by email and sub-optimal performance would be that the website does not provide this facility of checking the product availability.

On-line advertising

On-line advertising is among the important features as rated by users of the on-line survey conducted in this study. Dutta *et al.* (1998) list some features to customize the advertising content of a website, based on customer profile or input, include changing the content description (simple or complex), displaying only a range of products which are relevant to the particular customer, changing the price allowing for new functionality in some cases or changing the path used to navigate in the service. Thus good performance would be that the website offers on-line advertising items, and satisfactory performance would indicate the presence of few on-line

advertising elements on the site. Sub-optimal performance therefore would be that the website does not offer any elements of on-line advertising.

On-line brochure

It is important to remember that good websites are rich in content. As much relevant contents as possible about the product should be included on the site (Silverstein, 1999). An on-line brochure that is available to download on-line or can be send by email upon user's request is considered a means of providing customers with more information about the products and services offered. The presence of an on-line brochure to view/download on-line would indicate the good performance of the website.

Search the site

Search the site is one of the most important user interface elements in any large website (Nielsen, 1997). Each hotel website should provide a search engine or appropriate interface to search for more information (Loban, 1998b). Nielsen (1997) suggests three strategies for including this feature on websites: a search button on every page; global search (searching all of the site); and Boolean queries should be relegated to a secondary "advanced search" page. Therefore websites would be rated good if it offers these on-line search facilities.

Updates

Effective websites are those which are frequently updated, users do not come back to a static website which is not updated in design and content (Ghosh, 1997; McCune, 1998). Nielsen (1999b) argue that with the growth in web marketing, trust is getting increasingly important, and outdated content is a sure way to lose credibility (he rates this as a very severe problem in the website design). The user

interviews results show that updating information on websites was also cited as being vital for the survival of the website presence. Users state that it is important to hotel companies to develop and update the contents of their websites and use this as a tool to measure customer orientation (see section 4.2.3). Murphy *et al.* (1996a) also asserts that routine maintenance and update is essential for a successful website, users tend to bookmark website because they expect to find something new each time they visit it. Thus a website would be rated good if it is frequently updated and it shows when it is last updated. Satisfactory performance would then reflects that the site is not frequently updated and sub-optimal performance would therefore describes as web site that is not update and never shows when it last updated.

Graphics

Burns (1997) asserts that, no matter how fast an Internet connection is, graphics on websites normally take a long time to load to user's browser. Large graphics can take several minutes to load, therefore they must be avoided (DeAngelis, 1996; Tittel and James, 1995). Because some users still cannot see pages graphically, a website should not be overly dependent on graphics. Instead the website should include a graphic's text equivalent through navigational bars (Burns, 1997). Animated images also tend to distract users from other sections of the page and draw their eye to the animation. Animations should therefore be saved for specific purposes in which attracting the user's attention is the main aim (Tittel and James, 1995). This is also supported by the results form interviews with users (see section 4.2.3) users stated that graphics should be simple and the site should have a clear layout with minimal text. Thus, a website with heavy graphics, misuse of colours and fonts with complex backgrounds and large image blocks and moving items would be rated sub-optimal on these features. Satisfactory performance would be that the site

is doing well on this features but overly depeneding on them, good performance would therefore be that the website uses graphic elements to provide a dynamic and attractive feel to the site.

Real time confirmation

Real time confirmation is among the important features as rated by users of the on-line survey conducted in this study (see section 4.2.4). Web customers seek instant gratification (Starkov, 2001). Sites that do not respond efficiently and quickly lead to increased consumer dissatisfaction (Gilbert *et al.*, 1999; Weeks and Crouch, 1999). Thus a good performance would be that the site offers instant real time confirmation on-line. Satisfactory performance would be that confirmation is only available via email and it takes few days to respond to confirmation. Sub-optimal performance would therefore indicate that the site does not provide any confirmation features.

Real time processing of orders

This is considered a vital interactivity feature which involves the ability of the end-users to complete transactions and interact with the system itself in other ways such as obtaining bookings information from databases associated with the website (Ellsworth and Ellsworth, 1995; Gilbert *et al.*, 1999). In a hotel website scenario, for example, consumers “search” through the products and services, narrow the selection for a “close-up” view, have immediate access to availability, compare products, ask other shoppers their opinions, and seek out customer service representatives when additional assistance is needed. Thus good performance on would be that the website provides real time processing of orders capability and sub-optimal performance would reflect the site’s inability to do so.

Currency converter

This is supported by the on-line survey performed by this study (see section 4.2.4). Currency converter is an important feature that is rated important by users who responded to the survey. It is also observed that many websites offer basic currency conversion within the reservation section or sometimes provide a link to a currency conversion service to another site. Thus good performance would be that the site has or link to an updated currency converter. Satisfactory performance would be that the site shows room and other facilities prices with two or more currencies and sub-optimal performance would be that the site does not include any currency converter and does not link to site that offers this facility.

Email reservation

Email marketing is a crucial component of the hotel on-line distribution strategy as it can create direct revenue opportunities (Price and Starkov, 2002). Email reservation is considered an important feature related to e-commerce and interactivity (Gilbert *et al.*, 1999). It can also be used to receive confirmation of reservation or send confirmation of booking and payment details. This feature is rated very important by the on-line survey conducted in this study (see section 4.2.4). It is also noticeable that small hotel websites adapt this technique by applying an email reservation wizard system. By clicking the "Request Reservation" button or a "reservation" link on the hotel home page the customer will be led through an email reservation wizard where he can provide the information required to request the reservation, confirmation is also send by email later. Good performance therefore would be that the website offers email reservation and responds with confirmation the same day or the next day. Satisfactory performance would be that the website offers this facility but slow to respond to its customers and takes longer to confirm their reservation. Sub-optimal performance would be that the website does not offer this function.

On-line reservation

Gilbert *et al.* (1999) argue that the majority of hotel chains already have taken advantage of the Web as a reservation medium. They describe that this capability includes features such as: on-line search, on-line availability check, on-line reservation from, on-line reservation retrieval, on-line cancellation, real-time processing, create/modify profile, and email reservation. These features are individually evaluated by this study. Murphy *et al.* (1996a) has made distinction between active (functioning) and inactive on-line reservation. Starkov (2001) recommends that a good website design includes "On-line Reservation" or the "Book It" signs clearly displayed on the hotel website's home page, every main page of the site, and also included in the navigation bar. These websites which provide on-line reservation should also state somewhere on their site that they offer secure (encrypted) method for making payment directly. Results from users interviews indicate that this is a very important feature to encourage the close of the sale on-line, eight interviewees indicated that they would buy hotel products on-line if more interactivity and services are available, such as checking availability of rooms in certain dates, showing all possible rates and conditions of purchase, the ability of handling on-line reservation and payment. Thus good performance would be that the website offers instant and interactive on-line reservation function, and satisfactory would be that this function is present on the website but not properly functioning. Sub-optimal performance would be that the web site does not include this feature.

Privacy and security

Klemow (1999) argue that consumers profess a fear of transmitting their credit card information over websites. Websites must be developed to run on secure servers. Encryption facility (SSL prior to transmission) is considered very important because

it could attract users by giving them a sense of security when purchasing products or services over the Web (Ellsworth and Ellsworth, 1995; Silverstien, 1999; Klemow, 1999). The results of the interviews with the web users (see section 4.2.3) also show that users would tend to go to the same websites and make repeat purchases if they practiced secure on-line transactions. Thus good performance would be that the hotel website includes an explanation of the site's security features in its privacy statement including the customer ordering process and processing of orders. Sub-optimal performance would be that the web site does not show any sign of security and privacy standards employed.

Credit cards used

Even if the hotel website does not offer on-line ordering and purchasing, It is still important to inform customers with how to purchase the products. Credit cards accepted by the website is important for customers, this feature was rated important by users included in the on-line survey conducted in this study (see section 4.2.4). Good performance would indicate a website offering this information, and sub-optimal performance would therefore reflect that this feature is unavailable.

FAQ (Frequently Asked Questions)

These are the questions existing and potential customers may ask before closing the deal on-line. They are considered one of the most commonly available features of on-line customer service (Gilbert *et al.*, 1999). Heinen (1996) asserts that FAQ provide web users with the ability to directly communicate with a firm and therefore a good hotel website is designed to display these questions and answers on-line. Gee (2000) also advises that websites can use FAQ is a powerful tool that will make your customers feel "connected" to your service, 24 hours a day and also helps to build

their confidence in the website as being "customer centric." Thus good performance would specify that the website offers FAQ feature.

Direct email

Direct email is a vital feature that helps to build a direct relationship between the customer and the firm. The results of the on-line survey conducted by this study shows that users rate this feature important to include in the hotel website design (see section 4.2.4). Good performance would be that the website allow users to directly email the hotel and get an immediate response. Satisfactory performance would then be that it is possible to directly email the hotel but it takes longer to reply and sub-optimal performance would therefore be that it is not possible to directly email the hotel from its website.

Discounts

Customers on-line are attracted by various promotions including discounts. Murphy *et al.* (1996a,b) identified that many customers used website to search for discounted hospitality products on-line. Moreover, Forrester Research study (2001) found that 66% of all buyers were attracted by websites offering on-line discount to buy travel products on-line. Successful hotel websites however actively promote discounts in an attempt to reach out to the price-sensitive market, especially on the Web. Thus good performance would be that the website offers discounts and sub-optimal performance would indicate that this feature is unavailable on website.

Feedback form

Spalter (1996) states that: *"The single most important component of an successful interface, is that it is driven by customer feedback."* Standing and Vasudavan (1999) affirms that one way of improving the design strategy is to listen to customers by

providing a feedback form on the website. Feedback from users is an important tool that may also help in the assessment of the website. Pitt *et al.*, (1996) argue that some companies use the web to solicit feedback from current customers as well as informing new ones. Morgan and Pritchard (2000) also argue that the most successful sites are those which seek to build relationships with users, inviting comments and feedback. Thus a good performance would be that a website contains a feedback form and sub-optimal performance would indicate that this feature is unavailable on site.

Mailing lists

Hotels keep their customer up-to-date with the latest developments using features like electronic newsletters which are of two types: Web newsletter and email newsletter (mailing lists) (Gilbert *et al.*, 1999). A huge majority (93%) of hotels included in Gilbert *et al.*'s study do not have any of these features. Users included in the on-line survey conducted in this study also rated this feature as very important. Good performance would signify that a mailing list feature is included on the site and sub-optimal performance would be that the site does not include this feature.

Frequent guest programs

Gilbert *et al.* (1999) argue that hotels could extend their frequent guest programs on-line by having special features; such as general information; on-line enrolment, restricted frequent guest area, on-line account review, create/modify customer profile, exclusive email address, special web offers, and request rewards on-line. Nielsen (2000b) recommends frequent guest programs as a way to encourage customer loyalty. Good performance would be that the website offers frequently

user program features and sub-optimal performance would indicate that this feature is not provided on site.

On-line customer service

Good customer service creates the loyal customers who make a business profitable. To enhance service levels, hotel websites usually add different customer service features to their websites such as: on-line help function, frequently asked questions page, feedback mechanism (form) and customer service information. This is also supported by Gilbert *et al.* (1999) who add two other most commonly observed features of customer service on hotel websites, these are: on-line request of brochure/information and destination guides. Users included in the interviews (see section 4.2.3) viewed customer service as the key to hotel business success on the Web. Users comment that any web-based customer service should involve giving customers control over all aspects of the interaction with the company through the website. Thus good performance would be that the website make on-line customer service available via different means such as: help function, FAQ page, feedback mechanism and customer help with choosing the product. Sub-optimal performance would therefore be that these features/services are not offered.

TABLE 4.8 SUMMARY OF PERFORMANCE FOR EACH OF THE WEBSITE DESIGN CONSIDERATIONS

Design Features	Sub-optimal	Satisfactory	Good	Notes
ACCESSIBILITY				
Accessibility	Website is always offline, not accessible from most search engines, ranks low on search engines.	Website is generally accessible, accessible from at least major search engines, ranks high (top 20 sites) on major search engines.	Website consistently accessible from all search engines, ranks high (top 10 sites) on search engines, accessible from other parent (chain) sites.	Foster (1999); Guenther (1999); Users interviews.
Downloading	Downloads in more than 30 seconds, downloads with many missing elements (e.g. graphics), not compatible with user's web browser.	Site downloads in 10 to 30 seconds, site downloads with incomplete elements, downloads directly on user's web browser.	Downloads in 10 seconds or less, downloads complete with no missing elements, downloads directly on user's web browser.	GVU (1998); Dellaret and Kahn (1999); Nielsen (1999b); Nielsen (2000a); Schaffer (2001).
Navigation	Difficult to navigate, does not include any navigation tools, very difficult to move between pages, includes dead or inactive hyperlinks.	Easy to navigate, includes navigation tools, easy to move between pages, includes active hyperlinks.	Very easy to navigate, includes interesting and interactive navigation tools, all hyperlinks are active and live.	Lemay (1995); Murphy <i>et al.</i> (1996a); Hamill and Gregory (1997); Standing and Vasudavan (1999); Users interviews.
URL	Does not operate under its own URL, URL address is long and difficult to remember, does not reflect the hotel brand.	N/A	Operates under its own URL, short and easy to remember, reflects the hotel brand.	Murphy <i>et al.</i> (1996a); Lederer and Maupin (1997); Foster (1999); Farris (1999); Weeks and Crouch (1999).
INFORMATION				
Destination contents	No destination contents available	N/A	Detailed destination contents available	On-line survey.
Price information available on-line	Price information is not available or vague.	Price information available, but no details.	Price information available with more details.	On-line survey
Basic product information	Lacks basic information about the product.	Basic information about the product is available.	Many items of basic information about the product are available.	Murphy <i>et al.</i> (1996a); Gilbert <i>et al.</i> (1999); users interviews.
Additional product information	Lacks additional product information.	N/A	Detailed product information is available.	Foster (1999); Lodging news (2001); Bakos (2001); Users interviews.
Product availability	Not possible to check.	Only possible to check by email.	Can be checked instantly on-line.	Gilbert <i>et al.</i> (1999); On-line survey.
On-line advertising	No on-line advertising items.	Some advertising items available.	Advertising items are well used.	Dutta <i>et al.</i> (1998); On-line survey.
On-line brochure	No on-line brochure.	N/A	On-line brochure available to download instantly on-line.	Silverstien (1999)

CREDIBILITY				
Search the site	Not possible.	N/A	It is possible to search the site.	Nielsen (1997); Loban (1998a,b).
Updates	Not updated. Never show when last updated.	Not frequently updated, shows when it is last updated.	Frequently updated, shows when it is last updated.	Murphy <i>et al.</i> (1996a,b); Nielsen (1998b); Nielsen (1999b); Ghosh (1997); McCune (1998); Users interviews.
Graphics	General misuse of Graphics, no consistency in using fonts and colours, contains complex backgrounds, large image blocks; many moving useless item.	Good use of graphics but overly dependent on them.	Graphics are used to provide a dynamic, attractive feel to the site	Tittel and James (1995); DeAngelis (1996); Burns (1997); Users interviews.
E-COMMERCE/ IMMEDIACY *				
Real time confirmation	Not available	Confirmation available by email but usually takes few days to respond to confirmation.	Instant real time confirmation available.	Gilbert <i>et al.</i> (1999); Weeks and Crouch (1999); On-line survey.
Real time processing of orders	Not provided.	N/A	Instant real time processing of orders provided.	Ellsworth and Ellsworth (1997); Gilbert <i>et al.</i> (1999).
Currency converter	Not included.	Show prices in two or more currencies.	Currency converter available.	On-line survey.
Email reservation	Not available.	Available but slow and takes long time to confirm.	Available and usually confirms the same/next day.	Gilbert <i>et al.</i> (1999); (Price and Starkov, 2002).
On-line reservation	Not available.	Available but not active.	Available instantly on-line and interactive.	Murphy <i>et al.</i> (1996a); Gilbert <i>et al.</i> (1999); Starkov (2001).
Privacy and security	Security and encryption systems are not employed, no sign of security standards on site.	N/A	Security encryption systems are not employed.	Ellsworth and Ellsworth (1997); Silverstein (1999); Klemow (1999).
Credit cards used	Not applicable.	N/A.	Provided	On-line survey.

CUSTOMER RELATIONSHIP				
FAQ (Frequently Asked Questions)	Not available.	N/A	Available	Heinen (1996); Gilbert <i>et al.</i> (1999); Gee (2000).
Direct email	Not possible.		Possible with immediate response.	On-line survey.
Discounts	Not available	N/A	Available.	Murphy <i>et al.</i> (1996a); Forrester Research (2001).
Feedback form	Not available.	N/A	Available	Pitt <i>et al.</i> (1996); Spalter (1996); Gilbert <i>et al.</i> (1999); Standing and Vasudavan (1999); Morgan and Pritchard (2000).
Mailing lists	Not available.	N/A	Available and active.	Gilbert <i>et al.</i> (1999); On-line survey.
Frequently guest programs	Not available	N/A	Available	Gilbert <i>et al.</i> (1999); Weeks and Crouch (1999); Nielsen (2000b).
On-line customer service	Not available.	N/A	Available in different forms such as: help function, frequently asked questions page, feedback mechanism, and customer service information.	Gilbert <i>et al.</i> (1999); Users interviews.

*Immediacy features are included in the e-commerce/immediacy section to avoid duplication. Immediacy features include: email reservation, on-line reservation, real-time processing of orders and real-time confirmation

4.2.7 Visual representation of results – using radar plots

Using radar charts as a simple visual representation tool, the objective was to represent graphically the evaluation of multiple considerations of hotel website design and to quantify overall performance taking into account all these considerations. A radar chart, sometimes known as a "radar plot" or "spider web" chart is useful in particular for comparing performance on multiple dimensions simultaneously or for comparing cases with multiple performance dimensions. It has been well established as a management tool and latterly is being used as a benchmarking technique (Mosley and Mayer, 1998).

Using a MS-Excel spreadsheet an evaluation of a website can be plotted as a radar chart. The radar chart's surface area provides an indication for overall performance. A point close to the centre on any axis indicates a low value. A point near the edge is a high value. Figure (4.14) shows a screen shot of the MS-Excel spreadsheet and figure (4.15) shows a screen shot of the radar plot depicting the evaluation of a website. The lines joining the data points represent graphically the performance dimensions of a hotel website, comprising 28 features, on three axes or levels of performance: 'sub-optimal', 'satisfactory', and 'good'. Through this graphic representation of the results and the hierarchy of considerations it was possible to identify and prioritise gaps (problems) in a certain design of a hotel website.

FIGURE 4.14 SCREEN SHOT OF THE MS-EXCEL SPREADSHEET

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	Accessibility	Product	Navigation	Product	Product	Product	Product	Product	Product	Product	Product	Product	Product	Product	Product
2	5	4	5	5	5	5	5	5	5	5	5	5	5	5	5
3	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
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FIGURE 4.15 SCREEN SHOT OF THE RADAR PLOT DEPICTING THE EVALUATION OF A WEBSITE

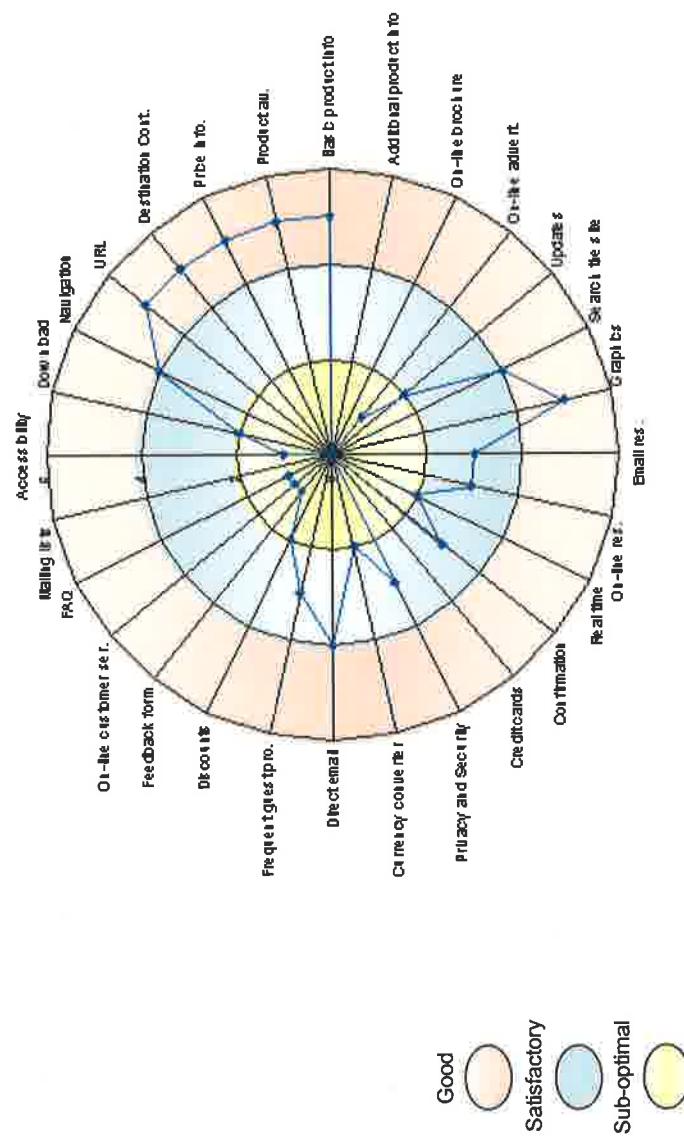
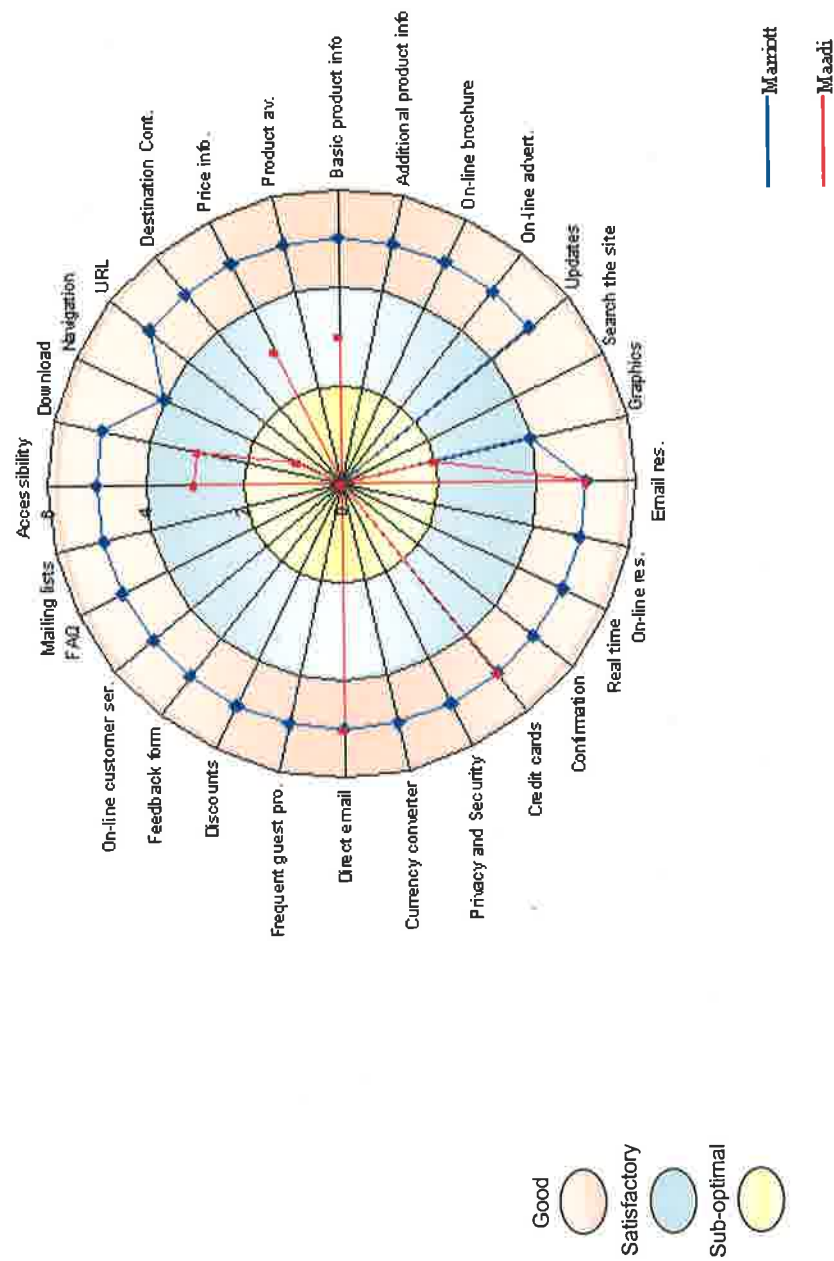


FIGURE 4.16 ANALYSES OF THE TWO EXEMPLAR WEBSITES



4.3 AN EVALUATION OF TWO EXEMPLAR WEBSITES

Analyses of the two exemplar websites (Marriott and Maadi) using this technique are shown in figure (4.16). This graph reflects the actual evaluation of these two websites as described below. The advantage of this mode of display is that design consideration performing sub-optimally can be prioritised for development and it can be scanned visually very easily. Websites can be readily compared.

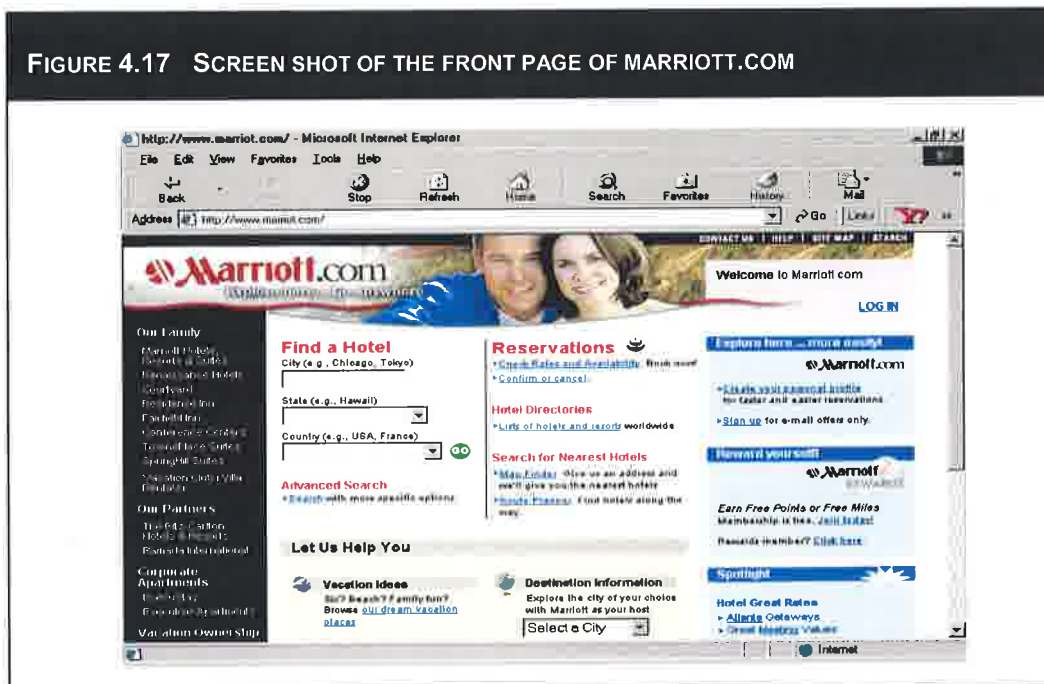
Marriott.com

Marriott.com represents a very good example of a fully transactional and user-friendly hotel website that projects the 'look and feel' of the Marriott brand. It is designed from the user's point-of-view rather than the hotel's. Via Marriott.com users can make hotel reservations and travel plans at nearly 2,000 Marriott international hotels representing 12 different lodging brands. By registering basic profiling information on the site, customers eliminate the need to re-enter personal information when making reservations (see figure 4.17). It has an extensive personalization features which increase convenience and ease-of-use. Users can easily navigate the site and take advantage of the express reservations service and benefit from receiving content more closely tailored to their specific interests.

Marriott.com offers personalized web page content and e-mail offers, site visitors have the option of providing information about their travel habits, such as the cities they visit, their favourite activities and preferred Marriott brands. Marriott.com can then deliver content that meets the customer's interests. Customers can also choose to receive e-mails about new offers, products and services or search the site for more promotional items and packages. In addition, reservation functions, payment transactions and information customers provide in their registered profile

on the site is protected in a secure environment and can be viewed, changed or deactivated by the customer on-line at any time.

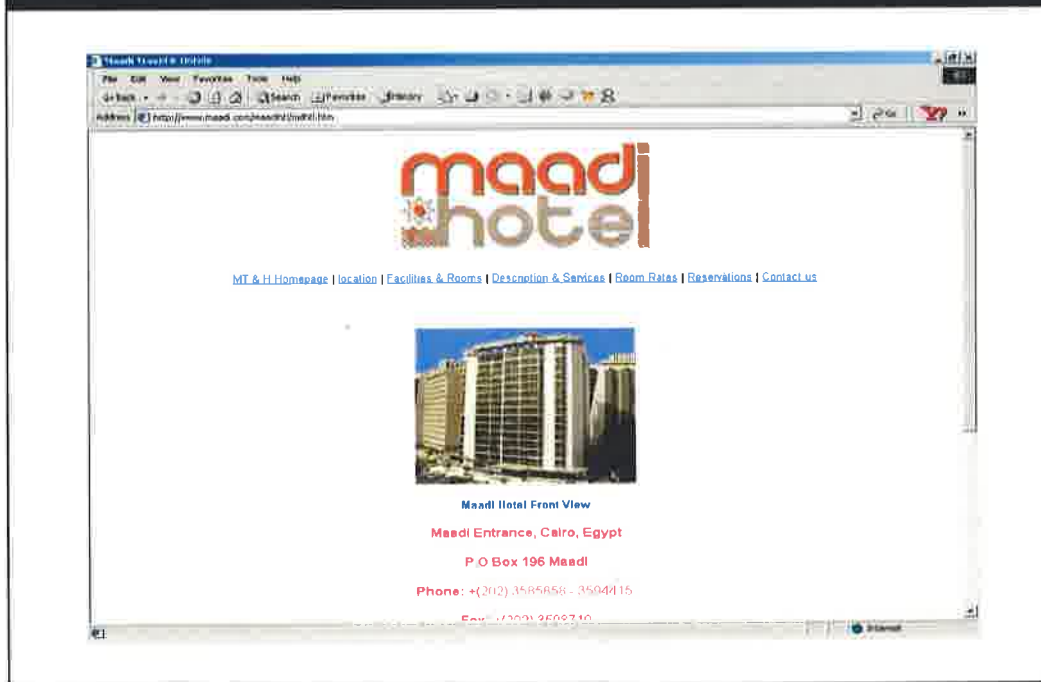
FIGURE 4.17 SCREEN SHOT OF THE FRONT PAGE OF MARRIOTT.COM



Maadi.com

The hotel website represents a typical example of basic web presence (on-line brochure) it only provides a form of static pages adapted from existing collateral. The site follows a 'slide show' structure and offers few links from the front page to other sections (pages) of the site. Most of the pages are designed to include only a coloured picture with brief text about the services, or facilities offered by the hotel. In general the website lacks a number of design and structural features, such as poor use of colours, texts, imagery items and hyperlinks (see figure 4.18). The site does not offer any real-time interactions, or any function to check room availability. There was no on-line advertising or any form of discounts or special promotions for web users.

FIGURE 4.18 SCREEN SHOT OF THE FRONT PAGE OF MAADI



4.4 SUMMARY

The examination, in section 2.7.4, of previous typologies categorizing commercial websites showed that most of these typologies focus on the functional or the technological side of website design and do not expansively consider web marketing features, customer interactivity and brand-building. Thus these frameworks do not classify websites according to the extent to which they reflect the development of an enhanced customer relationship that will ensure that small hotels win in the battle of the search engine and secure customer loyalty, repeat business and therefore business survival.

This chapter identified the need to develop a more comprehensive typology, encompassing functionality, design, web content and customer interactivity, to enable a comparative analysis not only of technical aspects of hotel websites but also other characteristics of hotel websites to evaluate their effectiveness from a

consumer point of view and in terms of their brand-building capacity. The developed model comprises a hierarchy of considerations (accessibility, information, credibility, e-commerce, customer relationship and immediacy) which emphasize how a website can support brand-building. Further enhancement of the design of this hierarchy of consideration, through the classification of the design features and the graphical presentation of websites evaluation using radar charts, reflected three levels of hotel website performance (good, satisfactory, and sub-optimal). Using radar charts was found very useful in particular for comparing websites performance on multiple considerations of hotel website design and to quantify and reflect overall performance across hotel categories. These considerations provide a basis for hotel websites design to facilitate a strategic approach to the exploitation of the Web in hospitality marketing and provide a vital tool for evaluating hotel websites.

The chapter ends with an evaluation of two exemplar websites, one strongly-branded and the other weakly-branded using the developed tool. The actual evaluation of these two websites allowed design considerations performing sub-optimally to be scanned visually very easily.

CHAPTER FIVE

WEB MARKETING IN EGYPT - A CASE STUDY

5.1	INTRODUCTION	180
5.2	THE GROWTH OF THE EGYPTIAN INFORMATION TECHNOLOGY INDUSTRY TO UNDERPIN INTERNET DEVELOPMENT	181
5.3	DOT. EG: INTERNET DEVELOPMENT IN EGYPT	182
	5.3.1 Egypt Internet connectivity	182
	5.3.2 Internet users and user profiles	185
	5.3.3 Egyptian websites	187
	5.3.4 Challenges to Internet expansion in Egypt	188
	5.3.5 Opportunities for Internet expansion in Egypt	189
	5.3.6 Electronic commerce	190
5.4	THE EGYPTIAN TOURISM MARKET	194
	5.4.1 Tourism in Egypt	194
	5.4.2 A diversified product	195
	5.4.4 Trends in tourism development in Egypt	196
5.5	THE EGYPTIAN HOTEL MARKET	199
	5.5.1 Profile	199
	5.5.2 Size	199
	5.5.3 Grading system	200
	5.5.4 International hotel chains domination	201
	5.5.5 The Egyptian hotel market and the Web	202
5.6	WEB MARKETING AND THE EGYPTIAN HOTEL SECTOR	202
5.7	THE BRAND-BUILDING CAPACITY OF SELECTED HOTEL WEBSITES	203
	5.7.1 Evaluating hotel websites in terms of their brand-building capacity	203
	5.7.2 Visual representation of the evaluation of multiple independent and independent Egyptian hotels websites	212

5.8	THE BRAND-BUILDING DILEMMA FOR THE MULTIPLE INDEPENDENT AND INDEPENDENT EGYPTIAN HOTELS	222
5.9	RESULTS FROM INTERVIEWING EGYPTIAN HOTELS WEB MARKETERS	223
5.9.1	The role of the Web in hotel marketing and its relation to the Egyptian hotel market	223
5.9.2	Hotel marketers' motives to start a website and their on-line marketing experiences	228
5.9.3	Hotel marketers' opinions about their hotel Websites	230
5.9.4	The future of web marketing in Egypt	234
5.9.5	Summary	237
5.10	RESULTS FROM INTERVIEWING EGYPTIAN WEB DESIGNERS	237
5.10.1	General experience and understanding of hotel web marketing	238
5.10.2	Successful hotel website design	240
5.10.3	Hotel web marketing strategies and brand loyalty	242
5.10.4	The future of web marketing in Egypt	245
5.10.5	Summary	246
5.11	Discussion	246
5.12	Summary	250

CHAPTER FIVE: WEB MARKETING IN EGYPT - A CASE STUDY

5.1 INTRODUCTION

This chapter represents a review of the growth of information technology industry in Egypt. It provides an overview of the evolution of Internet services, and their opportunities and constraints in the Egyptian information technology market. It also reviews the potential of electronic commerce as an emerging service empowered by the Internet and its future expansion. The chapter provides a background on the Egyptian tourism and hotel market and its development and addresses critical issues that are fundamental to evaluate the current status of the web as a strategic marketing tool for the Egyptian hotel sector.

The chapter also presents the results from the case study of web marketing in the Egyptian hotel sector; it reports on the evaluation of a selected sample of hotel websites in three destinations (UK, USA and Egypt) and focuses on identifying the problems facing Egyptian small independent hotels regarding their exploitation of web marketing through the graphic representation of their websites evaluation. The chapter extends to present the results of a series of semi-structured interviews with hotel website principal stakeholders (web marketers and web designers) and assess the current performance of their websites as a strategic marketing tool for the Egyptian hotel sector.

5.2 THE GROWTH OF THE EGYPTIAN INFORMATION TECHNOLOGY INDUSTRY

The development of a hardware and software industry underpins the development of an Egyptian Internet society and impacts on the way that Egyptian businesses can operate. Egypt is fast becoming a base for information technology companies because of its position as the Arab World's main software developer, with 10000 Egyptian specialists currently working in the development of Arabic software programs within multinational companies. Since 1999, there has been also a growing demand for personal computers by individual users, as well as by small and medium-sized companies, which has led to the proliferation of small domestic hardware and software companies manufacturing on local assembly lines and creating the potential for regional export (Sami, 1999a).

The government is giving higher priority to information technology development initiated by creating a Ministry of Technology in 1998 (Allen and Labib, 1999) and strongly supports investment by foreign information technology companies, and encourages them to participate in joint ventures with local companies in software and hardware development (Allen and Labib, 1999). However, the last ten years have witnessed a substantial growth in the information technology market in Egypt. Computerised services and digital technology have been introduced into different sectors of the economy, and this has led to a demand for more computers and the need for many people to be acquainted with the latest developments in computer technology (Labib, 1999). In addition, Egypt developed its own information technology industry, especially in the software field, and is considered the second fastest growing market for computer sales in the world after China (Allen and Labib, 1999; Kelly and Girardet, 2001).

Moreover, the Egyptian government strongly encourages local information technology companies to enhance their software and hardware development through the development of laws preserving intellectual property rights in the face of software pirating, and by offering tax exemptions for projects involving the construction of new communications networks (Labib, 1999; Kelly and Girardet, 2001). This as well encouraged the Egyptian private sector, with foreign technical assistance, in 1999 to develop a strategic plan for promoting and developing the information technology industry in Egypt.

5.3 DOT.EG: INTERNET DEVELOPMENT IN EGYPT

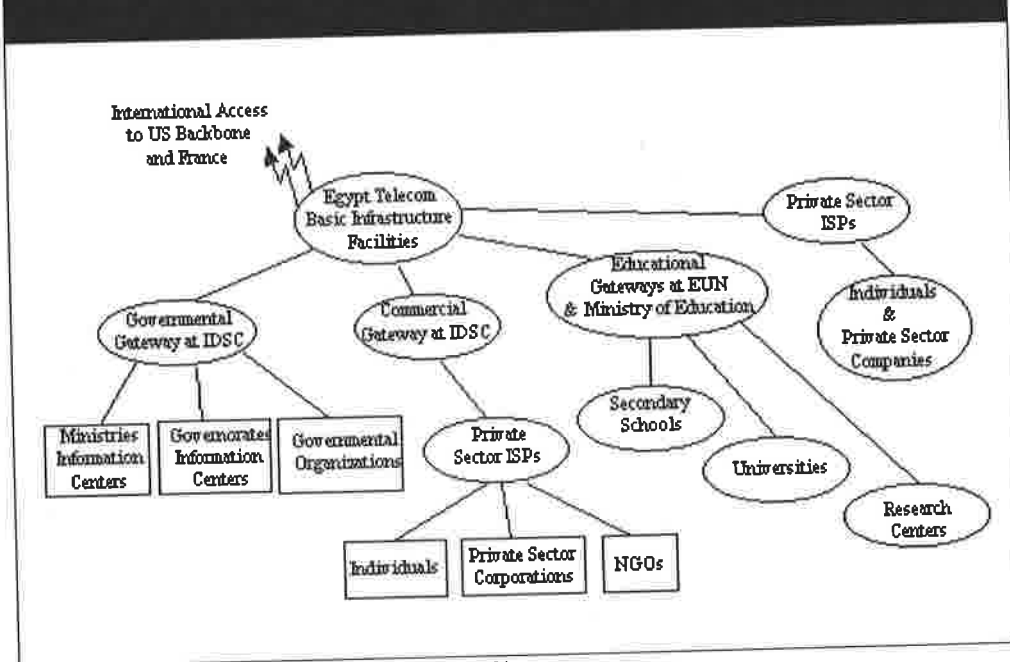
5.3.1 Egypt Internet connectivity

One major importance of the advent of the information technology industry in Egypt during the last few years has been the Internet connectivity. Full Internet services started in Egypt in October 1993, at the Egyptian Universities Network via a 9.6K link to France carrying Bitnet as well as Internet traffic. In 1994, the Information and Decision Support Centre (IDSC) (<http://www.idsc.gov.eg/co-link.htm>) of the Egyptian Cabinet, in cooperation with the Regional Information Technology and Software Engineering Centre (RISTEC), started a plan for disseminating the Internet in Egypt through the financial support of the Egyptian Government (Hashem and Ismail, 1998; Hashem and Kamel, 1999). When the project first started, free Internet access was offered to corporations, government agencies, non-governmental organizations (NGOs), and other professionals. As a result, IDSC/RITSEC managed to raise awareness of the technology beyond the academic circles. This step showed the uses of the Internet to the public and increased the number of Internet users in the country to about 10,000 by late 1995 (Kamel and Abdel Baki, 1993; Hashem and Ismail, 1998; Hashem and Kamel, 1999).

In 1996, the government, represented by IDSC/RITSEC and Egypt Telecom (the public operator), began an initiative for the deployment of an Internet backbone and gateway facility with reasonable prices for use by private sector Internet service providers. In the same year, IDST/RITSEC licensed 12 Internet service providers to provide Internet services for commercial and private use. Services to the public sector remained free of charge (Kamel, 1997; African Development Forum, 1999). Figure 5.1 below shows the Internet gateways in Egypt. Figure 5.2 illustrates the Internet universe in Egypt with all its components: the basic infrastructure, the gateways, the Internet service providers, and the various users (Kamel, 1997; Internet Society of Egypt, 1998).

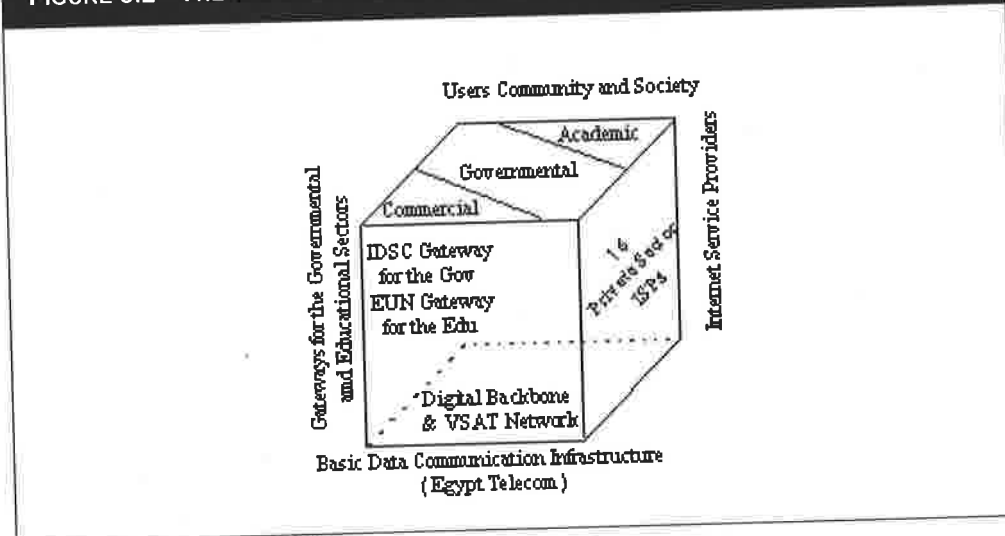
Outside Cairo, IDSC/RITSEC established Internet points of presence in other major cities. Consequently, the number of Internet users increased from 25,000 in early 1997 to about 100,000 by the middle of 1998. Within the same period, the number of Internet service providers increased to over 40 and now users can access the Internet with local call rates at the following cities: Cairo, Alexandria, Port Said, Tanta, El Mansora, Ras Gharib, Monofia, Hurghada, Sharm El Sheikh, El Faiyum, El Minya, Asyut, and Aswan (African Development Forum, 1999). IDSC/RITSEC maintains an Internet link in Egypt through a dual 2.048Mbps (1.024Mbps each) links to two level Internet providers in the United States, MCI and Global One. The two links have different physical and logical paths for ensuring redundancy of international telecom link or the upstream Internet access providers. Nonetheless, to be more cost-effective, IDSC/RITSEC took advantage of the new asymmetric link technology and procured a 3Mbps dedicated asymmetric link (capable of bursting up to 8Mbps) to/from interpacket to provide incoming-only Internet traffic (Hashem and Ismail, 1998; Hashem and Kamel, 1999).

FIGURE 5.1 INTERNET GATEWAYS IN EGYPT



Source: Internet Society of Egypt (1998).

FIGURE 5.2 THE INTERNET UNIVERSE IN EGYPT



Source: Kamel T. (1997).

Domestically, IDSC/RITSEC installed digital multi-plexers in the public switches which enable the creation of a digital network in Egypt. The network, managed by Egypt Telecom, provides a high-speed distribution network for more than 50 nodes throughout the country. In the meantime, Egypt Telecom is installing frame relay

switches and IDSC/RITSEC is beginning to offer Internet access over frame relay technology. Frame relay is a connection-oriented technology that eliminates the need of data to undergo time-consuming error correction algorithm imposed by X.25 packet switching standard. The result is greater efficiency and performance in transmission without sacrificing data integrity (Internet Society of Egypt, 1998; Hashem and Ismail, 1998; Hashem and Kamel, 1999).

The rural areas are currently suffering from the absence of terrestrial telecommunication infrastructure. As a result, IDSC/RITSEC is experimenting with the use of VSAT (Very Small Aperture Terminals) to connect 6 information centres in the rural areas of Northern Egypt. The VSAT network provides access at a speed of 64Kbps for each site over a shared media (Gitex, 1998; African Development Forum, 1999). In Egypt there is more than 60 Internet service providers operating throughout the country (Ostowani, 2000). Internet tariffs are competitively priced in Egypt due to the presence of expanding number of service providers. Internet service providers charge an average of 1100 LE /year as a fee for dial-up connection and further telephone charges dependent upon the length of time a user is connected to the Internet (Internet Society of Egypt, 1998).

There are over 100 top-level domain names (.eg) registered to EUN (Egyptian University Network) which is the top-level domain authority in Egypt. However, some Internet service providers offer second (org.eg) and third level (gov.eg) domain names as well (Internet Society of Egypt, 1998).

5.3.2 Internet users and user profiles

In 1993 the Internet user community in Egypt was estimated at about 2000-3000 users (Internet Society of Egypt, 1998). By January 1996, user numbers had

increased to 20000 across government, business, and education sectors as the IDSC/RITSEC started to provide connectivity to private service providers under the domain (.com.eg), while some providers had their international gateways at that time. By the end of 1998 the total number of users was approximately 100,000 (Gitex, 1998). In 1999, there were an estimate of 250,000 Internet users, in 2000 it was claimed that the number of users had reached 440,000 (Jarrah, 2000), and by 2001 this has increased to 600000 users (NUA, 2001). The number of users is expected to exceed 2.6 million by 2006 (NUA, 2002b). Egypt is considered to have the fourth largest number of Internet users in the Arab region behind the United Arab Emirates, Saudi Arabia, and Lebanon (IAW, 2000).

In 1999, DIT, a publisher of an Arabic computer magazine, conducted a survey to study the user demographics in the Middle East, including Egypt. The study revealed that an overwhelming 96% of Internet users are men. Only 42% cited "fun and entertainment" as their primary reason for Internet use, in contrast to those who said they used it to communicate via email (71%), for gathering information (64%) and for education (63%). Women, who account for only 4% of regular Internet users, would therefore seem disadvantaged in terms of enjoying these benefits. Internet use in Egypt also seems to tightly correlate with educational attainment - the average user is highly educated: 60% are university graduates, 19% have completed further postgraduate degrees and the remaining 21% had completed at least secondary school (DIT, 1999).

There is an even fifty-fifty split among those who use the Internet from home and those who use it from work. Those who use it from work are likely to be found in large educational and governmental organizations. The survey also showed that roughly 53% of users are Microsoft Internet Explorer users along with other

browsers with a tendency to use Arabic-enabled browsers (e.g. Sindbad, and Arabic-enabled Netscape navigator) (DIT, 1999).

5.3.3 Egyptian websites

Egyptian websites were still very limited in number in 1999, analysts found 385 Egyptian Websites on the net: 200 of them related to business and industry; 25 run by Egyptian ministries; and only 20 websites related to education. The remaining are related to other interests, such as news and media, arts, culture and personal websites (African Development Forum, 1999). In addition, four networks have been considered the official representation of the Web in Egypt, namely:

Egypt's TourismNet: provides basic information on Egyptian hotels, restaurants, cruise lines, travel agents, transportation companies, and tourist attractions. It also contains several search engines that facilitate searching through tourism databases.

Egypt's CultureNet: provides information of the Egyptian cultural heritage, arts, historical sites, and museums.

Egypt's HealthNet: contains information on the Egyptian medical centres, physicians, medical companies, and medical laboratories. A search engine is provided for searching the physicians' database.

Egypt's GovernoratesNet: provides basic statistical information on Egypt's administrative divisions (African Development Forum, 1999).

However, more recently the number of websites is increasing considerably. In order to encourage the growth and development of these websites, many Internet service providers are offering free web spaces in their service package, and many also offer training on website design. However, most Egyptian web pages are written in English and it is rare to find contents written in Arabic. Arabic applications for web development are still not widely available, and this of course limits the use of the Internet beyond the educated, English-literate population (African Development Forum, 1999).

5.3.4 Challenges to Internet expansion in Egypt

The Egyptian government has been warned of the dangers of taking a short-term approach to Internet development (NUA, 1999b). Several challenges face this development. For example, Internet service providers need more telephone lines and better quality lines, yet the government has been slow to approve possible solutions such as satellite developments. Satellites could provide a solution to one particular problem that Internet service providers face, i.e. the amount of incoming traffic. Kamel (1997) argue that in spite of the large growth in the usage of the Internet and value-added networks in Egypt, there are still several challenges that the Internet community faces, among them are: the lack of an accepted code of ethics; the necessity of developing focused Arabic language contents websites; the need for firm legislation system to handle Internet operations publicly; the growing quest for a reliable infrastructure to support faster Internet networks; and the increasing need for an acceptable model to reduce the risk of handling credit information and personal details on the Internet. Other authors in this area also identified these challenges. (e.g. Kamel, 1997; Hashem and Ismail, 1998; Hashem and Kamel, 1999).

5.3.5 Opportunities for Internet expansion in Egypt

The future holds many opportunities for the commercial expansion of the Internet in Egypt. Without doubt, the Internet will open a window for marketing information services in Egypt globally and this will of course help various sectors in Egypt to successfully reap the potential of the Internet as a vehicle to promote several services such as tourism, culture, trade and others. Kamel (1997) argue that the success of the government/private sector partnership in the commercialisation of Internet services will certainly push deregulation of other value-added services as well as communication services in the country.

Stone (2000) discusses the need of Egypt to become more fully wired into the global e-economy and reports Microsoft acknowledgement that Egypt's information technology market, one of the Middle East's largest, is growing at the rate of 25 to 30 % per year, with the country amongst the region's leading web customers. Mansi (2000) predicted that access to the Internet would soon be free in Egypt within the coming few years arguing that when the Internet first became successful in Egypt, businesses made decisions based on price, not realising that there could be a huge difference in the quality of service offered by different providers. Now many enterprises and end users realise that you do really get what you pay for. In addition, the rapid growth in the number of subscribers encouraged providers to reduce the subscription fees by almost half.

In March 2002, Egypt launched a new service for Internet users. Today, users are no longer asked to pay subscription charges; they only pay a reduced flat rate (charged per hour) each time they connect to the Internet. However, indications suggest that free dial-up Internet in Egypt will reduce password sharing among multiple users and boost the number of Internet accounts. As a result, experts

forecast a boom in Egyptian Internet usage as access costs and personal computer prices decrease. This will provide motivation for Egypt to commit to the adoption and development of web marketing and electronic commerce in future. This in turn raises awareness of the potential benefits of the Web for marketing to businesses including the small and independent hotels which are the focus of this study. However, it will emphasise a distinction between approaches to marketing for domestic and international markets.

5.3.6 Electronic commerce

In October 1997, the Internet Society of Egypt: Electronic Commerce Committee (ISE/E2C) was established to catalyse and build awareness of electronic commerce in Egypt. The committee co-organized the first national seminar on electronic commerce in Egypt (September 1998) to bring together key players in the area of electronic commerce from the government and business and discuss crucial national issues. The ISE/E2C also developed a white paper "Towards Electronic Commerce in Egypt: A Certificate Authority for Egypt" and several pioneer issue papers, one of which was used as a basis for the declaration of Egypt's electronic commerce initiative, announced by the Ministry of Trade. The committee was also involved in exploring the potential of electronic commerce in the country by interviewing and lobbying various government representatives and banking professionals (Internet Society of Egypt, 1998; Hashem and Ismail, 1998).

Early in 1999, the national electronic commerce committee under the Ministry of Trade was founded. Since then, a process of "political messaging" is taking place with the various ministries to sell the idea of electronic commerce to decision makers, secure ownership, and declare and eventually implement Egypt's electronic commerce initiative (Hashem and Ismail, 1998; El-Nawawy and Ismail, 1999).

Later in 1999, Egypt and the United States signed a joint statement on electronic commerce and established an electronic commerce task force to support the development of electronic commerce in Egypt. The task force has identified security, public awareness, and the legal framework as priorities (Sami, 1999b). Presently, Egypt is drafting an electronic commerce law that will address such issues as electronic signatures, domain names, customs and duties, and the creation of a certificate authority.

However, electronic commerce in Egypt is still in its infancy, Egyptian markets still have a long way to go before electronic commerce is fully established (Abdelaty, 2001), as the benefits of any clear initiatives have yet to be demonstrated to the business community (Hashem and Ismail, 1998; Osner, 1999). This is largely due to the fact that there have been relatively few attempts by businesses, particularly small and medium enterprises (SMEs), to establish any electronic commerce ventures. Although the entry costs associated with electronic commerce have made it a very viable option for small and medium enterprises to pursue, several constraints restrict the further expansion of electronic commerce in Egypt (Osner, 1999; Abdelaty, 2001).

Constraints restricting the development of electronic commerce can be summarized as those relating to the accessibility of the Internet to those that relate to the various legal issues which surround the collection of transaction fees for products sold on the Web. As access becomes less of an issue the more complex legal issues, which revolve around conducting business on the Internet, become a cause for concern. In addition, complicated and unclear business rules form one of the most critical barriers toward electronic commerce in Egypt. Vital components of the electronic commerce business cycle (e.g., logistics and customs) from government operations;

i.e. the information systems for these operations are manual, bureaucratic, and paper-dependent. Furthermore, the government still does not recognize, or accept, electronic communications (contracts, notarised documents, etc.) (Hashem and Ismail, 1998; Osner, 1999).

However, Michaca (1999:36) recommends strategies to transform the challenges of electronic commerce into opportunities for electronic commerce in developing countries. These have also been viewed as appropriate in the case of Egypt. Michaca grouped these strategies into three major categories (see table 5.1). However, a steady growth in electronic commerce, intensified efforts by many countries, including Egypt to enhance the competitiveness of their products in international markets, and growing merger operations were also prominent developments during the second half of the year 1999 (Central Bank of Egypt, 2000). With deregulation of the Egyptian economy and ongoing reductions in trade barriers in accordance with the General Agreement on Tariffs and Trade (GATT) provisions, Egyptian business associations are developing ambitious plans for electronic commerce (electronic commerce), enabling commercial transactions to take place via the Web (Sami, 1999a; Case and Levin, 2001). The issue is becoming more pressing with increasing interest and awareness in business and government circles that commerce is becoming more dependent on computer technology and the advents of the Internet (Sami, 1999a).

TABLE 5.1 STRATEGIES TO TRANSFORM THE CHALLENGES OF ELECTRONIC COMMERCE INTO OPPORTUNITIES

INFRASTRUCTURE	
1.	Improve the availability of electricity and phone systems.
2.	Accelerate privatisation of utilities.
3.	Deregulation of telecom.
4.	Encourage the adoption of new technologies.
5.	Develop measurements for capturing indicators of the new economy.
POLITICAL FACTORS AND DEMOCRATIZATION	
1.	Remove foreign exchange controls, allow international payment.
2.	Democratisation of the access to information.
3.	Teach private sector to compete.
4.	Prepare for World Trade Organization (WTO) requirements.
5.	Top town government awareness as in Morocco, Tunisia, Mauritius.
HUMAN FACTORS	
1.	Increase rate of literacy.
2.	Mandatory basic education.
3.	IT skills set for graduate students.
4.	Decision makers' unfamiliarity with modern technology.

Adapted from: Michaca (1999).

5.4 THE EGYPTIAN TOURISM MARKET

5.4.1 Tourism in Egypt

Egypt captures nearly 30% of all tourist arrivals to the Middle East with visitor arrivals, room supply and revenue generation rising steadily since 1989 and although the compound growth is not as significant as in some neighbouring countries, in absolute terms Egypt is by far the largest tourist market in the region (Smits and Shousha, 1998). Arrivals are split almost equally between business travellers and leisure tourists, fifty percent of visitors come from Europe, and 28 percent arrive from other Middle East countries (Egyptian Tourist Authority, 2000). Most international tourists currently come from Britain, Israel, Italy, Germany and Saudi Arabia (Central Bank of Egypt, 2000).

A wide variety of issues influence the pattern and volume of tourism to Egypt. Political stability is of particular significance. Pre 1991 visitor numbers has reached 4 million/annum. Following the Gulf war in 1991 and isolated terrorist attacks on foreign tourists, particularly in 1992, visitor numbers dropped to approximately 2.2 million (HSBC, 2000). However, the Egyptian tourism has shown considerable recovery in the last few years. According to latest statistics, in 1999/2000, the number of tourists rose to about 5.4 million tourists with an increase of 14%, while the number of tourist nights showed 34 million nights; an increase of 22.6%. Tourist revenues in 1999/2000 is estimated at US\$ 4,313,8 million. The accommodation capacity rose to about 97,000 rooms and the total manpower in the tourism sector is estimated at 150,000 employees (Egyptian state information service, 2000). The 2000/01 plan envisages investment uses of LE 5.3 billion, of which LE 100 million is earmarked to governmental sector to complete the tourist promotional plan and about LE 5.2 billion for both public enterprise and private sectors to complete

ongoing projects, and expand available tourist capacity (Egyptian state information service, 2000).

5.4.2 A diversified product

Besides the famous Egyptian archeological monuments have traditionally created its image of Egypt as a very popular cultural tourism destination, beach tourism is a major growth sector. The resort areas being developed at Hurghada and to the south of the city along the Red Sea are undergoing a boom in hotel construction. Egypt also possesses vast deserts and mountains which provide opportunities for safari tourists in Saint Catherine, Mount Moses, Al-Dakhla and Al-Kharja Oases and Al-Ein al-Sokhna (Egyptian state information service, 2000).

Therapeutic tourism is another important sector. Egypt possesses a wide-range of rich physical features, including fine sands and mineral and sulphuric springs with unique chemical composition. Tourist sites offering curative services in Egypt are numerous and are of historical fame such as: Helwan, Ein al-Seera, Hurghada, Fayyoun, Oases, Aswan, Sinai, Safaga on the Red Sea coast, all of which are attracting increasingly large numbers of tourists (Egyptian state information service, 2000).

Golf tourism is a new and very specialized type of tourism that attracts great numbers of tourists. Construction of seven golf playgrounds to international specifications is underway in Cairo, Sharm el-Sheikh, Luxor and Hurghada. Some of these playgrounds have already begun to host golf enthusiasts, who have a remarkably high level of expenditure (Egyptian state information service, 2000).

Conference and exhibition tourism in Egypt is also a growth sector with high tourist revenues. Recently Egypt has hosted many successful international conferences and exhibitions all around the country, in different conference centres and sites that are well equipped with the state-of-the-art technical facilities and provide high standards of hospitality services to their customers (Egyptian state information service, 2000). However, for Egyptian tourism to remain competitive, tourist authorities are setting plans to diversify this massive tourism product that Egypt possesses and offer a wider product mix, in areas such as leisure, sport, adventure travel, conference and incentives and eco-tourism (Smits and Shousha, 1998).

5.4.4 Trends in tourism development in Egypt

Today the Egyptian tourism industry is strongly influenced by governmental encouragement of tourist development away from Egypt's more traditional heritage and cultural sites. Such development zones include the Red Sea Riviera of Taba, the Sinai region, and Sharm El Sheikh and the Hurghada-Safaga area of the Red Sea. The following paragraphs highlight the trends and plans of the tourism development and investment in these areas (Travel Trade Gazette UK and Ireland, 1999). Figure 5.3 shows the major areas of tourism development in Egypt.

Tourism investment in the Sinai and the Red Sea

The Sinai Peninsula and the Red Sea coast are the major focus of investment, with both Government and World Bank support. In a wider geographic context, the Sinai and Red Sea currently compete for tourists with a number of other regional destinations including Elate (Israel), Aqaba (Jordan) and Dubai (United Arab Emirates). Although not competitive at present, Muscat and Salalah and possibly other coastal areas in Oman, may emerge as strong tourist destinations over the next years (Travel Trade Gazette UK and Ireland, 1999).

Tourism investment in Sharm El-Sheikh/South Sinai

Until 1987 there were only two hotels in Sharm el Sheikh, one in the village itself and one located seven kilometres to the west on Na'ama Bay. Due to the sheltered bay, good beach and attractive mountainous backdrop, it is primarily the facilities located on Na'ama Bay which have evolved into the destination that is now known as Sharm-el-Sheikh. Whilst Sharm-el-Sheikh represents the largest hotel and tourism community on the Sinai Peninsula, several other villages have established themselves as tourist destinations and provide hotel accommodation. The three most important of these are Taba, Dahab and Nuweiha, all of which are located north of Sharm-el-Sheikh, on the Gulf of Aqaba (Smits and Shousha, 1998; Travel Trade Gazette UK and Ireland, 1999).

Of the total of 155 new tourist projects approved by the Egyptian Tourism Development Authority, 31 % (48 projects) are located on the Gulf of Aqaba, reflecting the policy of the Ministry of Tourism to concentrate development strategy in this area. It is anticipated that a large number of hotels, together with complementary real estate components and ancillary leisure facilities, will be developed over the next five years. Since Na'ama Bay has been fully developed, new development is mainly concentrated on the adjacent bays further north which unfortunately does not have the benefit of large sandy beaches, although they enjoy spectacular views due to their elevation. A large number of international five star properties are scheduled to open within the next two years (Smits and Shousha, 1998).

FIGURE 5.3 MAJOR AREAS OF TOURISM DEVELOPMENT IN EGYPT

Tourism investment in Hurghada/Red Sea Governorate

The Red Sea governorate contains four principal population centres and tourist destinations, these are Hurghada, Safaga, El Quseir, and Mersa Alam. The main resort in the region, however, is Hurghada. Of the 155 new tourist projects approved by the Egyptian Tourism Development Authority between January 1996 and June 1996, 34 % are located on the Hurghada Coast. The room capacity of these 52 projects is estimated at 54,285 units, reflecting the policy of the Ministry of Tourism to concentrate its development strategy in this area. A relatively recent phenomenon is the development of new hotels within master-planned resort communities. These offer a variety of facilities, including retail, leisure (notably golf), entertainment and increasingly residential real estate components (Smits and Shousha, 1998).

5.5 THE EGYPTIAN HOTEL MARKET

5.5.1 Profile

The Egyptian hotel market has shown strong growth over the past few years. Many of the older hotel properties are currently undergoing renovation, whilst new supply has been in the upper-end of the market. Visitors to the country are now able to choose products across a wide geographical destination rather than in a distinct centres (Cairo, Luxor, Aswan, etc.) and in response to better-defined market segments such as the introduction of the luxury, niche brand (MEED, 1998; Andersen, 2000). Hotels are thus more able to protect their yield, whereas previously all were competing within the same market. Several hotel projects are also expected in Cairo's suburban areas, including the new community developments of Beverly Hills, Dreamland and the Sixth of October City. International operators, such as Accor, Bass Hotels and Resorts, Hilton, Marriott, Starwood, and Movenpick, are all due to open new hotels during 2001 or 2002 and believe they can be successful in attracting tourists in particular to these newly-populated areas (Andersen, 2000; Hotel online, 2000).

5.5.2 Size

During the last few years, total hotel capacity rose to 123,822 rooms, with the introduction of 10,897 new rooms. General average hotel occupancy in all Egypt's tourist governorates rose to 70 %, while occupancy in the Red Sea region, Greater Cairo and Sharm el-Sheikh showed more than 95% (Egyptian state information service, 2000). Hotels in Egypt are distributed all around its 27 governorates. Appendix C-1 shows the distribution of the number of hotels in each governorate related to hotels' categories, 27.5 % of these hotels are located in two major cities in Egypt (Alexandria and Cairo). Appendix C-2 shows according to the recent available statistics, the change of the number of hotels in the period between 1997-2001.

5.5.3 Grading system

The Egyptian hotel market follows the star rating system that is determined by the Egyptian Hotel Association (EHA) and the Ministry of Tourism. Each registered hotel is inspected at regular intervals by hotel registration officers of the Ministry of Tourism. The purpose of this inspection is to assess the extent to which the hotel complies with:

- a. a list comprises a number of requirements of a basic nature;
- b. a graduated list of specifications essential to each grade. These are developed in the form of a scale points allocated in varying proportions to the six factors: structural features; furnishings and fittings; services and facilities; food; cleanliness; and amenities.

In the preparation of the grading tests, an attempt is being made to adhere to objective criteria and to avoid, as far as it is possible to do so, intangible, subjective considerations.

Small hotels in Egypt have historically been characterised in a variety of ways, some categorisations include apartment hotels, others restricting the definition to 'full-service' hotels. For the purposes of this study, small hotels are defined as independent and multiple-independent hotel operators who do not have a presence in major cities around the world.

5.5.4 International hotel chains domination

Many established international hotel chains, such as Sheraton, Hyatt, Hilton, Meridian, Forte and Intercontinental, are currently dominating the management of first class hotels in Egypt with more than 90 % of the total rooms available in the region being owned and managed by these highly-branded international hotel groups.

Since 1998, the Egyptian hotel market has been encouraging many international hotel chains to expand. In 1998, Hilton Hotel Corporation added a third property (Conrad International Cairo) to its present two-hotel base in Egypt, the Red Sea properties of the Conrad International Sharm El-Sheikh and the Conrad International Hurghada. Early in 1999 Four Seasons Hotels and Resorts debuted in Egypt with the 273-room Four Seasons Hotel Cairo. The hotel since its opening formed part of the First Residence mixed-use residential and retail complex, a new luxury development located on the west bank of the Nile River. Radisson hotels also started its presence in the Egyptian market, managing two resort hotels, one in Sharm El-Sheikh, the Radisson SAS Desert Beach Resort, and the Radisson SAS Dana Beach Resort Hurghada. The Sharm el-Sheikh property opened in September 1999 with 295 rooms and 21 villa suites, including two imperial suites. Hyatt hotel chain also opened a city-centre hotel at Heliopolis on the outskirts of Cairo. The hotel offers 575 rooms and suites, 192 apartments and 75 poolside chalets (MEED, 1998; Travel Trade Gazette UK and Ireland, 2000).

5.5.5 The Egyptian hotel market and the Web

Until recently, Egyptian hotels' services/products have been promoted and distributed using only conventional (traditional) tools of marketing. As in many other developing countries, the hotel sector is slow to consider the advent of the Web and its exploitation for hotel marketing. However, in Egypt, many hotel companies, whether internationally branded, multiple or single hotel chains, are now expanding their efforts to use the Web as a strategic marketing tool. Although some Egyptian hotel marketers viewed the web potential as a fundamental factor to form their competitive strategies to respond to sharp competition of today's global market place, the issue of web marketing is still in its infancy stage.

There is a need to investigate the dynamics of web marketing in the Egyptian hotel sector and assess and evaluate the current status of the usage of the Web and its exploitation as a strategic marketing tool by focusing on hotel website design principal stakeholders (hotel marketers and web designers). The rationale behind this selection of stakeholders, is to allow the author to comprise a dynamic, yet balanced, perspective on the subject of hotel web marketing.

5.6 WEB MARKETING AND THE EGYPTIAN HOTEL SECTOR

As discussed in section 3.6, an exploratory case study approach was developed in this phase to determine the factors and their relationships, between hotel website's principal stakeholders, that have impacted on the use of the Web as a strategic marketing tool for the Egyptian hotel sector. This phase of the study has three objectives:

1. To evaluate a selected sample of 36 hotel websites, in three destinations (UK, USA and Egypt), in terms of their brand-building capacity. The results of this evaluation are presented in section 5.7 below.
2. To conduct a series of semi-structured interviews with hotel marketers.
3. To conduct a series of semi-structured interviews with hotel website designers.

5.7 THE BRAND-BUILDING CAPACITY OF SELECTED HOTEL WEBSITES

5.7.1 Evaluating hotel websites in terms of their brand-building capacity

The hierarchy developed in chapter four for the evaluation of hotel websites is used to evaluate a sample of 36 hotel websites in three destinations (UK, the USA and Egypt). The results of this evaluation are presented below.

Accessibility

All chain hotels, all multiple independent hotels and ten of the independent hotel websites were constantly accessible at the time of the evaluation in different browser interfaces (Netscape and Microsoft internet explorer). Two of the single independent hotels website were not consistently accessible (Maadi hotel in Egypt and Grapevine hotels in the UK). These sites may have been off-line for maintenance purposes or as a result of net congestion on servers.

The mean download time for each of the hotel types and destinations varies. Table 5.2 shows the mean of download time for hotel types in the three destinations. The evaluation also revealed some websites that are more extensively enhanced with multi-media features (e.g. the Colwyn hotel in the UK, Johns Town in the USA, and Shams hotels in Egypt), and as a result these websites needed much longer times to download.

Ease of navigation was also critically evaluated, Thistle hotels group is a very good example of an easy to navigate site as it provides three main sections to navigate: business, meetings and leisure. Each section is accessible by clicking a relevant link on the horizontal menu bar at the top of the web page.

TABLE 5.2 MEAN DOWNLOAD TIMES (SECONDS) FOR HOTEL TYPES AND DESTINATIONS

Destination	UK			US			Egypt		
Connection	28.8 K Baud	56 K Baud	128 K Baud	28.8 K Baud	56 K Baud	128 K Baud	28.8 K Baud	56 K Baud	128 K Baud
International hotel chains	11.4	5.2	2.3	10.1	5.0	2.3	11.5	5.8	2.6
Multiple independent hotels	12.8	6.4	2.9	10.4	5.2	2.3	13.9	6.9	3.1
Single independent hotels	11.8	6.4	5.9	12.8	6.4	2.9	16.1	8.1	3.6

Navigation through a side bar was also a noticed feature on many hotels' websites. For example, the side navigation bar in the Golden Tulip chain hotels website can be clicked on to take the user to the various parts of the site describing different facilities and services in 250 locations around the world. Forte website is another example for ease of navigation, it integrates a "fast access" function which eliminates graphics for the time-pressured customer. It also uses one platform with the same navigation regardless of where the property is located, so reflects the brand image across all chain.

Twenty eight out of the analysed websites operate under their own URL representing the actual name of their organizations. All chain hotels operate under their own URL that reflected their internationally-marketed brands, sometimes with the word hotel or hotels added (e.g. <http://www.Oberoihotels.com>). Ten out of twelve of the multiple independents and six out twelve of the single independent hotels had URLs that promotes the hotel name. The evaluation of this feature really reflects the hotels efforts to strengthen their brands on-line, and to build an image in the minds of users.

Table (5.3) shows a comparison between the median performances of the accessibility features across the three categories of the evaluated hotels. It is clear from the table that all hotel websites with no regard to their category performed 'good' on accessibility and URL features, multiple independent and independent websites performed 'satisfactory' on other accessibility features such as downloading and navigation.

TABLE 5.3 MEDIAN PERFORMANCE COMPARISON OF ACCESSIBILT Y FEATURES				
Category	Accessibility	Download	Navigation	URL
Chain hotels	4	4	4	4
Multiple independent hotels	4	3	4	5
Independent hotels	4	3	3	4

Information

All the analysed websites offered basic product information. Grapevine hotel, a small independent hotel in the UK, particularly provided extensive information about its products and services. Additional product information was evident in all the chain hotel websites but none of multiple or single independent hotel websites offer this feature. For example, Heritage hotels website provides sections for meetings, conferences and events with extensive information offering detailed information

about properties around the UK within the chain offering these services. Another good example is the Marriott hotels website, it provide comprehensive information on each hotel within the chain is and also provides the opportunity to users to ask specific questions to accompany their booking and information requests. Other information features such as: country contents, product availability and on-line brochures were only identified on chain hotels websites.

Table 5.4 compares the median performance of the evaluated hotels across chains, multiple independent and independent hotels. All chain hotels websites performed 'good' on 6 out of the 7 features evaluated and performed 'sub-optimal' on on-line brochure. Multiple independent websites performed 'good' on basic product information and 'satisfactory' on destination contents. Independent hotels performed 'good' on only 2 out of the 7 evaluated features (price information and basic product information) and performed 'sub-optimal' on the other 5 information features.

TABLE 5.4 MEDIAN PERFORMANCE COMPARISON OF INFORMATION FEATURES							
Category	Destination Cont.	Price info.	Product av.	Basic product info.	Additional product info.	On-line brochure	On-line advert.
Chain hotels	5	5	5	5	5	2	5
Multiple independent hotels	3	0	0	5	0	0	0
Independent hotels	0	4	0	5	0	0	0

Credibility

Eleven out of the twelve chain hotels websites, eight out of the twelve multiple independent and five out of the twelve single independent hotels websites posted when the sites were last updated. Chain and multiple independent hotels were thus much better at keeping their sites up-to-date. Chain hotels also are continually

giving their consumers something to come back for and thus maintaining customer interest. All the analysed chain hotels websites offer promotions and discounts features on their websites.

Each hotel chain included in the evaluation had done an excellent job of using graphics to reflect the chain brand starting from designing websites with cheerful clear backgrounds to using consistent pages design and fonts and using animations and other graphic elements. Seven of the twelve multiple independent chains and four of the independent hotels have successfully used this features to make their sites more attractive, they also used animated images to draw extra attention to other pages of the. Other hotels extensively and ineffectively used excessive animated images, for little useful effect, rather than saving animations for specific cases in which attracting the user's eye is the main goal.

The median performance of the three evaluated credibility features is shown in table 5.5. Hotel chains performed 'good' on updates and graphics features and 'satisfactory' on search the site. Respectively all multiple independent and independent hotels evaluated performed 'sub-optimal' and 'satisfactory' on the same features.

TABLE 5.5 MEDIAN PERFORMANCE COMPARISON OF CREDIBILITY FEATURES			
Category	Updates	Search the site	Graphics
Chain hotels	5	3	5
Multiple independent hotels	0	0	3
Independent hotels	0	0	2

Immediacy

Direct email was identified in all the analysed hotel websites regardless of their category or location. Search facilities were also offered by seven out of the twelve analysed chain hotels (Forte, Hyatt, Golden Tulip, Four seasons and Howard Johnson whose websites functioned as generic websites and included hotel search/booking facilities on-line). Only two of the twelve multiple independent hotels and none of the twelve single independent hotels offered search facility.

Only two chain hotels were found to have real-time booking systems (i.e. Omni hotels in the USA and Thistle hotels in the UK). Single independent hotels did not provide these services. Many of the multiple independent hotels only offered a booking facility via a reservation from offering to confirm the reservation within 24 hours on working days. This is clearly inappropriate for many customers who are more likely to telephone the hotel to ascertain room availability and confirm a booking, particularly at weekends.

These results are also presented in table 5.6 below. Hotel chains performed 'good' on every immediacy feature included in the evaluation. Multiple independent hotels and independent hotels respectively performed 'satisfactory' (3) and 'good' (5) on "email reservation" and performed 'sub-optimal' on all other features.

TABLE 5.6 MEDIAN PERFORMANCE COMPARISON OF IMMEDIACY FEATURES				
Category	Email res.	On-line res.	Real time	Confirmation
Chain hotels	5	5	5	5
Multiple independent hotels	3	0	0	0
Independent hotels	5	0	0	0

E-commerce

All the chain hotels had fully-functional on-line reservation systems. Only two of the multiple independent hotels and two of the single independent hotels had non-functioning on-line reservation services. Attempts to place reservations in two of the single independent hotels (Cairo and San Goivanie) resulted in the on-line reservation form (HTML form) being accepted although nothing showed that actual reservation was made and the researcher did not receive confirmation by email or any other method.

On-line payment facilities were present in nine out of the twelve hotel chains websites. Heritage hotels website included a section for reservation that provided its customers with two options to reserve a room in any of the chain's hotels around the UK: the user here has the option either to place his reservation on-line through a secured booking and payment system; or by simply contact the nearest centre (World-wide reservation numbers) by phone (toll free or local numbers) or email from the list provided on the site including numbers in different countries around Europe, Middle East, Asia, South Africa, Latin America and Asia/Pacific. No on-line payment facilities were identified for the hotels in the multiple independent hotels and independent hotels categories.

All the analysed websites with on-line payment facilities post a message somewhere on the payment section (sometimes in the form of a pop-up window) promoting assurances on security of payment transactions and privacy over their websites. Alternatively, at the programming level, password-based routing features were added to some chain hotels websites to restrict access to members or frequent users only. On-line consumers may try to minimize the risks by booking on-line in

real time websites run by established, well-known brands and chains rather than doing so on weakly-branded or unbranded hotel sites.

Generally, all the international hotel chains were able to provide a full e-commerce enabled websites to turn visitors into actual customers by processing bookings and payments on-line. Four out of the twelve multiple independent and none of the single independent hotels demonstrated full e-commerce functionality only partial e-commerce solutions involving a range of booking and payment facilities were identified on five out of the twelve multiple independent hotel website.

From table 5.7 it is clear that multiple independent and independent hotels performed 'sub-optimal' on 6 out of the 7 evaluated e-commerce features, they only rated 'satisfactory' and 'good' on email reservation feature.

TABLE 5.7 MEDIAN PERFORMANCE COMPARISON OF E-COMMERCE FEATURES							
Category	Email res.	On-line res.	Real time	Confirmation	Credit cards	Privacy & Security	Currency converter
Chain hotels	5	5	5	5	5	5	5
Multiple independent hotels	3	0	0	0	0	0	0
Independent hotels	5	0	0	0	0	0	0

Customer relationship

Nine out of the twelve hotel chains websites only offered this feature. Forte hotels provide a number of links with partners across the travel sector, e.g. with airlines that offer points under partner's "frequent flyer" and similar reward programs. Members of Hilton's "frequent-guest club" can get 1,000 bonus points for booking on-line at particular times. Sheraton hotels website also includes a reward program to its customers where they can view their rewards points on-line by accessing this section using their membership numbers and their last names. This feature is also available in some multiple independent hotels websites (e.g. Thistle hotels, Danish

Manor hotel in the USA, and Grapevine hotel and Capricorn hotels in the UK). The evaluation also revealed that nine out of the twelve hotel chains posted a series of FAQs on their websites, from which customers might be able to find answers to common queries. This feature is only available on four multiple independent websites.

Almost every hotel chain include a "what's new section" on its website. This feature did not exist in most of the multiple independent hotels websites, it was only available on two out of the twelve multiple independent hotels sample. Three of the analysed chain hotels websites offered discounts for bookings made on their websites. Helnan and Sheraton hotels give 10% discount for web bookings, and Marriott hotels offer last-minute deals for web customers. "Great vacations here", is another promotional section on Sheraton hotels website that includes one-stop shopping for vacations with loads of offers and discounts up to 25% on airfares, accommodation and transportation. Some independent hotels websites also offer discounted rates for web bookings (e.g. Plaza hotel and Flamenco hotel in Egypt).

Table 5.8 summarizes the evaluation of 7 customer relationship features. It is obvious that hotel chains, in general, performed 'good' on customer relationship consideration which support brand-building on-line, Multiple independent and independent hotels performed 'sup-optimal' on 6 out of the 7 evaluated features, they only performed 'good' on direct email.

Category	Direct email	Frequent guest pro.	Discounts	Feedback form	On-line customer ser.	FAQ	Mailing lists
Chain hotels	5	5	5	5	5	3	5
Multiple independent hotels	5	0	0	0	0	0	0
Independent hotels	5	0	0	0	1	0	0

5.7.2 Visual representation of the evaluation of multiple independent and independent Egyptian hotels websites

The results focusing on the Egyptian hotel websites are shown in table 5.9 below. The following graphs (radar plots) shown in figure 5.4 to figure 5.15 visually represent the results of the evaluation of these websites (4 chain hotels, 4 multi-independent hotels and 4 independent hotels) which the study is focusing on. The median response of the performance of the 28 evaluated features were then calculated (see table (5.10), this allowed a comparison between the levels of performance of the websites in the three different categories of the hotels (international hotel chains, multiple independent hotels and independent hotels) and therefore reflected their brand-building capacity (see figure 5.16).

TABLE 5.9 EVALUATION OF HOTEL WEBSITES FEATURES

Feature/hotel	Accessibility	Download	Navigation	URL	Destination Cont	Price info.	Product av.	Basic product info	On-line brochure	On-line advert	Updates	Search the site	Graphics	Email res.	On-line res.	Real time	Confirmation	Credit cards	Privacy and Security	Currency converter	Direct email	Frequent guest pro.	Discounts	Feedback form	On-line customer ser.	FAQ	Mailing lists
International Chains																											
Helnan hotels	5	5	5	5	5	5	5	5	5	0	4	5	0	5	5	0	3	0	0	0	0	5	5	5	0	0	5
Oberoï hotels	4	4	3	4	5	5	5	5	5	0	0	0	2	5	5	5	5	5	5	0	5	5	3	5	5	0	0
Accor hotels	4	4	4	4	3	5	5	5	5	0	5	5	4	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Sheraton (ITT)	4	4	4	4	5	5	5	5	5	4	5	5	5	5	5	5	5	5	5	0	5	5	5	5	5	5	5
Multiple Independent Hotels																											
Pichalbatros hotels	3	3	3	1	3	0	0	5	0	0	0	0	3	0	0	0	0	0	0	0	0	5	0	0	0	0	0
Flamenco hotels	4	4	4	5	3	5	5	5	0	0	0	0	3	5	5	5	5	5	5	0	5	0	0	0	0	0	0
Shams hotels	4	3	2	5	0	0	0	4	0	0	0	0	2	5	0	0	0	0	0	0	5	0	0	0	0	0	0
Golden 5 hotels and resorts	3	3	4	5	4	0	0	3	0	0	0	0	3	0	0	0	0	0	0	0	5	0	0	0	0	0	0
Independent Hotels																											
Plaza hotel	4	3	4	4	5	5	0	5	2	0	0	0	3	5	0	0	3	0	0	0	5	0	5	0	5	0	0
Cairotel	3	3	1	0	0	3	0	3	0	0	0	0	2	5	0	0	0	5	0	0	5	0	0	0	0	0	0
Al salamlek hotel	4	3	3	3	0	5	0	5	0	0	0	0	2	5	0	0	0	0	0	0	5	0	0	0	2	0	0
San Goivanie hotel	4	3	3	4	0	3	0	5	0	0	0	0	2	5	0	0	0	0	0	0	5	0	0	0	0	0	0

FIGURE 5.4 WWW.HELNAN.COM

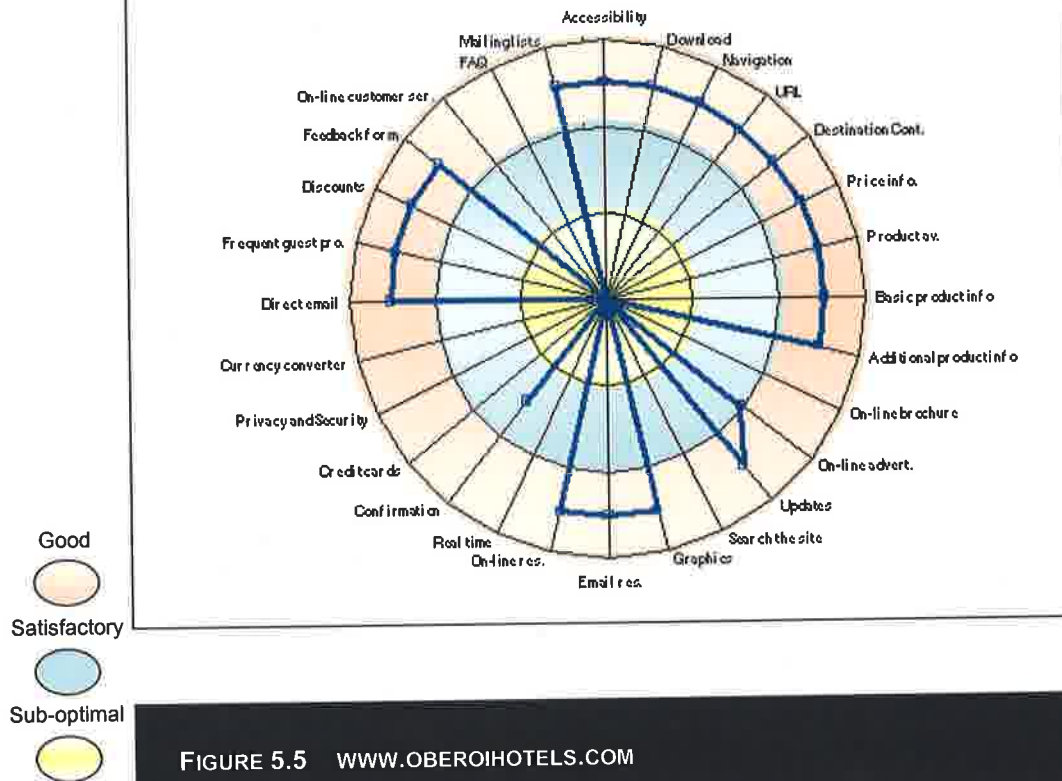


FIGURE 5.5 WWW.OBEROIHOTELS.COM

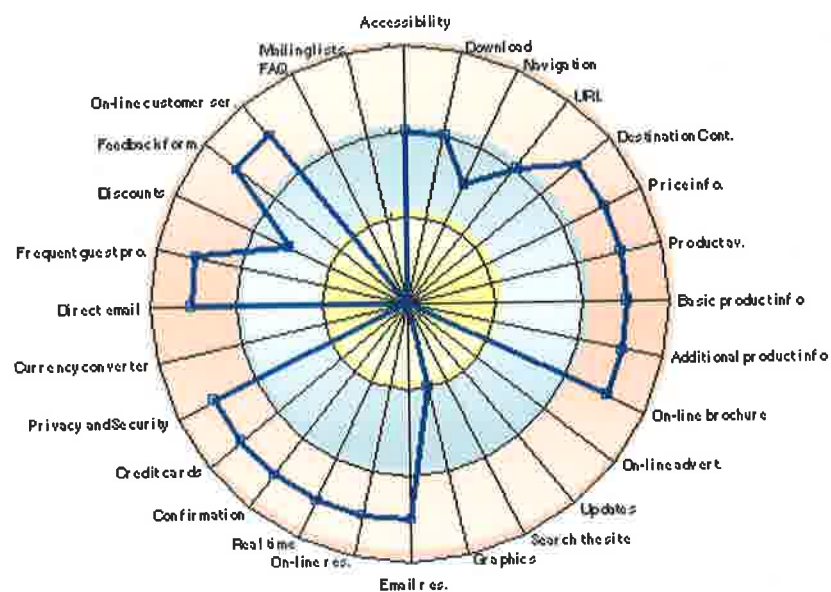


FIGURE 5.6 WWW.ACCOR.COM

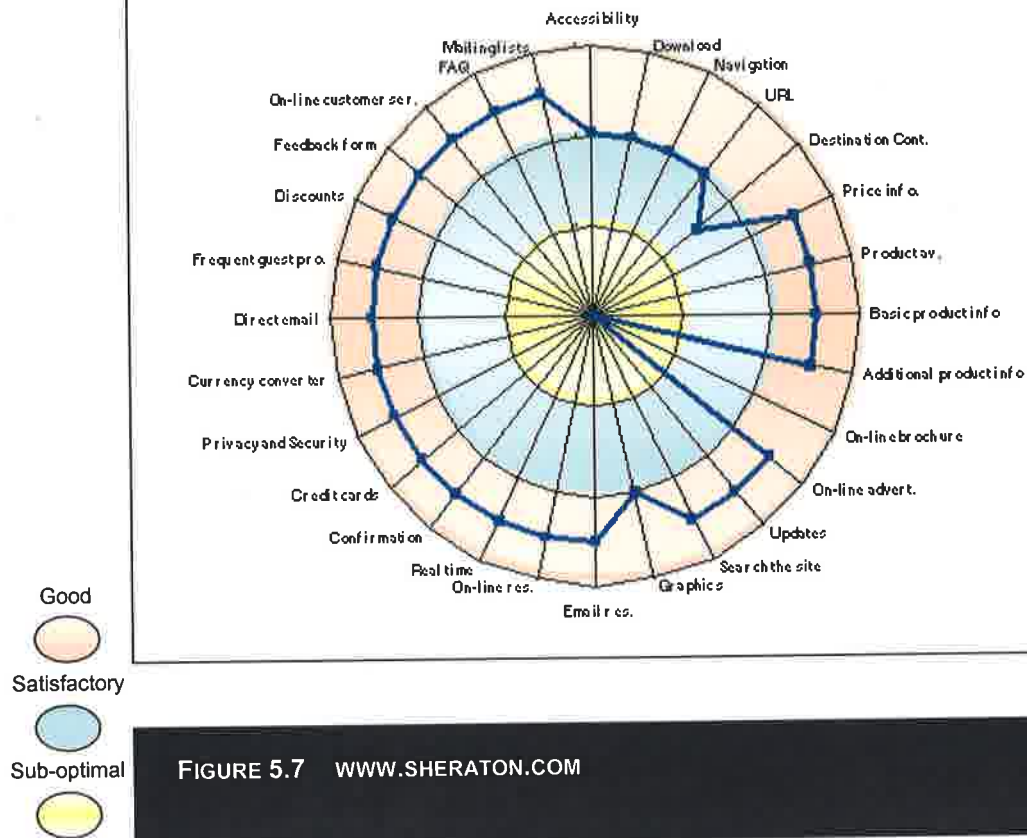


FIGURE 5.7 WWW.SHERATON.COM

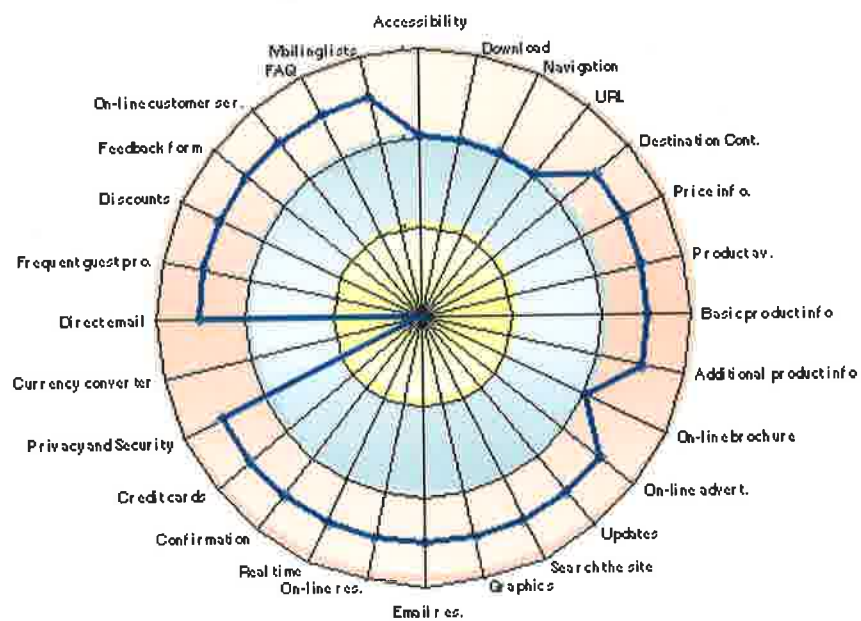


FIGURE 5.8 WWW.ALLOFEGYPT.COM/PICKALBATROS/

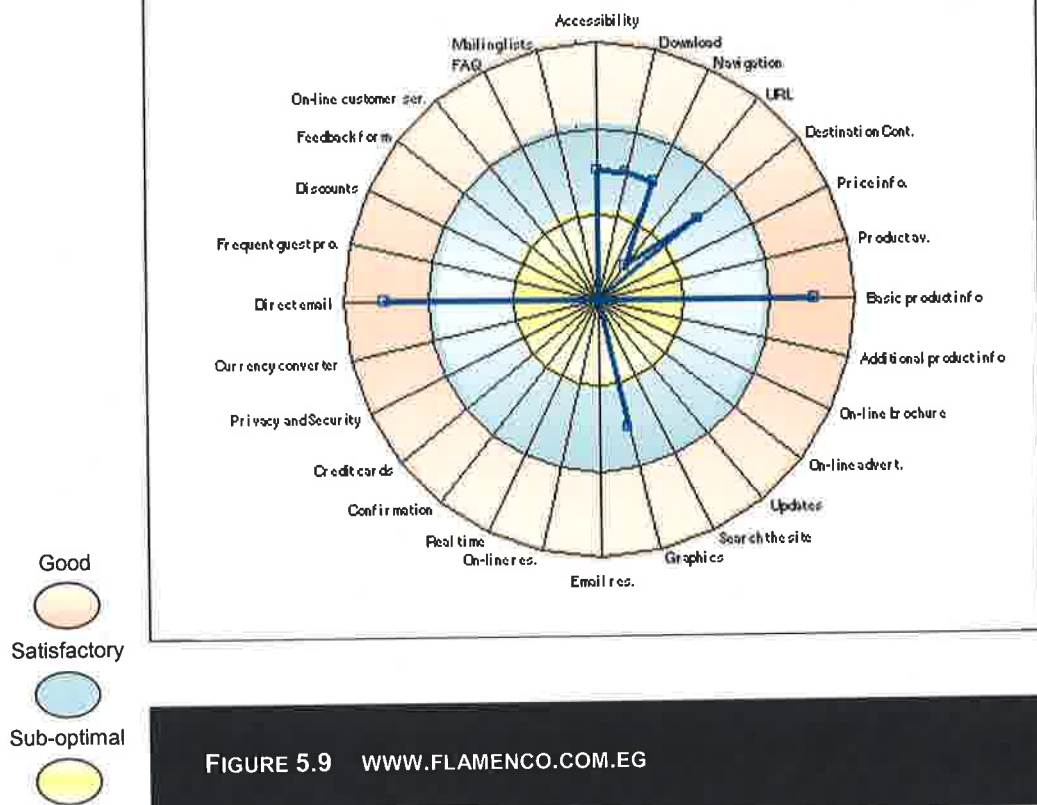


FIGURE 5.9 WWW.FLAMENCO.COM.EG

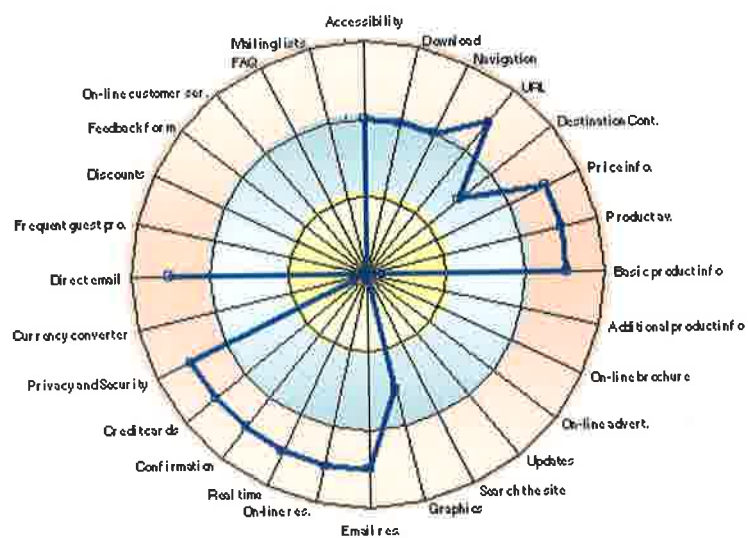


FIGURE 5.10 WWW.SHAMSHOTELS.COM

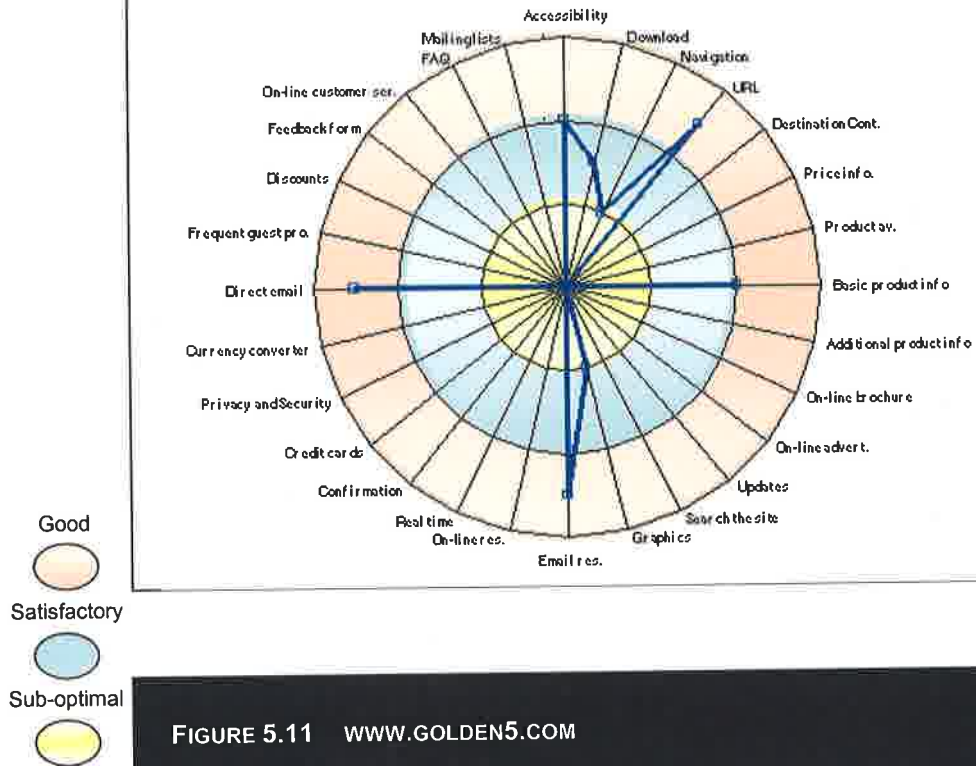


FIGURE 5.11 WWW.GOLDEN5.COM

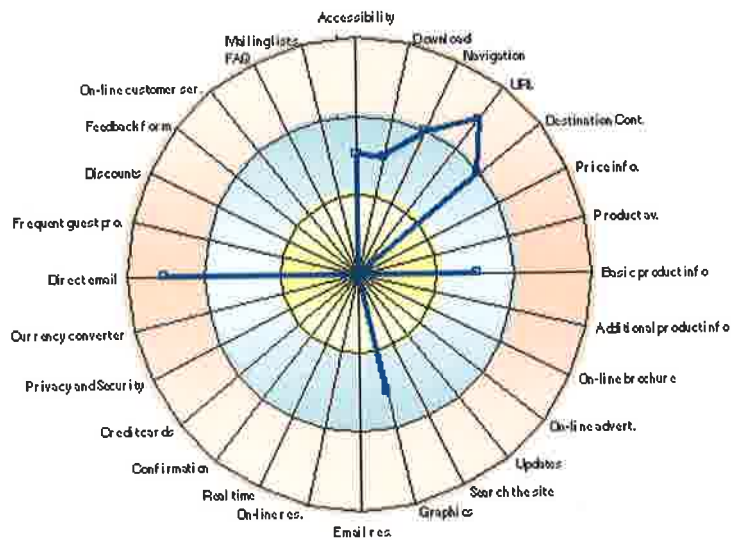


FIGURE 5.12 WWW.PLAZAEGYPT.COM

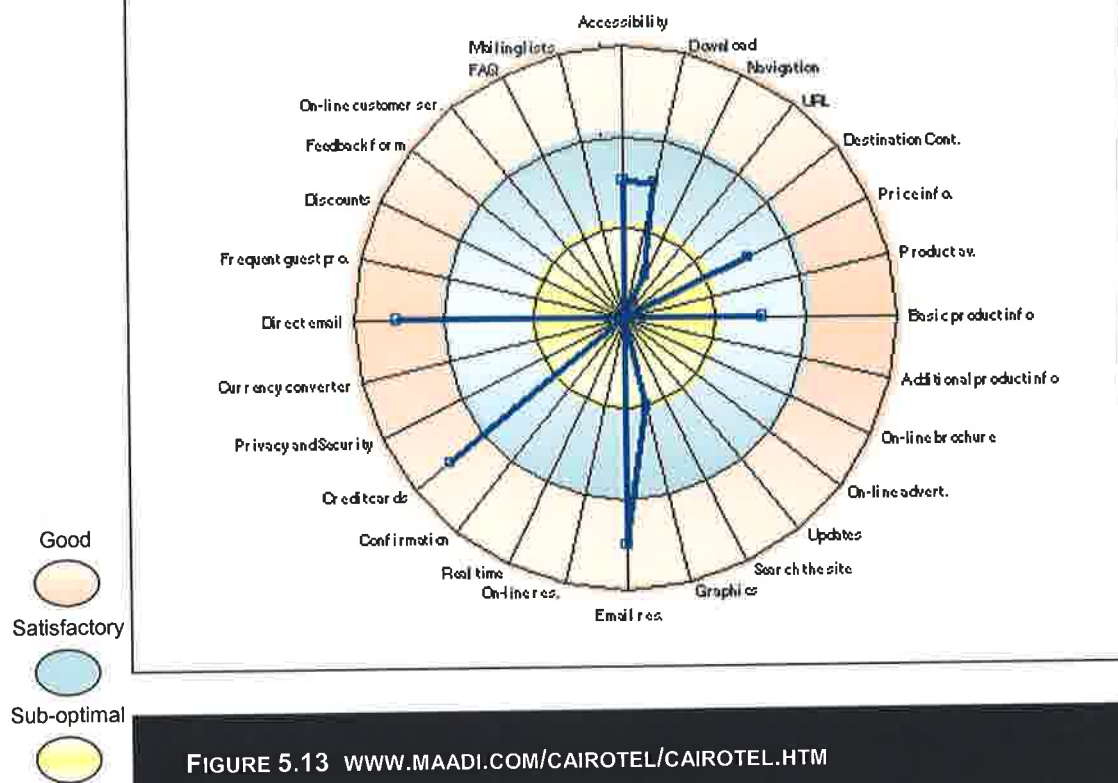


FIGURE 5.13 WWW.MAADI.COM/CAIROTEL/CAIROTEL.HTM

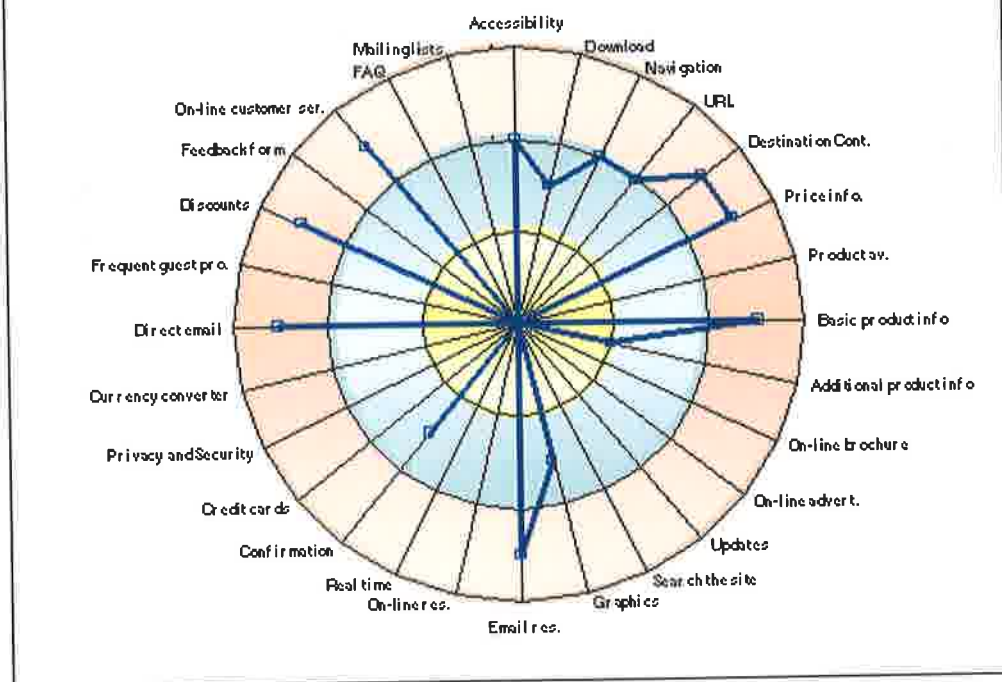


FIGURE 5.14 WWW.SANGIOVANNI.COM/SALAMLEK

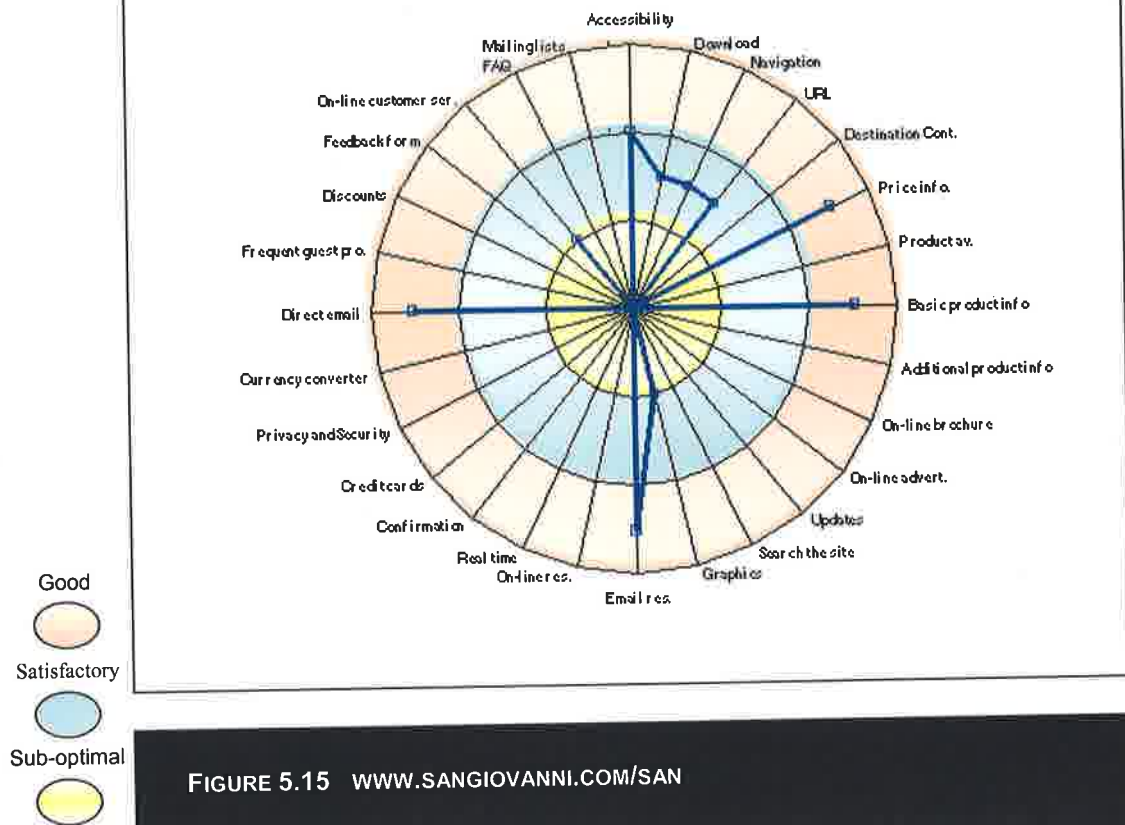


FIGURE 5.15 WWW.SANGIOVANNI.COM/SAN

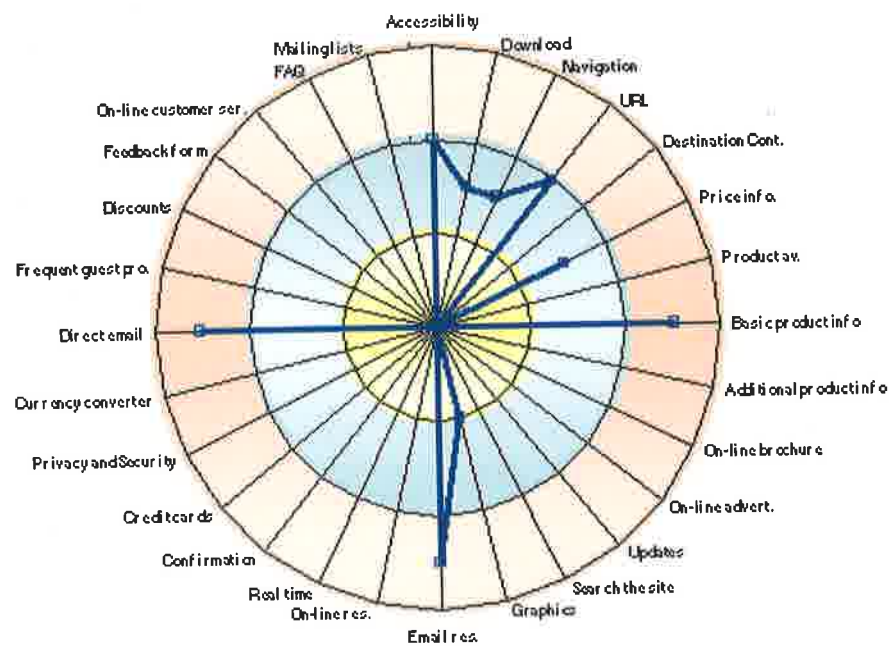
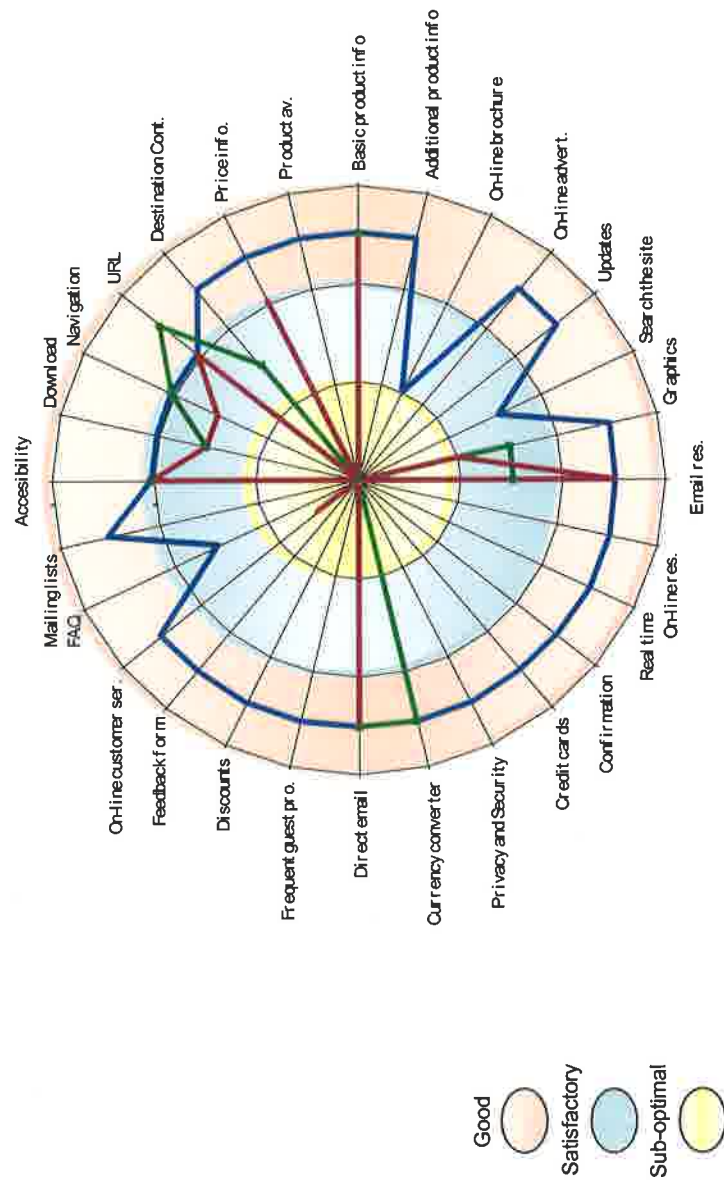


TABLE 5.10 MEDIAN OF THE EVALUATED HOTEL WEBSITES FEATURES

Hotel Categories																												
	Accessibility	Download	Navigation	URL	Destination Cont.	Price Info.	Product av.	Basic product info	Additional product info	On-line brochure	On-line advert.	Updates	Search the site	Graphics	Email res.	On-line res.	Real time	Confirmation	Credit cards	Privacy and Security	Currency converter	Direct email	Frequent guest pro.	Discounts	Feedback form	On-line customer ser.	FAQ	Mailing lists
Chain hotels	4	4	4	4	5	5	5	5	5	2	5	5	3	5	5	5	5	5	5	5	5	5	5	5	5	5	3	5
Multiple independent hotels	4	3	4	5	3	0	0	5	0	0	0	0	0	3	3	0	0	0	0	0	0	0	0	0	0	0	0	0
Independent hotels	4	3	3	4	0	4	0	5	0	0	0	0	0	2	5	0	0	0	0	0	0	5	0	0	0	1	0	0

FIGURE 5.16 COMPARING WEBSITES BRAND-BUILDING CAPACITY AMONG THREE CATEGORIES OF HOTELS WEBSITES



5.8 THE BRAND-BUILDING DILEMMA FOR THE MULTIPLE INDEPENDENT AND INDEPENDENT EGYPTIAN HOTELS

The hierarchy allowed websites to be classified according to each of the six website design considerations that promote brand-building and clearly identifies the way in which they build brands. It is also possible to classify websites into highly-branded websites and weakly-branded websites (see table 5.11). Overall the highly-branded chain hotels are all trying to compete with each other by adding more interactive features that provide global reach for their customers and support their offline brand names. Most of the smaller independent hotels designed their websites to serve as an information source and a way to only communicate with their customers electronically. It is clear that these informative websites will continue to attract a limited number of users since their main objective is just to provide information.

TABLE 5.11 COMPARISON BETWEEN WEAKLY-BRANDED AND HIGHLY-BRANDED WEBSITES

Weakly-branded websites (Independent hotels)	Highly-branded websites (International chains)
Non-transactional.	Fully transactional.
Informational marketing sites.	Rich in contents.
Non-unique domain name.	Enter via home pages of each of the chains' brands.
Does not reflect any brand image.	Look and feel the brand concept.
Static pages adapted from existing collateral.	Hold messages through pages to draw users to the site.
Difficult to update.	Easy to update.
More like an on-line brochure, a marketing and PR site.	Site integrated with brand marketing message.
Stand alone business.	Secure transactions.

5.9 RESULTS FROM INTERVIEWING EGYPTIAN HOTELS' WEB MARKETERS

This section presents the results of 12 interviews with hotel marketing managers as described in section 3.6.1. Four interviews were conducted with international hotel chains marketing managers, four with key marketing personnel of Egyptian multiple independent hotels and four with managers of small independent Egyptian hotels. Interviews were conducted in Arabic and recorded, then were transcribed and translated into English to pull out key findings as follows.

5.9.1 The role of the Web in hotel marketing and its relation to the Egyptian hotel market

The interviews started with a general question aimed at exploring how hotel marketers consider the role of the Web in hotel marketing with relation to the case of the Egyptian hotel sector stating any benefits or barriers they anticipate. Answers confirmed that the Web is perceived as representing a revolution in the way hotel companies and their customers can communicate. It provides many opportunities for customers especially through these interactive websites which allow them to immediately search, book and pay for their hotel rooms on-line. One of the owners of a multiple independent chain supports this view, he states:

My own personal view is that a well designed and managed website that allows its visitors to book and pay for their rooms on-line is considered very important today to guarantees better relationships between the hotel and its customers (HM03).

With the Web small hotels can compete with the world's most respected hotel companies in the free range of cyber-space, this is another fact presented by the marketing manager of an independent three star hotel he comments:

Talking from my experience, we needed the technology of the Web in order to be able to market our hotel outside Egypt and reach more customers to book our rooms via the website (HM05).

Interviewees stress that the reason for hotels to create websites on-line vary tremendously from an hotel operation to another, but commonly many businesses create their websites to increase their sales, to market their product and to effectively communicate with their customers.

These findings concur with those of Fortin (2000) who assert the number one reason for any given business to go on-line can vary tremendously from industry to industry and business to business. He summarized these reasons of marketing on the web into four functions of websites: a distribution channel, a marketing channel, a sales channel, a communications (support) channel, or a combination of all of them. Examples of responses that support these reasons are quoted below:

It is an effective channel for the promotion and distribution of hotel products (HM03).

The Internet is widely recognised as an extremely valuable marketing tool (HM02).

It helps companies to reach new markets, transform their sales strategies, and achieve market leadership (HM12).

With the Web, unlimited amount of information can be stored at a website and an unlimited number of users can retrieve it at any time from anywhere in the world (HM07).

Hotel marketers were also asked to think of the benefits and barriers that users can gain from hotel web marketing. With relation to benefits, answers came to reflect a general perception about how the Web reduced advertising costs, increased customer involvement transactions and provided greater flexibility of using the marketing mix, allowed better market research for product development, and

provided better strategies for direct marketing and promotion, among the comments are:

The Web is used for advertising in a greater variety of ways, it combines text with photos and graphs, audio and video clips, so hotels no longer rely on the printed brochures or copies of videos or CDs. This saves the thousands of pounds spent on advertising (HM05).

Web marketing decreases administrative costs normally associated with direct marketing. It also lowers telecommunications costs since the Internet is more economical than other conventional forms of communication (HM06).

These comments very much echo the trends that were discussed earlier in section 2.5.2 with respect to the impact of Web marketing.

Among the most cited barriers for web marketing diffusion are those related to security matters, lack of privacy, confidence and authenticity of on-line bookings. These barriers were only cited by multiple independent hotels one hotelier tells his experience:

The Web is definitely going to be the future of hotel sales all over the world. We are receiving a number of bookings through our website, but the only problem we face is the use of credit card payment, which does not ensure safety (HM07).

Another hotelier confirms:

At present, web-based bookings are not very popular with the hotels in Egypt. This may continue even in the near future. Hotel marketers might opt for such a facility only after they are confident about the payment procedures and authenticity of on-line bookings (HM08).

Overall, answers confirm that there are no simple solutions to these problems. Hotel marketers advice that hotels' organizations will need to monitor the situation constantly, keep auditing and examining systems and policies, and they will need to

get involved in efforts to help governments and education cope with the social and political issues that will affect the future of web marketing.

The financial barrier to a website is very low as was confirmed by eight out of twelve interviewees. In Egypt, it is possible to be on-line with a decent website hosted externally for budgets below 5000 L.E. (£ 800). Responses to the interview confirm this fact as a majority of budgets for the design of a site was below 4000 L.E. (£640). Hotels are also charged monthly or annually surcharge for the maintenance and updating of their sites. This case does not apply to international hotel chains websites that are part of a global marketing plan designed and managed by the chain's operation.

In response to question three, there was an overall fair amount of scepticism about the Web and its importance for the Egyptian hotel sector. Specifically for independent and multiple independent hotels, there was a great uncertainty about the role that the Web plays in hotel marketing today. Interviewees generally agreed that web marketing could become enormously important to their businesses, although they were uncertain as to exactly what impacts it might have, how dramatic these impacts would be, and on how these changes might be appreciated in their specific businesses.

This is a fascinating question because, very often, many hotels have no clue as to why they are on-line (HM08).

Can I tell you something that would probably surprise you? I do not know (HM11).

You've got to link the Web to your marketing activities, something that changes the business a bit, with a lot of stuff made through the Web... How do you do that? , I am not very sure of an accurate answer (HM04).

These results echo the early work of Kalakota and Whinston (1997) that argues that hotel companies, whether large international chains or small independents, can have equal presence on the Web at a comparatively low cost. A site on the Internet would not only save hotel's administration costs but would also reduce marketing expenses.

One hotel manger (HM09) believes that there is still a long way for the Egyptian hotel market to go on the road of web marketing, he comments:

Although the Egyptian hotel companies exist in a very high competitive marketplace, it is not easy for most of them, especially independent and small operations to convert to new marketing strategies of today like the web marketing.

Despite the scepticism and uncertainty, none of the interviewees were willing to completely ignore web marketing at the moment. In the case of small hotels there is always the concern that the Web might suddenly become very significant, and they did not want to risk being "left behind". Typical of comments is:

It is an extremely valuable marketing tool for hotels world-wide (HM01).

Yes, it is a new medium that's affordable, more effective and wrought with opportunity especially for smaller hotels like this hotel (HM07).

This coincides with the results of Gilbert and Powell-Perry (2000) who argue that the Web offers the hotel industry a distribution channel that enables customers around the world to book hotel rooms. Web-enabled distribution strategies have been heralded as a way for small and medium sized companies to compete more equally with larger organisations (Gilbert and Powell-Perry, 2000).

5.9.2 Hotel marketers' motives to start a website and their on-line marketing experiences

This section of the interviews investigated the main motives for hotel marketers to be on the Web. Their answers reflected general responsiveness in starting a website enforced by different motives: the "me too" motivation, the obligation because competitors already established their websites, to create or strengthen the company's brand and image, and to develop a new distribution channel though fully transactional website that consumers can reach directly by passing intermediaries.

In the case of multiple independent and small independent hotels, the "me too" motive is the most cited. For all of them the Web is a vital tool to respond to the competition they face from the larger international chain hotels. One multiple independent hotel marketer states:

We thought of being on the Web two years ago, to respond to on-line competition from hotel chains, The main motive was to attract more customers to our business (HM03).

Another independent hotel marketer similarly comments:

To respond to the pressure from larger hotel chains... Yes, all of them are now on-line, and we are being pushed by them to be in there (HM06).

This section of the interview also investigated the strategies that hotel Web designers should apply to translate the relationship between the hotel and end user (customer) preferences when designing hotel websites. The analysis of the results showed that seven out of twelve interviewees cited that web designers should focus on consumers in designing websites and to optimise the user's experience for the duration of their stay. HM04 of a multiple independent hotel chain refer to user friendly design, he advises:

The most important thing web designers need to do in order to build user-friendly websites is to test the sites with real people in the early stage of design.

Again the focus here is to increase research and to gather customer information to design better websites, HM09 comments:

Give customers what they want capture customer wants and needs and use that information to automatically enhance site content for future visitors.

The analysis also revealed that it is not enough to ascertain what types of content users are asking for. Three of the interviewees stress the fact that web designers should be more attentive when designing interactive websites specially when it comes to customer driven and delivery related features, HM11 and HM02 tell their experience they comment:

The atmosphere of the Web is full of a sense of immediacy. Delays in delivering customer driven content can be deadly. Web designers should routinely enhance site content for better and faster customer services (HM11).

Web designers must make responsive content and response mechanisms, easy to find and easy to use sites. It is remarkable how many Website designers make all kinds of mistakes; I've seen many web pages do not even provide a phone number if a customer really needs to talk to someone. If customers can not even find the company's phone number, what are the chances that they will be able to find an even more unclear piece of information? (HM02).

HM04 refers to independent hotel websites, he criticizes:

Customers cannot easily find their way to ask for more information and/or send an e-mail request on small hotels sites. On many sites, the "Contact Us" button simply launches a pre-addressed e-mail screen- with no information about how soon they can expect a reply and/or where else to look for information.

Some of these above views agree with Nielsen (1997) who notes that web designers need to accommodate and support user-controlled navigation. He argues that sometimes designers can force users through set paths and prevent them from

linking to certain pages, but sites that do so feel harsh and dominating. It is better to design for freedom of movement.

5.9.3 Hotel marketers' opinions about their hotel websites

Significantly, security of handling personal information and secure payment transactions are cited by ten out of the twelve interviewees as the most important hotel website features, one hotel marketer states:

Security of information and the transactions is very important now for the survival of the web marketing (HM08).

Another multiple independent hotel owner includes that lack of security is the reason behind consumer fear to book on-line, he comments:

I feel that one of the main reasons for consumers' lack of enthusiasm for web bookings is the security of the transaction procedures - or its absence (HM07).

Functionality of websites and convenience of purchasing hotel service and products, the ability to sit at home or work and find, value, order, pay, and arrange holidays for almost any hotel product or service in less than five minutes, is the second most cited features of successful hotel websites that is appealing to web consumers. Nine out of twelve interviewees refer to the same factors driving the level of user's convenience these are; the speed of the page download, ease of navigation and how quickly it is to find the desired product/service, hotel marketers comment:

To drive bookings, put booking functionality at the forefront (HM04).

I am not an expert in this, you might need to interview web masters in this matter. But of course users, I mean travellers who do not have time, would prefer a fast responding site, they do not want to waste their times to get a message like 'website is not available or responding' or 'connection refused' or so... (HM05).

Yes, fast downloading of sites and ease of navigation are absolutely major factors that contribute to the success of the site (HM02).

Four interviewees also emphasised that web pages across sites must be clear and concise with search capabilities. Another cited feature includes a personalized log in, help in choosing products, more products/services information, notification of new products, frequent updating of sites and real time confirmation of bookings, among interviewees comments are:

Customers like websites that provide them with accurate and sufficient useful information, I think the last thing this busy user wants is to go through many Web pages to look for information, the web and the Internet is an information medium before it has been used for marketing (HM01).

Personalization has been seen as a real key feature to attract loyal customers (HM06).

Another point is that you need to update the site continuously so that guests can avail themselves of the latest packages available (HM04).

Upgrading the site is very important (HM05).

Hotel marketers also discussed the features they identified above in relation to their websites, HM07 of an international hotel chain operating in Cairo explains:

We have developed a website and are marketing directly to the corporate sector. Occupancy has grown tremendously as a result of this. There has been a 25 per cent growth in on-line bookings.

Two of the independent hotel marketers (HM11, HM05) reflect on the importance of updating the site design and content as an essential feature in their websites, highlighting that the reason behind why some websites are packed with outdated information, that some web designers offer only two or three updates of websites every year. Hotel marketers have to pay increasing charges each time to update their site or add to it, this adds more overheads to the on-line marketing budget, HM05 representing an independent hotel tells his experience:

Prior to the design of the website I agreed with the Web designer to update my site as many times as I want or whenever there is

something needs to be changed, so our website is usually updated (HM05).

Independent multiple hotel chains were found to focus more on providing extensive product and destination information, One hotel marketer comments:

We provide extensive information on our website starting with Alexandria and the hotel location to hotel rooms and other outlets. I believe that as long as we got some feedback form our customers who sign our guest book that indicates they are comfortable using our website and find it useful (HM07).

Although most of larger hotel chains promote and distribute their products directly through their own websites, few of them are still reluctant to do so directly via their websites and prefer to link with GDS sites and use them as their booking service, one large hotel chain's marketing manager describes:

In the present scenario, I do not envision my property entertaining Internet-based booking engines. There is a very simple explanation for this: it is not a safe mode through which one can conduct commerce. However, on-line bookings are becoming common nowadays. We receive about five per cent of our bookings through the Internet. Another point is that we need to update the site continuously so that guests can avail of the latest packages available. We receive 16-18 per cent bookings through the Global Distribution System (GDS). A number of dot.coms are approaching us with packages and we are working closely with them (HM11).

Despite each of the independent hotels has its own websites, the business processes of each hotel were not well integrated with the website. Neither did it appear that these hotels were geared up to keep good commercial records of web activity, nor ready to measure important statistics such as look-to-buy ratios. It was not always clear in each hotel just how the web room sales enquiries nor exactly what percentage the Web contributes to the hotel overall reservations. For example, when question eight was asked, independent hotels and multiple independent hotel chains' marketers (HM02, HM05, HM07, HM01, HM03) gave fairly accurate answers, for example:

The actual selling of products or services through websites is at the moment still limited, but the trend is growing (HM02).

In our case, on-line booking has not materialised so far. We are only getting enquiries about it (HM05).

Worldwide, the company has registered a 12 per cent allocation of its room bookings to the new website, but I m not sure how much actual bookings it gets (HM07).

As of now, on-line bookings are not proving to be very effective. I'm talking about direct bookings through the hotel websites (HM01).

On-line booking is still in its infancy stage in the country. Most of the times, such bookings are being made in the case of international traffic. Domestically, the number of on-line bookings is very low. Our experience with on-line booking has not been very encouraging so far (HM03).

On the other hand three hotel international chains marketers, (HM12, HM08, HM09), cited that they expect to book 30 to 45 % of their total room sales over their global websites during 2001/2002. (HM09) representing a company whose brands include three global names, said it expects to book as much as \$750 million, or close to 5%, of its business through its websites this year. (HM12) of another chain whose brands include two popular names, expects to book about \$500 million worth of business through its website this year, approaching 4 % of its total business and more than double its Internet business from last year. However, these top three hotel chains have been among the Egyptian hotel industry's most aggressive players that possess websites that not only accept reservations but provide a totally interactive hotel rooms and amenities shopping experience to their customers.

It is also important here to highlight the results of Active Media Research Group (1998) which assert that websites that master on-line selling will see a prompter return on their investment. Conversely, sites that do not perform sales will not be able to compete in today's market space. Those sites failed to use the Web to

strengthen distribution channels and improve coordination to reduce cost of sales, this was evident in the case of the multi-independent and independent hotels included in this study.

5.9.4 The future of web marketing in Egypt

Competition, promoting websites, strengthening distribution channels, and more secure interactive websites are cited by eight of the twelve hotel marketers as major strategies to successful web marketing. The presence of competition from larger hotels on the Internet is may be the only factor driving smaller hotels to consider a web presence in some form. Four interviewees emphasized that the response to such threat is not only designing websites that include few web pages full with advertisements or information about the hotel. Listings of hotels on portals sites and hotel guides are also witnessed to be helpful in many cases. Among the marketers comments are:

These listings often represent an alternative website for many hotels (HM09).

There are many places on the Web where hoteliers can list their hotels on sale (HM11).

However, these alternative websites should always be linked to the electronic marketplace presence of the hotel, thus illustrating that it is early days yet in the utilization of the Web and a well-planned coordinated approach to the Web has not occurred yet.

Two promotion techniques are most cited by interviewees: mentioning the website on all existing communication means (letterhead, business cards, brochures, etc.) and registering with search engines, HM11 of an international chain reveals his future plans:

Registration with search engines seems to be the most efficient technique; followed by adding the website (URL) address on all sales and promotional literature; and advertising through other media than the Net.

This is supported by Bayne (1996) who recommends that all advertising material from business cards, to advertisements and sales literature must encompass web URL address details. A further prompt is to include email addresses and also normal phone and address details on the site.

Normally websites that are designed to provide direct retail income use the Web to strengthen distribution channels and improve coordination to reduce cost of sales (Active Media Research, 1998), HM05 of an independent hotel adds:

We are devoting some time and efforts to approach this significant change. We soon will focus on formulating on-line strategy together with some information technology and electronic commerce supporting strategy that would be helpful in charting an appropriate path to distributing our hotel's products in future.

Participants in the interviews also strongly support the notion that many hotel marketers need to build more interactive websites that provide secure payment transactions. In response to that a number of measures are the advocated as mentioned by interviewees:

To overcome the consumer barriers to the expansion of web shopping, we anticipate the development of a website with secure on-line payment function (HM08).

Our focus for now is to provide secure website and providing customers with greater convenience (HM07).

We currently update our website to include secure payment mechanisms and reliable reservation system (HM04).

A globally-branded hotel chain provides its plans for the future via a company report given to the interviewer during his interview with HM12, the report portrays the following strategies:

The chain is developing its own front end to TravelWeb – to reflect the brand image.

Content continues to increase, e.g., a new menu, special offers.

It is preparing to launch multiple languages e.g., Japanese, Korean and Chinese.

It will enhance its meeting planner facilities.

Content management will extend across all sites.

The last question of the interview asked marketers to state their belief of the Web as a strategic marketing tool for their operations. Overall responses came to confirm that the Web would significantly continue to impact the marketing strategies and economics of hotels and support the brand for the traditional business, among marketers' comments:

Our company is convinced that the web marketing initiative is strategically important and deserves credit for cutting costs, acquiring customers, and enhancing the brand (HM09).

It [the Web] will soon enhance room sales and revenues for the Egyptian hotel marketers (HM05).

The Web will continue to attain substantial growth allowing the Egyptian hotel market to enter today's aggressively global markets (HM11).

It is really promising as hotels will be able to increase their participation in web marketing that will allow them to interact with their prospective customers (HM08).

5.9.5 Summary

A number of key findings have emerged as a result of analyzing the twelve interviews conducted with the Egyptian key marketing personnel in the selected hotel sample. It is clear from the analysis that the Web is causing both interest and uncertainty amongst Egyptian hotel marketers (managers/owners). Already, the Web is being perceived, as being of great benefit, especially by international hotel chains marketers, as it enhances the understanding of their customers, provides a global view of operations and also fosters collaboration across the entire value chain. Whilst, a few Egyptian hotel operations seem to be adopting quite deliberate and explicit strategies with respect to web marketing, some still feel uncertain as to how significant the impacts of web marketing might ultimately be. The results of the interviews also indicate that there is generally little evidence of any adaptation of web marketing practice being made by multiple independent and independent Egyptian hotels in response to the opportunities offered by the web marketing strategies. Most of the small hotels' marketers feel that web marketing is still in its infancy and that it will be sometime before it becomes prevalent across the Egyptian hotel sector. On the other hand, most of them emphasized that the use of the Web will become more critical in future with the increase of the intensive local competition for international visitors from larger hotels.

5.10 RESULTS FROM INTERVIEWING EGYPTIAN WEB DESIGNERS

This section presents the results of interviews with 5 hotel websites designers as described in section 3.6.1. Interviews were conducted and tape recorded in Arabic language then were transcribed and translated into English to provide the key findings discussed below.

5.10.1 General experience and understanding of hotel web marketing

In general, the five interviewed web designers had one to two years experience with hotel website design. Three of them (WD01, WD03, WD04) are official web developers, running businesses in this capacity. They were not all HTML programmers, nor specialized information technology personnel. Only two of them (WD02, WD05) were directly employed by two major specialized web design firms located in Alexandria (these firms also act as Internet Service Providers).

Web designers describe the role of the Web in hotel marketing in general, WD04 affirms that the Web provided hotels with global market reach and removed the need to find a distributor (intermediary) for the their products.

Using the Web for marketing hotels expands the marketplace to national and international markets, and offers the ability to reach new markets that would have been potentially unreachable otherwise... The Web is less restrictive, you can sell your product your self directly to your consumers with no need to any distributors (WD04).

Another web designer (WD05) who has experimented with hotel sales and marketing cites that the Web offers some uniqueness not available through the traditional channel, it allows hotels to target their products at the low end of the price spectrum.

Compared to traditional channels, I believe the Web is very effective in targeting hotel products for a global reach at a very low cost.... You can impress your customers providing unique features of the products.

The use of the web as a market research tool was also cited by WD02, he states:

The Web is an extraordinary market research tool. It facilitates information gathering, tracking and measuring of marketing efforts.

Focusing on the case of small independent Egyptian hotels, WD01, WD03 and WD04 also affirm that the web enabled promotional bandwidth not available via traditional means and an alternative selling.

The Web succeeded to represents a cost-effective way to sell and promote hotel products on-line especially for small hotels that would otherwise not be able to gain an even share of the traditional distribution channel (WD03).

One of the greatest benefits for small hotels is that it offers new promotional avenues, and opens new customer service and product support channels (WD01).

A website acts as perfect promotion medium for small hotels (WD04).

There was a degree of uncertainty in relation to the benefits of web marketing in the Egyptian hotel market. For one designer (WD05), the web provided a supplementary sales channel that is helping larger Egyptian hotels to reach, brand, promote and reach markets that would have been difficult or even impossible to reach in the real world.

The web provided large Egyptian hotel companies a supplementary sales channel, they were the first movers, they strategically focused on branding and today they are reaching international markets (WD05).

For another (WD04), the Web is still in its infancy and hotel marketers should extensively adapt web marketing strategies and invest more in websites that propagate their companies or products faster and more effective than ever before.

Until now, there has been no real web marketing. It is in its infancy stage in the country (WD04).

Another problem stated by WD02 is lack of web experience and knowledge he argues:

Lack of insight in the concepts of web marketing makes it hard for Egyptian hotels to justify the large sum of money required to implement a web marketing program.

5.10.2 Successful hotel website design

All five web designers stressed the need to directly communicate with the hotel marketers to ascertain what is required and what are the overall objectives for the site, this ensure that the design would meet their/their organizations goals. This echoes the observation of Cronin (1996) who claims that a website must be designed around business goals where there is value, not around the technology. Prototyping was cited as an excellent example of the dynamic nature of the web, where *"a site could be continually amended until it met the needs of the owner"* (WD04). The use of templates for generic design was also mentioned (WD01). A series of checklists were also referred to as a means of streamlining development time, and enabling a designer to *"design a consistent website which works within the available technology for the organization"* (WD05).

Three out of the five web designers believe that hotel marketers have a vital role to play in the design of successful hotel website and it is their responsibility to ensure an interactive design that appeal for their customers. WD01 claims that Web designers' role is only to *"translate the relationship between the hotel marketer and his customers"*. Not to study the consumer. Hotel marketers were said to fall into two categories (WD03), one being those who had prepared by surfing the Web and had some idea of its capabilities. The other category is only drawn by the perceived attraction of the Web and the Internet. Many of those in the second category are still not prepared and uncomfortable with the idea using the web marketing as a marketing tool. This echoes the observation of Pitt *et al.* (1996:1) who argue that *"many marketing managers have not yet given careful consideration to the full potential of the Web as a marketing tool, particularly with regard to its potential to move the prospective buyer from being a passive surfer to an interactive customer."*

WD03 argues that a successful web designer would take a potential client (the hotel marketer) through a series of web walks, showing him what works and what does not.

This would enable a build up in skills and enable the web designer to clearly assess the clients desire for a web presence (WD04).

There was consistency in response to question five regarding the design features of a hotel website that meets the need of the customer. Relevant content was considered as important as efficient graphics and downloading time (WD01, WD02, WD03). Easy-to-navigate and visually-appealing website is also considered very important (WD05, WD04, WD02), designers comment:

Graphics should be simple and user friendly indexing should be used. This would enable easy return to the starting point (WD01).

There should be a clear layout with minimal text (WD03).

Download time should not exceed 30 seconds (WD02).

Users should be able to find quick access to relevant information (WD04).

The site should be seen as complete. Low intensity images and efficient clean layout with ease of navigation will result in favourable impressions and book marking for later visit or referral (WD02).

The layout should catch the eye and be visually appealing with navigation through clearly thought out levels (WD05).

The use of new technologies, such as sound and Java scripts, also improve appearance and interactivity of the site. One interviewee (WD04) stressed that a good website should be interactive with its customers providing features such as on-line reservation and confirmation, he comments:

A successful website should employ all options of new technologies to provide customers with the experience of booking their hotels and arrange their holidays on-line (WD04).

Another interviewee (WD03) expands these thoughts, he explains:

Interactivity involves the ability of the users of the site to complete transactions and interact with the system itself in other ways such as obtaining tailored information from databases associated with the site.

Interviewees also cited a number of dislikes that are considered principal impediment to designing hotel websites. Examples of these, related to the case of Egypt, are: access speed, dead links and lack of privacy and security, among the web designers' criticising comments are:

Of course, there are many drawbacks too. The lack of privacy, security, tangibility, human response and so on can become and are, in many cases, impediments to on-line sales (WD03).

Egyptian websites are always criticised because of slow access times and line cut off over congested links. ISP's do not do too much in order to keep users informed of sites status, they should invest in better and faster servers (WD02).

5.10.3 Hotels web marketing strategies and brand loyalty

All interviewed web designers saw building trust among customers and take great care to retain it, is very important to improve on-line brand loyalty among customers

Significant opportunities to develop trust in websites exist. (WD04).

On-line trust is very very important... consumer confidence in on-line hotel markets will increase in direct proportion to the degree that marketers develop websites, policies and procedures which pay close attention to the consumer (WD05).

The web has a great ability to build customer loyalty because it is an interactive, two-way medium, I've personally noticed that the Internet greatly facilitates the branding process and builds consumer confidence (WD02).

This very much corresponds with the findings of Fortin (2000) who concluded that the Internet greatly facilitates the adoption and branding processes - such as with

the ability to project a strong corporate identity and to build brand equity, both over a shorter period of time. Moreover, it removes potentially critical, physical comparisons.

All designers saw the maintenance and updating of a site as an essential element in building on-line loyalty too. Old information and dead links were identified as major problems (WD01, WD03). The use of hits as a relevant measure for site performance is viewed important (WD04, WD05), Bayne (1996) supports this views by arguing that designers and marketers should utilize some form of measurement to keep track of the number of people visiting their site each day. The term "hits" refers to the number of times your site was accessed, and is the simplest form of measurement available. Customers feedback through emails, feedback forms or survey methods are also all encouraged as they can help a hotel recognize potential problems early and respond to them quickly (WD01, WD02, WD04).

On-line customer service is also cited as the key to build on-line brand loyalty. This involves giving customers control over all aspects of the interaction with the company through the website, WD01 says:

Receiving e-mails from the hotel about bookings confirmation, changes, special discounts and promotions or even a simple newsletter can make customers feel as if they are part of the organization.

This was also supported by another interviewee who asserts:

I have seen some hotel websites [international hotels] integrating web-based customer service features into their websites to guarantee that their customers can get information about the hotel services, answers to their questions and responses to their existing and expected needs (WD03).

Question eight asked interviewees how can websites best attract more customers to supply their credit cards and personal information on-line. Generally, on-line

transactions were considered to be difficult design areas, due to the underlying security fears of hotel marketers/owners, and a belief that the technology is still not capable of doing this. Instead they preferred the use of fax back order forms, which offered some degree of control.

There is general consensus that the web is not secure:

Media hype as well as the unstructured nature of the web, implies a certain risk in terms of on-line payment in the minds of many hotel marketers and customers (WD04).

Many users are reluctant to do so (buy on-line) because they are worried about the security of their credit card numbers. Hotels preferred to use the fax and sometimes the email for these purposes (WD01).

Two (WD02, WD03) of the five interviewees thought that the problems of web marketing with regard to security would be solved when the major credit card organisations and banks start to institute web purchase policies.

The lack of standards of security from the side of financial credit card institutions and bank is significant, these organizations has a role to play to reduce this risk and uncertainty (WD02).

On-line transactions will of course expand once the major credit card companies and banks devote or support secured transaction servers (WD03).

However, it was apparent that most web designers have the technical skills to incorporate this technology (on-line transactions) into the websites they design, and that the difficulty from the user side in identifying commercial websites (including hotels) across the globe, and trusting their integrity was often perceived a great risk by hotel marketers, one designer comments:

From a design perspective it is not a large task to build websites for the order forms and on-line payment, but you cannot do that without the support of banks and other financial sectors in the country (WD03).

This did not apply to branded product sites where an ethical corporate image is entrenched in the minds of the consumers from non-web based activity (offline strategies). For example, international hotel chains successfully receive many reservation made daily via their websites.

5.10.4 The future of web marketing in Egypt

This section focused on the future of the Web as a strategic marketing tool for the Egyptian hotel sector and on identifying web designers' future plans. In response to question nine, web designers were all confident about the positive future of on-line marketing for the hotel sector in Egypt, among their comments are:

If the Web is exploited efficiently, it will definitely prove advantageous to Egyptian hotels (WD04).

Weighing the differences between the benefits and its drawbacks of web marketing is an important exercise for Egyptian hotel marketers, the Web might prove itself to be quite revealing and profitable for them (WD02).

All the interviewed Egyptian web designers have optimistic future plans with relation to the Web and its potential use as a distribution channel for the Egyptian hotel products, designers reveal:

We will spend more time visiting our customers websites, talking to them, identifying what design features worked and what did not, this will help in updating our levels of service and to convince hotels to devote more investment and efforts to their web marketing strategies (WD03).

Our company is always and will continue to embrace the cutting-edge technology for the future of the hospitality industry in Egypt (WD05).

Our main aim now is to raise hotel marketers are very confidence about the security aspect of on-line bookings, and allow them solutions to offer their hotel rooms on the Web (WD04).

We are considering the design of a web-booking portal to function as a viable business option for small hotels in the future. This will facilitate smoother operational procedures (WD02).

I am very interested in the whole issue. As I see it, on-line booking is ultimately going to succeed, and this will be our focus in future. I am convinced that on-line bookings will be an important means for repeat business (WD01).

5.10.5 Summary

Five Egyptian web designers participated in this series of in-depth (semi-structured) interviews which covered four issues related to hotel website design. These interviews did not only highlight present activities within its respective investigation area (web marketing and web design), but also focused on some questions of perhaps even greater significance in the Egyptian hotel sector: how well do hotel web designers translate the relationship between the hotel and end user (customer) preferences? How can websites best attract more customers to reveal their credit cards and personal information on-line? And what are the features they consider most important when they design hotel websites that meet the needs of the customer?

5.11 DISCUSSION

It is clear from the radar plots (see figures 5.4 to 5.15), of the evaluation of the twelve Egyptian hotel websites, that hotel chains performed 'good' on almost every design feature included in the six website design consideration that support brand-building. They were found to have quite a few similarities regardless their geographical location, but also some significant differences, both in the quality of the sites and in their approach and functions. They had a number of common website design features including the ability to find and book a room in any of the chains' properties and the process of finding rates and availability and then booking rooms in real-time.

The results of the evaluation also confirmed that Egyptian multiple independent hotels and independent hotels are facing a branding dilemma in the global marketplace (see section 5.9). Most of these hotels websites performed 'satisfactory' and 'sub-optimal' on three website design considerations (accessibility, information, and credibility) and 'sub-optimal' on e-commerce, immediacy and customer relationship which builds the brand (see table 5.9). None of the evaluated websites offer any real-time interactions, or any function to check room availability or on-line reservations. However, integrated on-line branding is especially important when launching a website. Successful website design and studying the unique characteristics of the Web to build the brand can help overcome any negative impacts generated as a result of start-up problems, including technical failures, customer service flaws and distribution issues.

E-commerce functionality completes the transaction and the deal to be closed. This offers opportunity for the hotel to start to build a relationship with the customer and thus, those websites without e-commerce functionality are likely to be disadvantaged. Customer relationship features also did not exist in most of the multiple independent hotel websites. Only few of the features related to this consideration were available on two out of the twelve multiple independent hotels included in the sample. Using email, feedback forms, newsletters, etc. enables this relationship to be maintained and strengthened and hopefully will lead to customer loyalty and building the brand.

However, web marketers were not able to identify the sub-optimal design of their websites. The interviewed Egyptian hotel marketers still feel uncertain as to how significant the impacts of web marketing might ultimately be and this is reflected in the design of their websites which represent an opportunistic web presence rather

than exploitation of the Web as an integrated part of their wider marketing strategy or strategic development, they do understand consumer needs in websites but lack of resources, in terms of investment capital, qualified personnel, and web marketing strategies hindered them from the full exploitation of this emerging medium. The technological sophistication of some of the sites runs counter to the trend for firms that are increasingly using their websites for customer service and building customer relationships building brands online, to move away from 'bells and whistles' towards technologically-simplicity (Dutta *et al.*, 1998).

On the other hand, the interviewed web designers assert that many Egyptian multiple independent and independent hotels are facing major challenges in building brands in virtual markets. They confirm that the nature of these businesses and their limited investment in on-line marketing make it difficult to them to fully exploit the potential of the Web as a marketing tool specifically in relation to addressing the branding issue. An important question that the interviewed web designers often failed to adequately address is "Whom are we trying to reach and what are we trying to accomplish once we have reached them?" The response requires considerable insight into all constituents who want to use the site, and what they are expected to gain. Web designers however need to be more interested in marketing/consumer behaviour rather than in technology, they need to better understand the unique characteristics of hospitality products and services (see section 2.4.2) and to consider customer needs in the design of their websites.

However, there is no doubt that the Web "*will provide the avenue for small firms to become more competitive*" (Morrison *et al.*, 1999:100). Small hotels should not be deterred from the Web since it offers all the essential elements for building a brand, i.e. the opportunity to build a positive feeling in the mind of the consumer. Indeed the

small hotel has many advantages in terms of building a personal relationship with customers because of their size, the way they are managed and the opportunity to more easily personalise their interrelationship with the customer. However, there are a number of ways in which a small hotel can overcome the branding issue and work to enhance penetration into the virtual marketplace. One is for the property to be acquired by an international chain and thus benefit from the soft branding implied with the name, notably a presence in cities around the world and the economies of scale emanating from association with the corporate business. Another avenue for small hotels is to become part of a marketing consortium with an established brand image, e.g. "Small Leading Hotels of the World" and "Welsh Rarebits", Morrison and Harrison (1998:355) comment that membership of a marketing consortium can:

Transform the small firm from a corner shop to a participant in the electronic shopping mall. However the downside relates to concerns that the small hotel loses autonomy and the return on investment is low.

Small hotels can also be listed (advertised) on hotel guides e.g. <http://www.hotels.com> or <http://www.hotelguide.com> - such interaction will help advertisers strengthen customer loyalty and brand-building through a more intimate and trusted consumer relationship. Another key issue is co-branding or partnership with another company. This will provide the ability to design smarter websites with adaptable content and functionality depending on combining the strategies of the two-partners/ co-brands. For example, small hotels would share a home page with links to other hotels or independent chains under the same classification or brand umbrella. This co-branding might be also with a company that could potentially be a non-travel partner and this may help these smaller hotels to improve their market reach on-line and to collect database and information from the customers of those co-branded partners in terms of database and sharing that information across channels.

However, there are a number of other ways that independent hotels can exploit the unique characteristics of the Web and its narrowcasting potential through niche marketing. Customer loyalty can be enhanced through developing a relationship with the customer by email, customer comments, even customer photographs can be posted on websites. Customers can help build the foreign language support of the website by pointing at destination-oriented published materials (Artl, 2002).

5.12 SUMMARY

This chapter outlined the results of the case study of the web marketing in the Egyptian hotel sector. It identified a number of major challenges to the expansion of electronic commerce in Egypt (see section 5.3.4 and 5.3.6), these are mostly due to the fact that there have been relatively few attempts by businesses, particularly small and medium enterprises (SMEs), to establish any electronic commerce ventures. Although the entry costs associated with electronic commerce have made it a very viable option for small and medium enterprises to pursue, several constraints restrict the further expansion of electronic commerce in Egypt, among them are: the lack of an accepted code of ethics; the necessity of developing focused Arabic language contents websites; the need for firm legislation system to handle Internet operations publicly; the growing quest for a reliable infrastructure to support faster Internet networks; the increasing need for an acceptable model to reduce the risk of handling credit information and personal details on the Internet.

Results from the evaluation of the Egyptian hotel websites show that Egyptian multiple independent hotels and independent hotels are facing a branding dilemma in the global marketplace. Most of these hotels websites performed 'satisfactory' and 'sub-optimal' on many of the evaluated website design features (see section 5.9). This was also confirmed by the results of interviews with both stakeholders of hotel

website design in Egypt (web marketers and web designers). The research identified major problems in relation to brand-building on both sides. There is generally little evidence of any adaptation of successful web marketing practice being made by hotel marketers in response to the opportunities offered by the web marketing strategies. Most of the small hotels' marketers feel that web marketing is still in its infancy and that it will be sometime before it becomes prevalent across the Egyptian hotel sector. They were mainly interested in consumer behaviour issues on the Web more than on other technical and website design issues. On the other hand interviews with web designers identified that they were more interested in technical skills to incorporate web technologies into the websites they design, but they lack knowledge and experience in marketing/consumer behaviour and the unique characteristics of hospitality products and services.

Although these results show that it may be quite a while before the Egyptian hotel sector is able to prove itself in today's global marketplace, the future looks considerably better. This chapter also identified the possibility of significant expansion and improvements as small and independent Egyptian hotels' marketers and designers are joining their knowledge and experiences with various lessons they learn from the web applications in other sectors and industries all over the world to design successful web strategies to allow Egyptian hotels to expand on-line and fully exploit the potential of the Web.

However, this research suggested a number of options overcome the branding issue and work to enhance penetration into the virtual marketplace (see section 5.11), but all of these options may work for one hotel and may not work for an other and therefore it is more strategic for these hotels to focus on building their brands on-line by understanding their unique characteristics (see section 5.11), to strengthen their

relationships with their customers. However, it is clear that Egyptian multiple independent and small independent hotels, to be competitive on-line, need to gain reliability and credibility besides the functionality and interactivity of their websites, they should focus on the successful planning of their "emarketing strategies" that allow them to effectively communicate and interact with their existing/potential customers.

This emarketing strategy is reached through the Web and its proactive integration into a strategic marketing strategy rather than its reactive fragmented application. This is possible and within the means of these small hotels through effective marketing communications planning that takes into account the proper mix and integration of all the marketing vehicles available, including corporate identity, brand development, advertising and promotion, sales literature, direct marketing, public relations, and most importantly a well-designed and maintained interactive website. However, the degree to use the Web compared to other means of communication does not depend upon the size of business and therefore small hotels can use their unique characteristics to build their relationships with customers and turn web interest into bottom line business using the features of the Web to encourage loyalty and build their on-line brands to compete against larger hotel chains in the global marketplace. This does not require massive investments or sophisticated technology rather than a deliberate creative strategy, designed to move the consumer along a continuum from unaware to aware, loyal, convinced, trusting and ready to buy to advocate and ally.

CHAPTER SIX

CONCLUSIONS

6.1	INTRODUCTION	253
6.2	MAJOR FINDINGS	253
6.3	CONTRIBUTION TO THEORY	257
6.4	CONTRIBUTION TO PRACTICE	259
6.5	CONTRIBUTION TO METHODOLOGY	260
6.6	LIMITATIONS	262
6.7	DIRECTIONS FOR FURTHER RESEARCH	263
6.8	FINAL THOUGHTS	265

CHAPTER SIX: CONCLUSIONS

6.1 INTRODUCTION

This chapter concludes this study on evaluating the Web as a strategic marketing tool in the context of the Egyptian hotel sector. Section 6.2 presents the major research findings with relation to brand-building on-line and the current exploitation of the Web in the Egyptian hotel sector. The significant contributions of the study in relation to theory, methodology and practice are outlined subsequently in sections 6.3, 6.4, and 6.5. The study limitations are presented in section 6.6, and an agenda for further research on this complex, yet significant and timely issue of web marketing is set out in section 6.7. The chapter concludes with section 6.8 which describes my final thoughts and reflections on the research process.

6.2 MAJOR FINDINGS

The emergence of the Web has attracted many hotel companies to consider the implications of global promotion of their brands. International hotel chains around the world spend billions to promote and support their brands and to deliver consistent messages to their customers. The Web has become an integral part of the marketing mix in building such brands. Through successful marketing programs, these companies have acquired loyal customer bases willing to seek them out and buy their brands on-line.

In the virtual market place branding poses a major dilemma for companies that have not established a "name" in the global marketplace. In the case of Egyptian independent and multiple independent hotels, seeking to attract international business, 'unknown' names in the global marketplace, even if they get to the top of

the search engine, they may not be selected by the customer. Consumers are wary of products that are not reinforced by a high street presence and so the opportunity for independent hotels to develop web business can be limited. On-line, "clicks and bricks" companies seek to preserve and build the hard-earned brands they have built in the real world, whilst "dot.com" companies are creating new brands in the virtual world. Therefore, brand awareness is a critical issue in relation to consumer decision-making around purchases and both companies with a high street presence (clicks and bricks) and purely virtual (dot.com) companies are seeking to create a web presence which reflects and develops their brand image. So the inherent dilemma for the Egyptian independent hotelier is that the Web promises them equal access to the consumer in the global marketplace alongside the international hotel chains, yet the brand name of the international hotel chains and their brand assets are likely to win the battle for customers on the search engines.

Thus, branding hospitality products and services is becoming an essential part of the marketing landscape of the future. This raises the question of how the hotel companies, particularly small and multiple independent hotels, will proceed in their efforts to promote brands globally. To be effective, brands must be promoted through the global mass media offered by today's technology and in the hospitality industry, technology represents one of the most significant channels for brand-building. Traditional distribution channels for hotel products are all now shifting to the Web and this is considerably affecting booking patterns and consumer behaviour and has potential implications for the branding and brand-building of hospitality products. Maintaining a good relationship with customers is critical to the development and survival of brands on-line.

This study's examination of a number of previous typologies that investigated the categorization of commercial websites demonstrated that most of them focus on the functional or the technological side of web design and rarely consider the unique issues associated with web marketing of hospitality products or the issues of brand-building. This study identified the need to develop a more comprehensive typology, encompassing functionality, design, web content and customer interactivity, to enable a comparative analysis, not only of technical aspects of hotel websites, but also other characteristics of hotel websites to evaluate their effectiveness from a consumer point of view and in terms of their brand-building capacity. Further enhancement of the design of this hierarchy of considerations, through the classification of the design features and the graphical presentation of the websites evaluation using radar chart, reflected three levels of hotel website performance (good, satisfactory, and sub-optimal). The radar charts facilitated the comparison of website design and performance on dimensions. In addition chapter four evaluated two-exemplar websites, one strongly-branded and the other weakly-branded using the developed tool. This evaluation of these two websites demonstrated how the allowed design considerations performing 'sub-optimally' to be easily visually identified.

In addition to the thesis' development and testing of this website evaluation tool, the Egyptian case study identified the importance of the issue of branding for the Egyptian independent and multiple independent hotels which are the subject of this thesis were identified. These businesses do not benefit from economies of scale and are not able to invest as heavily in website development as international chains. They do not benefit from their name being "known" and reinforced through a presence in cities around the world. This point their brand awareness and brand loyalty and it is possible that they will be bypassed as customers click onto familiar

names. In contrast, international hotel chains have developed products to respond to specific market segments and these products are delivered consistently around the globe. The customer thus knows what to expect and can be confident that they understand the nature of the product being presented. With the continuing reluctance of consumers to purchase products on-line web-based brand awareness can enhance consumer confidence and promote sales.

Despite the growth of the Web and the expanding interest in web marketing and on-line branding strategies discussed above, most Egyptian independent and multiple independent hotel marketers remain unconvinced and have to date chosen to remain on the “web sidelines”. The careful planning and the levels of investment in marketing strategies required to compete is beyond the means of many small hoteliers. The Web through its accessibility, functionality, and immediacy provides the elements essential to building a successful hotel brand. However, it remains unclear why most of these small operations are utilizing aspects of the Web only as a communication medium merely to disseminate information about their properties to their current and potential customers, but have yet to decide to engage in the ultimate form of electronic interaction with customers. So independent hoteliers must carefully analyse the distinctive characteristics of their products which differentiate them in the marketplace and project a unique selling point for the website as they build customer relationships. The unique ability of independent properties to respond to niche markets can thus enable interaction with very narrow market segments exploring the full benefits of the many-to-many narrow-casting potential of the Web (Hoffman *et al.*, 1995).

In the light of these findings, this thesis has recommended a number of strategies to address the branding issue (see section 5.11) and also emphasises the importance

for these small independent hotels of focusing on building their brands on-line by understanding their unique characteristics and building their relationships with the customers. In order for these hotels to be competitive on-line, they need to gain reliability and credibility. Thus besides the functionality and interactivity of their websites, they should focus on the successful planning of their emarketing strategies through the proactive integration of the Web into their strategic marketing strategy rather than their current reactive fragmented approach. In this way independent small hotels can strengthen their relationships with their customers and turn web interest into bottom line profits through encouraging consumer loyalty and brand-building.

This study has also supported however that Egyptian multiple independent and small independent hotels also need to be very realistic about the contribution that the Web can make to their business. The Web is no "field of dreams" and they need to continually add to their websites and update them regularly. It is therefore apparent that hotel marketers who seek to understand their markets and specifically consumers, develop web marketing objectives and strategies, incorporate useful design and interactive websites, and commit to an on-going system of testing (using tools such as the model developed in this study) will undoubtedly be successful in the virtual marketplace.

6.3 CONTRIBUTION TO THEORY

The thesis makes a contribution to the understanding of various issues related to web marketing, including: hotel management, information technology, marketing, electronic commerce and branding. Through its review of literature and generation of ideas it adds to the growing academic literature about hotel web marketing. This thesis also analyses web customers' cognitive and physical behavior from many

different perspectives, including navigational patterns, general experience with the Internet and the Web, attitude toward the use of the Web for shopping, and also identifies and analyses consumers' scenarios when buying hotel products on-line. The breadth of this thesis provides a rich resource for future research in the field of study and grounds the theoretical principles of hotel web marketing in a phenomenological research approach.

Another significant contribution of this research is the development of a diagnostic and analytical tool for the evaluation of hotel websites in terms of their brand-building capacity which codifies current knowledge of web design and performance issues. Underpinned by the findings from consumer interviews and the on-line survey, a hierarchy of considerations which emphasizes how a website can support branding was presented. These considerations provide a basis for hotel website design, as they include the different dimensions (accessibility and information, credibility, e-commerce, customer relationship and immediacy) required to facilitate a strategic approach to the rationalisation of hotel websites design, and as well a vital tool that helps in evaluating hotel websites. Further enhancement of the design of this hierarchy of consideration to reflect the performance of hotel websites through the graphical presentation of the results using radar chart was also achieved. It was then applied to an evaluation of a sample of hotel websites, which itself generated significant findings and results (see sections 5.7.1 and 5.7.2).

Most significantly, it allowed the classification of the evaluated websites into highly-branded websites (fully transactional, content-rich, secure, up-to-date and attention-arresting sites) and weakly-branded websites (static and brochure-like sites). The key finding in this is that the highly-branded chain hotels are all trying to compete with each other by adding more interactive features that provide global reach for

their customers and support their offline brand names. Most of the small independent hotels continue to design their websites to serve as an information source and a way to communicate with their customers electronically, thus functioning as a one-to-many marketing communication tool rather than an interactive many-to-many marketing communication model (Hoffman *et al.*, 1995). It is however obvious that these information-only websites will continue to attract a limited number of users and hence customers.

6.4 CONTRIBUTION TO PRACTICE

The chief contribution of this study to practice is the developed tool for the evaluation of hotel websites. This tool codifies current good practice and performance requirements for hotel websites to meet customer requirements and can be continuously refined as technological platforms and performance evolve. The model is thus dynamic and can be updated over time. As described above, the applications of the model to an evaluation of a sample of hotel websites supports the proposition that there is a continual demand for such a capable and useful tool that can easily be implemented to generate reliable results. Specifically, the graphical presentation of the results of this implementation allows website design considerations performing 'sub-optimally' to be easily visually identified and thus prioritized for development. There are several significant benefits of this tool: it presents a more effective and better-designed tool for hotel web developers; it offers a more clearly defined methodology to evaluate hotel websites. (through identifying sub-optimal performance and considering suitable actions to develop more effective websites); it facilitates understanding of the scenarios of hotel customers purchasing on line.

The model can also be used to develop a specification for website design. Work on European projects managed by UWIC: Optimize IT (an European Social Fund project funded through Welsh Development Agency) and the Network of Excellence for Action in Tourism (NEAT) and Strategic Project for In-Company Education (SPICE) (European Regional Development Fund and European Social Fund projects funded via Wales European Funding Office) suggest that small firms often do not have sufficient understanding of the technical issues associated with website design to be able to articulate their requirements for a website or to provide a technical specification. An appropriate specification would enhance the satisfaction of independent hoteliers in engaging with website procurement. Therefore, the findings of this study can be subsequently practically implemented through a set of good practice guidelines for inexperienced practitioners in the field.

6.5 CONTRIBUTION TO METHODOLOGY

The thesis has two significant contributions to methodology: the development of the on-line survey and the use of radar chart as a visualization technique to represent the results of the evaluation of hotel websites.

Using an on-line survey as a tool for collecting data offers exciting new possibilities to research. The use of on-line surveys for research has been a topic of interest among statisticians and information scientists (Pitkow and Recker, 1995) for sometime. There are benefits and drawbacks of on-line surveys, but the benefits outweighed potential concerns for this study. The on-line survey helped to minimize cost through four main factors: ease of data transfer and collation; visual presentation of figures and questions; removal of time constraints for answering questions; general convenience of on-line access for some participants.

However, whilst it is important that the potential of the on-line survey approach is grasped, it is equally important that its limitations are understood. Using the Internet as a means to accessing samples in some way representative of general populations is currently prevented by who has access to it and who is using it, although the user population is becoming less stereotypically male (see section 2.3.3). Moreover, even when the desired sample is of Internet users themselves, significant technical and operational problems remain in terms of how to ensure the population targeted is in fact the population which responds. Given this, conducting survey research on-line will, for the time-being, continue to present a certain amount of unknowns regarding sample bias. Another associated problem is that this type of survey also faces the risk of hard- and software failure and other problems due to the connection on the Internet. Despite these problems, it has been very helpful to collect data from a research undertaken via the Internet where a non-random sample was selected by administering the questionnaire via an e-mail system. This mode of sampling ensured that the respondents were all Internet users and the indicative data was deemed to be useful and the research worthwhile.

Using radar charts as a simple visual representation tool for hotel website design is the second major contribution of this research to methodology. A radar chart, sometimes known as a "radar plot" or "spider web" chart is useful, in particular for comparing performance on multiple dimensions simultaneously or for comparing cases with multiple performance dimensions. It has been well established as a management tool and latterly has been used for benchmarking (Mosley and Mayer, 1998). This approach for visualizing multidimensional data was found very appropriate and helpful in graphically representing the evaluation of multiple considerations of hotel website design and to quantify overall performance taking

into account all these considerations. This tool could be applied in various modes of applications to similar research projects.

6.6 LIMITATIONS

The research area of web marketing is new and complex and Internet technology and its exploitation are constantly changing as awareness and understanding develop. Websites are dynamic and change overtime and thus qualitative evaluation must be recognised as valid at a point in time. The website evaluation tool developed here will need to be evolved for it to maintain currency, particularly in relation to the codification of performance standards which will evolve over time as technology develops. This may result in new dimensions and considerations being added and some being deleted.

In addition to the dynamic nature of the field of study, two limitations concern the interviews and the on-line survey. Firstly, the validity of the semi-structured interviews in the case study may be lowered due to the fact that the interview questions were translated into the Arabic language and accordingly answers were again re-translated into English during transcription. In the translation process words can unintentionally acquire the wrong meaning. The strategy of consulting professionals in translation and allowing the review of the translated work has hopefully helped to overcome this problem. Secondly, the on-line survey is a new and as yet unproven way of conducting research. There are virtually no comparable studies yet published that could indicate whether the response rate of the survey used is satisfactory or not. However, it is often difficult, if not impossible, to design survey instruments that are completely bias-free. This study is no exception. It is subject to sampling bias, response bias, and questionnaire bias. Therefore, caution

must be used when interpreting and generalizing the results of the survey as in research project of this kind.

During the case study phase of the research, some of the limitations of the data are due to the fact that they have been collected primarily from different on-line sources (governmental organizations, ministerial websites, banks and non-governmental organizations). Unfortunately, the data was limited and some was not available. It is possible that information about the tourism market, especially that related to the number of tourists, nights and hotel rooms may not represent the actual figures for the country. This is especially true of the tourism statistics and the estimations of the Egyptian Internet population and the user profile. While all possible measures have been taken to compile, code and interpret the collected information, it is possible that some errors may have occurred due to the inaccuracies of the data.

6.7 DIRECTIONS FOR FURTHER RESEARCH

The issue of the Web in the context of hotel marketing is still wide open for exploration. It is a complex field, which demands specific comprehension of multiple disciplines not only those related to the Internet and the Web (Information technology and technical issues) but also others associated with hotel marketing, electronic commerce, and branding. However, the research findings provide some promising areas for future investigation. The most important of them are highlighted below:

- Brands and brand-building mechanisms are associated with consumer markets. This thesis highlighted some of the concepts, strategies and key issues related to brands and brand-building focusing on an Egyptian case study. Nevertheless, an in-depth analysis, drawing on several case studies exploring

the social and psychological dynamics of the Web and its impact on consumer behaviour and decision making and possibly focusing on applications to other sectors or in other destinations would represent an exciting opportunity for further research.

- Building on this study, another significant avenue for further research that is extremely appropriate and timely would be using the developed tool to evaluate hotel websites. The tool can be used in its present design fashion or may be further enhanced to evaluate larger samples of hotel websites in different situations, or even websites from other tourism sectors and services (e.g. restaurants, travel agencies, tourism information centres.). These researches would allow the critical comparison of results and would methodically identify the impact of the Web in different organizational structures and other customer marketplaces.

- Another possible area of further research is that focusing on the Web customers, particularly in relation to developing countries and non-English communication. This study used semi-structured interviews and an on-line survey to investigate customers' scenarios when buying on-line and to identify the user-relevant hotel website design features. It thus contributed to the conceptualisation of customer relationship marketing and highlighted the importance of studying the Web from consumer point of view. Perhaps another useful study would either use other methodologies to examine consumer attitudes and behaviour on-line, or expand this study of identifying customer scenario when buying hotel products on the Web by focusing on a random sample, therefore representative of the population at certain levels of significance.

- This study highlighted the importance of forming an emarketing strategy through the integration of the Web into the hotel's marketing strategy. More research with the focus on small independent hotel may tackle the fundamental issues of how best to proactively integrate the Web into a strategic marketing strategy rather than its current reactive fragmented implementation.

- Finally, many small companies have been operating on-line under the assumption that they are reaping positive financial benefits from their web presence. Further examination of the Web as a marketing tool would focus more on the cost and profit side of developing websites, for instance, to justify the on-line return of investment (eROI) of websites, this could explore whether the Web presence of these companies is significantly reducing marketing costs and generating recognizable profits in terms of increased revenues, cost savings, and brand equity value, and if so, would this actually change marketers' attitudes towards on-line marketing.

6.8 FINAL THOUGHTS

In conclusion, this thesis is the culmination of a four-year research effort designed to evaluate the Web as a strategic marketing tool in the context of the Egyptian hotel sector. The author hopes that the development of a tool to evaluate a brand-building website and its graphical representation facilitate the pragmatic solution of problems identified during hotel website design and development. It is also the author's sincere aspiration that this thesis, through its rich sets of information will provide support to those who will carry on further research including data gathering and analysis needed to study web marketing.

Finally, this research has greatly contributed to my knowledge and research aptitude, it allowed me to explore issues that I am certain not many researchers are focusing on. I have been able to forge new and unexplored areas that I find interesting, especially those that arose during the development of the model and the search for the appropriate methodology and theoretical perspective that corresponded to my research. In the early stages of my research I adopted very much a bottom-up approach to the development of research methods, selecting quantitative or qualitative methods, on the basis of fitness for purpose. Through my research experience I have developed my understanding of the research process and would now adopt a more holistic approach to research design recognizing epistemological issues. If I were to be undertaking a new piece of research or extending this study, I would approach it in a very different way!

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APPENDICES

APPENDIX A

Appendix A-1: Interview pattern with hotel web customers	288
Appendix A-2: Copy of the on-line survey	298
Appendix A-3: The selected hotel websites sample	301
Appendix A-4: Example of hotel website evaluation	302
Appendix A-5: Interview pattern with Egyptian hotel marketers	309
Appendix A-6: Interview pattern with Egyptian hotel web designers	310
Appendix A-7: Designing the NUDIST*QSR project	311

APPENDIX B

Appendix B-1: Dimensions of website evaluation	316
Appendix B-2: Website evaluation - Testing the appropriateness of the model	317

APPENDIX C

Appendix C-1: Distribution of hotels in Egypt by governorate (1997-2001)	330
Appendix C-2: The change of the number of hotels in Egypt by governorate (1997-2001)	331

Appendix A-1: Interview pattern with hotel web customers

INTERVIEW WITH WEB CUSTOMERS

Interview date:

Interviewee code:

Section One: Demographics and Personal Information

- Name:
- Age:
- Gender:
- Occupation:
- Average income/year £
- How many times do you go on holiday/year?
- What sort of traveler you consider yourself?
- Who usually makes your traveling arrangements?

Section Two: The Internet and the Web

- How long have you been using the Web?
- What is your general idea about the Web and its benefits?
- What are your main purpose(s) of using the Web?
- Where do you gain access to the Web?
- How many hours you use the Web /week?
- Is there a special time or day(s) you usually use it?
- What do you think of the Web as a potential for on-line shopping?
- Have you ever had a shopping experience on the Web? If yes, tell us about it.
- What sort of websites do you usually use when buying on-line?
- What do you usually buy on-line? If yes, what you usually buy on-line?
- Do you think of any products/services that you would not buy on-line?
- Are there are any other barriers for using the Web for shopping purposes?
- Do you give your credit information on-line? If not, why?

Section Three: How do you usually buy travel products on-line?

- Have you ever used the Web to buy travel/hotel products?
- If you are looking for a travel product on-line what
- Procedure would you follow?
- How does this differ to the sort of information you require when you buy travel products by other methods?

- Are there any other marketing medium(s) draw/help to draw your attention to the websites?
- Do you usually go to websites that you already know?
- Are you familiar with any travel products or hotel sites on the Web?

Section Four: Websites Features

To what extent you consider the following features to be important to you on a hotel website: (please comment on each feature as much as you can)

- The site is easy to navigate
- The site provides extended information on hotel products.
- The site provides different languages
- The site has multimedia items
- The site provides extensive price information
- The site URL address (e.g., www.hilton.com)
- The site has reliable Links
- The site provides on-line reservation
- The site is updated (e.g., product, prices, promotions)
- The site is secure for on-line payment
- The site offers on-line promotions (e.g., coupons, packages, etc.)
- The site includes FAQ section
- The site provides customer service
- The site includes "What's new" section
- The site provides a feedback form

Appendix A-1-1: Example of an interview with hotel web customers

- Interview date: 17/2/2000
- Interviewee code: IM**

SECTION ONE: DEMOGRAPHICS AND PERSONAL INFORMATION

- **Name:** *****
- **Age:** 56
- **Gender:** Male
- **Occupation:** Part time academic (professor)
- **Average income/year** £ *****

Q 1. How many times do you go on holiday/year?

Probably take 4 to 5 holidays a year including within the UK or overseas

Q 2. What sort of traveller you consider yourself?

Leisure and business

Q 3. Who usually makes your travelling arrangements?

If I am planning on a holiday I make my own arrangements. If on business some of it I will make my own arrangements, but other arrangements would be made for me.

SECTION TWO: THE INTERNET AND THE WEB

Q 4. How long have you been using the Web?

I have been using it for 3-4 years now.

Q5. What is your general idea about the Web and its benefits?

The first element I think of is the immediacy of the Internet, you have the facility on your desk at work, on your desk at home, you can literally with a press of a button get in contact with establishments. Do you mean a communication tool? Yes, I mean that it is immediate; you can do it without having to go anywhere. Convenience I mean. The second thing, is the extend that you actually using it in real time, you can get information which is very up to date, you will be getting the latest possible of information, The third thing, possibly reinforcing this idea of convenience you can just go ahead and do it.

Q.6 What is your main purpose(s)of using the Web?

In more general context I would use it as an alternative of other resources of information, and as a research tool, for instance now, if I want a certain reference material, I know I will get that from the Internet, I will go to the Internet specifically for this purpose, without looking into any other source of information. I would sometimes use the Internet to collaborate other information, for instance I might read something in today's newspaper that such and such happened, I would then go to the Internet may be to have a full back ground of it.

Q 7. Where do you gain access to the Web?

From home and the office.

Q 8. How many hours you use the Web /week?

My pattern is that I use it more so I can classify my self into three areas. Academic use, business use and leisure use from home, of the three, I would have thought it is business use from work and office, I am not a great leisure user for the net.

Q 9. Is there a special time or day(s) you usually use it?

At home I would sort of checking my emails, because I am paying for the calls. I do when I need to, I do not choose certain time, no specific time, and my main use is during the day, some during the evenings, no specific time.

Q 10. What do you think of the Web as a potential for on-line shopping?

I am not really a shopper by inclination, I have traditionally behaved in a particular way, I am used to buying products over the a counter I'm used to the notion of personal service, I'm used to doing it that way, I have never made a conscious decision to say I really could buy that over the Net. I do not know, I found it interesting to see traditional distinction breaking down that traditionally people pattern in life to have a work place and homes some where else, and shops some where else, so you know there are places where you work, there are places where you live, there are places there where you are engaged in commerce, and to actually have all of these some times merging into one, is a very interesting experience, and to me the idea of arm chair shopping, is a contradiction in terms that to me an armchair is somewhere one sits down and relax, the last thing I want to do is shopping which I hate anyway, you know again with other commerce on the Net possibly the product of my generation I attached to personal services, in terms of banking I could do national transaction on the Internet, it is a way of transacting business which is eminently civilised eminently workable in time to come I may will alter that completely but at the moment I do not see any huge advantage to me to transacting that some of those things over the Net.

Q 11. Have you ever had a shopping experience on the Web?

I use the Web reasonably extensively to order textbooks, at home I buy books in relation to my work. I have not rushed to buy any consumer products through the Net

Q 12. What sort of websites do you usually use when buying on-line?

Usually global websites

Q 13. What do you usually buy on-line?

Textbooks

Q 14. Are there are any other barriers for using the Web for Shopping purposes?

I suppose as somebody who is of my age people call mature, I suspect that probably a little bit more conversion with IT the many people from my generation and age I was brought up with pen and better, and I was fortunate in a sense that my work I needed to have a facility with it, but I can understand that the it for people perhaps from my age or generation the Internet can be frightening to them, and I think this is changing rapidly.

Q 15. Do you give your credit information on-line? If not, why?

On approval basis and the payment would be something latter.

SECTION THREE: HOW DO YOU USUALLY BUY TRAVEL PRODUCTS ON-LINE

Q 16. Have you ever used the Web to buy travel/hotel products?

I would use it for information, the pattern of my travel is such as that I do not often need to buy on-line, I would often buy on telephone, but the situation I used to

travel, is to a large extent we as a family, for a personal holiday, we usually go using touring caravan and so that is something which you do not need to make reservation before you go. I might search for information to help me about the destinations with accommodation when I am travelling for business I would look at a site to look for information but I usually confirm by telephone partly because I find the telephone slightly more flexible, because sometimes, there might be a query I might have when I say, for example, look I will be arriving late is that ok? Or may be some sort of negotiating prices? This is the other thing negotiating prices on-line.

Q 17. If you are looking for a travel product on-line what Procedure would you follow?

If it is a destination I am not familiar with, if it is within this country I would tend to go through the official tourists board system I would think to my self, let's assume I want to go to Liverpool, right I know that Liverpool is in England and I know it is in the in north west of England, I would go to the north west then I would go to the Northwest tourist board and go down from there, I would not go to Liverpool site as a destination because I would feel that this is such a hit and miss affair, I want accommodation so I go to the organizations that offer accommodation, I would go to the tourist board.

Q 18. Do you usually go to websites that you already know?

To an extent yes. As far as using sites of concern I have a certain number of sites which from experience I know them and so like anybody else I will bookmark them and return to those site times and time again. On other occasions, I would search the net for information using any search engine. I have to say I am not an expert in that matter, I find the net very confusing sometime, I find it a hit and miss, it has flexibility but has also weaknesses, but I enjoy using it, I find it useful.

SECTION FOUR: WEBSITES FEATURES

Q.19 To what extent you consider the following features to be important to you on a hotel websites?

☒ *The site is easy to navigate*

In terms of navigating the site, I think that easy navigation is very important indeed, if you are a new user of e-commerce, you going to say God this is not for me I can not find my way in this, so if the site is not professionally organized and easy to work that make me think I do not want to know about this site, I do not want to know about this company. It is a representation of the company, it is the same as a brochure, it is like an advertisement, and it is half of the brand in nature, so a bad website says to me "bad company".

☒ *The site provides extended information on hotel products.*

Information, information, information, certainly when I am buying accommodation, I need that information to be clear, very specific, I do not want any ambiguity I would be very very careful here, because I recently made some work on holiday decision making and it was very very interesting to see, respondents to the survey say, yes the Web is great, but I want a brochure in my hand, for more information.

☒ *The site provides different languages*

Yes It is very important, I think every provider of the Internet service should ask him self who are my clients, what they want, and having done that, they should provide information in those languages. One of the things that I come very cross indeed about, is when people offer different language, if you going to offer a bi/multilingual site every language has to be given in equal stages. Obviously in some cases you may want to have a greeting or welcome and you might have a paragraph in

different language, I think that is ok. But if you actually have different language users extensively using you have to give them the full facility of using different languages, and you have to do it properly. The quality of translation should be good.

☒ *The site has multimedia items*

Multimedia, I think there is a danger of technology led sites that you provide moving pictures because you are able to provide it. I am quite happy to have a representation of the product, I am not convinced that I need any sort of dancing or music. I am not sure it is a tool of interactivity

☒ *The site provides extensive price information*

very important extremely important, I think that price information has to be accurate, it has to be clear and very simple, I have a huge worry myself of something which advertises prices from 19.99.

☒ *The site URL address (e.g., www.hilton.com)*

I think that having an easily identifiable address is very useful for first time visitors to the site, if I want some information about Hilton hotel I will take a chance and just type Hilton, Once you are into the system you then it does not really matter if the name is Greek you know, because you have it on your list book marked it, have not you? I would have thought that it is an advantage, but overtime the advantage becomes less.

☒ *The site has reliable links*

Very important indeed, because the main element of the net that it is a net, at what it is, that is what it is all about, but I think that the links have to be very well constructed otherwise you can end up with wrong information.

☒ *The site provides on-line reservation*

Yes, I think it is important, and it is growing important, bearing in mind that travel is become much more frequent more short term planning and so on.

☒ *The site is updated (e.g., product, prices, promotions)*

Yes, it should be, the essence of the Net is immediacy, if you are not updating it, you are missing out but also you are actually showing to your customers that you do not understand the culture of the net, and that could be more damaging, without any doubt.

☒ *The site is secure for on-line payment*

Yes important.

☒ *The site offers on-line promotions (e.g., coupons, packages, etc.)*

It is the character of the net, these things are changing so actually to have this week special promotion, this week special offer, this is very much what the net is all about, so yes it has to be important

☒ *The site includes FAQ section*

Yes. I think sometimes that the net providers tend to use FAQ as a means of not giving people individually information, by that I mean it is a way of discouraging people of getting into a dialogue with individuals.

☒ *The site provides customer service*

Yes, very important providing the answer to customer's questions promptly within a giving time.

☒ *The site includes "What's new" section*

Yes, it is important.

☒ *The site provides a feedback form*

Yes certainly it is part of our customer driven culture

Q.20 Do you think there is any other features that can be added to this list?

No there is nothing I can think off.

Appendix A-2: Copy of the on-line survey



School of Hospitality, Tourism & Leisure

A questionnaire to rate the relative importance of hotel Web site design features

This questionnaire is a part of the methodology employed for an ongoing Ph.D. research entitled 'An evaluation of the World Wide Web (WWW) as a strategic marketing tool for the hotel sector'. The following survey aims to rate the relative importance of hotel web site design features from the online customer's point of view.

Please take the time to candidly complete all questions and be sure to include written comments if there are any as they enrich the feedback. When you have finished, please press the submit button and the survey will be sent via electronic mail to the researcher for processing and analysis. Thank you for your assistance and response.

SECTION ONE: General data

1) What do you primarily use the Web for?

Please select.....

2) Would the Web be the first information source you would consult when looking for hotel information?

☐ Yes

☐ No, if no Which of the following would be your first source:

Other

3) How do you find out about hotel Web pages/sites?

Internet search engines

4) Please indicate the extent to which you agree or disagree with the following

	Strongly agree	Agree	Do not know	Disagree	Strongly disagree
I currently use the Web to buy hotel products online.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Web enables me to get better deals on hotel products.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think the Web makes an effective contribution to hotel marketing.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think security and privacy are the main barriers to Web hotel marketing.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think the Web can reach the right consumers faster and more effectively than other marketing media.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I will certainly use the Web to search for information on hotel more in the future.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I will certainly use the Web to buy hotel products more in the future.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

SECTION TWO: Hotel Web site Features

5) The following list contains 48 Web site features. Please rate the relative importance of each feature, i.e. to what extent you consider the following features to be important to you on a Hotel Web site. Please rate the following hotel web site features on a scale of 1 - 5 where:

- (1) is critically important
- (2) is very important
- (3) is important
- (4) is not very important
- (5) is unimportant

Please tick one box per each feature

Technology and Structure

1 2 3 4 5

- ☐ ☐ ☐ ☐ ☐ Accessibility 'i.e. the site can be accessed reliably or it is frequently off-line'.
- ☐ ☐ ☐ ☐ ☐ Downloading time 'i.e. the site does not take a long time to download'.
- ☐ ☐ ☐ ☐ ☐ Navigation 'i.e. it is generally easy to move and/or find information on the site'.
- ☐ ☐ ☐ ☐ ☐ Flow and design 'i.e. the site is organized in a logical manner'.
- ☐ ☐ ☐ ☐ ☐ Multi-Lingual site 'i.e. the site provides information with different languages'.
- ☐ ☐ ☐ ☐ ☐ URL address (domain name) 'i.e. the site has short, easy to remember address'.
- ☐ ☐ ☐ ☐ ☐ Rank on search engines 'i.e. the site has high rank on different search engines'.
- ☐ ☐ ☐ ☐ ☐ Updates 'i.e. the site is frequently updated and it says when it was last updated'.
- ☐ ☐ ☐ ☐ ☐ Graphics 'i.e. the site includes graphic items'.
- ☐ ☐ ☐ ☐ ☐ Multimedia 'i.e. effective audio/video elements appropriate to the site purpose'.
- ☐ ☐ ☐ ☐ ☐ Reliable hyper links 'i.e. the site contains useful and functioning hyper links'.
- ☐ ☐ ☐ ☐ ☐ Search the site 'i.e. information can be effectively retrieved from the site'.

Product Features**1 2 3 4 5**

- ☐ ☐ ☐ ☐ Basic product information
☐ ☐ ☐ ☐ Additional (expanded) product information
☐ ☐ ☐ ☐ Online brochure
☐ ☐ ☐ ☐ Online help for choosing products
☐ ☐ ☐ ☐ Customer participation in new product design
☐ ☐ ☐ ☐ Group bookings
☐ ☐ ☐ ☐ Destination contents (details)

Price Features**1 2 3 4 5**

- ☐ ☐ ☐ ☐ Price information available online
☐ ☐ ☐ ☐ Customer participation in pricing
☐ ☐ ☐ ☐ Currency converters

Place (Distribution) Features**1 2 3 4 5**

- ☐ ☐ ☐ ☐ Product availability
☐ ☐ ☐ ☐ e-mail reservation
☐ ☐ ☐ ☐ Online reservation
☐ ☐ ☐ ☐ Real time processing of orders
☐ ☐ ☐ ☐ Confirmation
☐ ☐ ☐ ☐ Online payment
☐ ☐ ☐ ☐ Third party bookings (GDS.)
☐ ☐ ☐ ☐ Credit cards accepted
☐ ☐ ☐ ☐ Privacy and security matters

Promotion Features**1 2 3 4 5**

- ☐ ☐ ☐ ☐ Online advertising
☐ ☐ ☐ ☐ Downloadable coupons
☐ ☐ ☐ ☐ Special packages and offers
☐ ☐ ☐ ☐ Frequent guest programme
☐ ☐ ☐ ☐ Membership clubs
☐ ☐ ☐ ☐ Discounts

Customer Involvement and Interactivity Features**1 2 3 4 5**

- ☐ ☐ ☐ ☐ Feed back form
☐ ☐ ☐ ☐ Online customer service
☐ ☐ ☐ ☐ Customer identification (profiling)
☐ ☐ ☐ ☐ Customer communities
☐ ☐ ☐ ☐ FAQ
☐ ☐ ☐ ☐ Mailing lists
☐ ☐ ☐ ☐ News letters
☐ ☐ ☐ ☐ Direct e-mail
☐ ☐ ☐ ☐ Suggestions and/or complains
☐ ☐ ☐ ☐ What's new section

SECTION THREE : Demographics**6) I access the Web**

- ☐ From work only
☐ From home only
☐ From home and work

Other please specify _____

7) I access the Web

- ☐ Every day
- ☐ Every week
- ☐ Every month
- ☐ Less often
- ☐ Never

8) Please specify your gender

- ☐ Male
- ☐ Female

9) Which of the following age groups do you fall into?

☒ Under 25

10) Would you like to receive a copy of the completed report of this questionnaire?

- ☐ Yes
- ☐ No

11) Please use the space provided below to add any additional comments you feel might relate to this research

12) Please provide your email address

Thank you for your responses. Please click submit below.

For more information please feel free to contact me at:

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UWIC

Appendix A-3: The selected hotel websites sample

THE EVALUATED HOTEL WEBSITES SAMPLE	
Hotels/Destination	URL address
Egyptian Hotels	
International chains	
Helnan hotels	Http://www.helnan.com
Oberoi hotels	Http://www.oberoihotels.com
Accor hotels	Http://www.accor.com
Sheraton (ITT)	Http://www.sheraton.com
Multiple independent hotels	
Pichalbatros hotels	Http://www.allofegypt.com/pickalbatros/hurghada
Flamenco hotels	Http://www.flamenco.com.eg
Shams hotels	Http://www.shamshotels.com
Golden 5 hotels and resorts	Http://www.golden5.com
Single independent hotels	
Plaza hotel	http://www.plazaegypt.com
Cairotel	http://www.maadi.com/cairotel/caitotel.htm
Al salamlek hotel	http://www.sangiovanni.com/salamlek
SanGoivanie hotel	http://www.sangiovanni.com/san
UK hotels	
International chains	
Forte (Heritage) hotels	http://www.heritage-hotels.co.uk
Summit hotels and resorts	http://www.summithotels.com
Golden tulip	http://www.goldentulip.com
Marriott	http://www.marriott.com
Multiple independent hotels	
Brook hotels	http://www.brook-hotels.co.uk
Four Pillars hotels	http://www.four-pillars.co.uk
Thistle hotels	http://www.thistlehotels.com
Capricorn hotels	http://www.capricornhotels.co.uk
Single independent hotels	
Court Colman Manor	http://court_colman_manor.com
Grapevine hotel	http://www.vines.co.uk
Sorrento	http://www.sorrentohotel.com
Marinarers lodge hotel	http://www.btlinternet.com/~zipster2000/mariners
USA Hotels	
International chains	
Four seasons	http://www.fourseasons.com
Hilton	http://www.hilton.com
Howard Johnsons	http://www.hojo.com/ctg/cgi-bin/HowardJohnson
Hyatt hotels	http://www.hyatt.com
Multiple independent hotels	
Pinnacle hotels	http://www.pinnaclehotelsusa.com
Westcoast hotels	http://www.westcoasthotels.com
Omni hotels	http://www.omnihotels.com
Amrihost inn	http://www.amerihostinn.com
Single independent hotels	
Danish Manor Hotel	http://www.danishmanor.com/
Sorrento	http://www.hotelsorrento.com/
Johns town	http://www.johnstown.com/city/johnstownhotel.html
The island house	http://www.theislandhouse.com/rates.htm

Appendix A- 4: Example of hotel website evaluation

COURT COLMAN MANOR

URL address: www.court-colman-manor.com

Location: Bridgend, Mid Glamorgan, Wales.

Category: ***

Date accessed and analysed: 10 July 01.

Time analysed: 8:21:01 PM.



1. INTERACTIVITY

Accessibility

- The site has been accessed several times before this evaluation to check consistency; it is accessible reliably linking from different search engines and links from other sites and links to wedding and conferences services in Wales, and travel portals e.g., <http://www.a1tourism.com/uk/>, <http://www.walesindex.co.uk/>, and <http://www.southwalesindex.co.uk/>.

Downloading Time

- The following table represents the approximate downloading time for the homepage and the site average.

MODEM CONNECTION	29.8 K BAUD	56K BAUD	128K BAUD
Homepage	24.4 sec.	12.2 sec.	5.5 sec.
Site average	15.6 sec.	7.8 sec.	3.5 sec.

Analysed by Gif Wizard (OptiView) software. Based on a connection using a standard PC (PIII and 64 MB RAM) linked to a normal connection using a UK landline and a 64 K. fax-modem.

- The evaluation of the website home page uncovered opportunities to conservatively reduce the hotel image (on the front page) download time by an average of 9%, with some images reduced up to 27%.
- OptiView found no images with exact duplicates. Duplicate images are images that are exactly the same but have different URLs. This defeats browser caching, and slows down pages.

Navigation

- The site follows a slide show structure and consists of eight different web pages rather than sections on the same central page (front page). Most of the pages are designed to include a photograph and a brief text about each of the hotel facilities or services.
- In general the site lacks a number of navigation features. It only provides a hot key on the bottom of the front page (tour) to press to enter the site. This key functions as an alternative to using the back and forward button on the site user browser.
- The site does not provide interesting flow and not very easy to navigate as it lacks an organized navigation bar. It does not include navigation icons such as named back, forward, go to top, home. It can only be navigated through a list of keys (menu) on the left-hand side, a downside of this list is that the user has to use his scroll down bars on his browser to scroll down and view this list of links.

Flow and Design

- The site is criticized with the use of a black front page (background) with plentiful of empty meaningless spaces.
- The designer poorly used the hotel exterior as a major graphical item in creating the front page but in fact this use did not add any interesting features. The picture it self is used to create other collateral marketing materials (e.g., a greeting card of the hotel). The use of a degitized version of this picture on the website seemed useless as it does not reflect the beautiful location and the colourful natural surroundings of the hotel.
- In general the site lacks a number of web design and structure features such as the use of colour, text and imaginary items and hyperlinks. It only represents an on-line brochure rather than an interactive website.

Languages

- The site only used English language.

URL address

- One of the very few good features of the website is the easy to remember URL address which indicates that the hotel had invested in its own site.

Rank on search engines

- The hotel website did not have a high rank among the top websites when searched using the key words (hotels+Wales), (hotels+Bridgend) on popular search engines (*yahoo.com*, *altavista.com*, and *lycos.com*)

Updates

- There is no evidence of when the site is last revised or updated.

Graphics

- The site has a poorly designed home page.
- Pictures are included in almost every page of the site although most of them do serve the purpose related; they did not seem very clear in some sections around the site e.g., conferences.

Multimedia

- The only multimedia items found on the site is a loop of changing images related examples are the "*Interior*" and "*Restaurant*" pages.

Reliable hyper Links

- No broken links were found on the site (as analysed by OptiView software).
- The site included a section for links among these are the Welsh Tourist Board, Data Wales, and total Bridgend. All of them were functioning properly

Security

- It does not say on the site if it is using any security standards or client data protection.

Search

- There is no search feature on the site or any links to external search engines.

2. PRODUCT

Basic product Information

- The idea of presenting basic information about the hotel products is only presented through different pages as each included a picture and brief description or comment.

Additional (expanded) product information

- Product information is not very clear; the site does not even give any information about its category or the type of rooms it offers and their prices.
- No detailed information about products and facilities was provided. It would have been for example helpful for the dining section to include menus and prices.
- Finding information about prices was a difficult task as the only way to do so is to fill out a form for more information in the contact us section.

On-line brochure

- It is not possible to view /download a brochure from the site.
- There are not any links to other brochure or catalogue pages.

On-line help for choosing products

- The site does not provide any help information for choosing products.

Customer participation in new product design

- The site does not engage its customers in the design and development of new products/or services.

Group bookings

- The site does not offer any details about group bookings, e.g., facilities, discounts, or special packages.

Destination contents

- The site provides links to destination details through providing a link to the Welsh Tourist Board and total Bridgend.

- Few words about the historical background of the hotel are presented in the "*House*" page.

3. **PRICE**

Price information available on-line

- No price information available on-line.

Customer participating in price

- The site does not engage its customers in product pricing.
- The site does not allow on-line price negotiations.

Currency converter

- No link to currency converter.

4. **PLACE**

Product availability

- It is not possible to check product availability on-line.
- On-line reservation form is only available in the contact us page.

Email reservation

- It is possible to make email reservation.

On-line reservation

- There is an on-line reservation form is available in the contact us page.

Real time processing of orders

- It is not possible to purchase hotel products in real time.

Confirmation

- It does not say if there is any mean of confirming booking by email or other sort of communication.

On-line payment

- It is not possible to handle payment on-line.

Third party bookings

- Not available.

Credit cards used

- It is not stated on the site which types of debit/credit cards are used.

Privacy and security

- There is not any sign of security standards or privacy matters.

5. PROMOTION**On-line advertising**

- The site does not use any on-line advertising or any other promotion items or special programs for guests.

Downloadable coupons

- Not used.

Frequent guest programs

- Unavailable.

Membership clubs

- Unavailable.

Discounts

- Unavailable.

6. CUSTOMER RELATIONSHIP**On-line customer service**

- Not provided.

Customer Identification (profiling)

- Not used.

Customer communities

- Not used.

FAQ

- Unavailable.

Mailing lists

- Available as guests can join the hotel mailing list, and subscribe to the monthly recipe from the Llewellyn Cook Book using the form on the contact us page.

Direct email

- Available from the "**contact us**" and "**links**" pages.
- There are as well direct links to email for further information in the "**conferences**" and "**Weddings**" pages.

Suggestions or complaints

- Unavailable.

What's new section

- Unavailable.

Appendix A- 5: Interview pattern with Egyptian hotel marketers**INTERVIEW WITH EGYPTIAN HOTEL MARKETERS****Section One: The role of the Web in hotel marketing and its relation to the Egyptian hotel market**

- What do you think of the role of the Web in hotel marketing in general?
- Can you think of any benefits that users can gain from using the Web to buy hotel products on-line? Are there any barriers?
- How can you relate that to the case of the Egyptian hotel marketing?

Section Two: Hotellers motives to start a website and their on-line marketing experience

- What were your hotels' motives to start a website?
- How well do hotel web designers translate the relationship between the hotel and end user (customer) preferences?

Section Three: Hoteliers opinions about their websites

- In terms of website design features, what type of a hotel website do end users (customer) like?
- How is that related to your hotel website?
- Would you briefly provide your experience with on-line marketing? Does it affect your reservations, sales, etc.?

Section Four: The future of hotel web marketing in Egypt

- What are your plans to attract your potential/current users to the hotel's website?
- How do you feel of the future of the Web as a strategic marketing tool for your hotel's marketing?

Appendix A-6: Interview pattern with Egyptian hotel web designers

INTERVIEW WITH EGYPTIAN HOTEL WEB DESIGNERS

Section One: General experience and understanding of hotel web marketing

- How long have you been designing and creating websites for hotels/hotel companies?
- What do you think of the role of the Web in hotel marketing in general?
- How can you relate that to the case of the Egyptian hotel marketing?

Section Two: Successful hotel website design

- In your opinion, how well do hotel web designers translate the relationship between the hotel and end user (customer) preferences?
- What are the features you consider most important when you design a hotel website that meets the needs of the end user (customer)?
- Does this differ when you design Websites for other sectors?

Section Three: Hotels web marketing strategies

- What strategies work best for hotels seeking on-line brand loyalty?
- How can websites best attract more customers to supply their credit cards and personal information on-line?

Section Four: The future of hotel web marketing in Egypt

- What do you think of the future of the Web as a strategic marketing tool for Egyptian hotels?
- What are your company's plans for the future in terms of the Web providing potential for hotel marketing?

Appendix A-7: Designing the NUDIST*QSR project.

“NUDIST 4” stands for Non-numerical, Unstructured, Data: Indexing, Searching and Theorising. It is a computer package designed to aid users in handling Non-Numerical and Unstructured Data in a qualitative analysis by supporting processes of coding data in an index system, searching text or searching patterns of coding and theorizing about the data. “NUDIST 4” is used for a wide variety of tasks from complex theory-constructing and testing to very quick analysis of small or large bodies of text in interviews or open-ended answers in surveys. It works with textual documents, and facilitates the indexing of components of these documents; is able to search for words and phrases very quickly; and claims to support theorising through enabling the retrieval of indexed text segments, related memos, and text and index searches; and through the construction of a hierarchically structured tree to order index categories. “NUDIST 4” is simply a tool to mechanise the clerical tasks of ordering and archiving texts used in hermeneutic sciences for hundreds of years and that we should use these programs as software for data administration and archiving rather than as tools for analysis. Another feature which influenced the choice of “NUDIST 4” was the availability of two types of index systems. In NUDIST the index system is made up of nodes which are containers for “thinking about the data and the results of asking questions”. These considerations supported the overall approach to reflect the researcher’s decision to use “NUDIST 4” for the analysis of data in this research.

Procedure and process

To present a step-by step description of how “NUDIST 4” was employed would be deceptive. One of its advantages over manual methods is the relative ease with which the researcher could switch between different phases of data analysis. Specifically, four stages of dealing with the data can be identified – the introduction

of documents to "NU*DIST 4"; its indexing; theorizing, and its retrieval in an organized form in order to incorporate and write up the findings and results. The procedure of designing the project and the analysis of data is summarised in the following paragraphs.

Introducing documents to NUD*IST (the document system)

Once the interviews had been conducted they were transcribed onto the word processing software used by the researcher. Three decisions regarding the format of the transcriptions had to be made: 1) the size of the text units; 2) the content of the header; and 3) the use and format of sub-headers. First, for this project, it was decided that each text unit would be made up of either the interviewer's question or the respondent's answer. So, every time the person speaking changed, the typist would press the hard carriage return key. This meant that, in most cases, any data retrieved would make sense. Second, each document was headed by information useful for its identification: the respondent's code number, time and date for interview, and duration of the interview. Third, consideration was given to the use of sub-headers. Retrieved text units are presented attached to the sub-header under which they appear. In this case, it was decided to use the question asked by the interviewer as a sub-heading in order that text units retrieved were placed in the context of this question. Each document, once transcribed, was saved as a "Text Only" file and introduced into "NUDIST 4" as a raw file (document).

The Indexing process (the index system)

"NUDIST 4" organises data in a system of nodes, grouped together in a free node or a tree-structure. Main nodes were given "parent" status, and sub-nodes were "children". The result was a diagram that can be viewed on the computer screen, with many branches at whose nodal points relevant data were stored. The indexing

process began at a very early stage, before loading documents to "NUD*IST 4". Headings from the interview schedule were used as nodal titles, as were concepts and themes which had emerged from the literature review as being important to understanding the experience of using the Web for marketing in general and for marketing hotel products in particular. Thus, among early nodes were "Impressions about the Web as a marketing phenomenon" and "thoughts on the importance of such a new emerging tool", and "potential of the Web as a marketing tool for hotels" and "security" nodes were also created at this stage.

From the literature, themes were obtained on the potential of the Web use as a marketing tool and its suitability for hotel products. These themes together with the researcher's own readings and background were very helpful to the content of the interview pattern which was a product of these factors. Specifically the contents of the last question (hotel website features) were a product of the model that the researcher needed to test and use in this project. Particularly, this question was seen as a potentially useful element in examining the form on which users like the hotel websites to be.

After creating these nodes and their sub-nodes (children), interviews transcripts were introduced to "NUD*IST 4". These documents were read through in their total, and each section of the text of relevance in answering the main research question was assigned to the appropriate node(s). New coding categories were then created as new ideas and themes emerged from the initial investigation of the interviews. The next step was using "NUD*IST 4" to search texts by their coding. For example, after the 12 interview transcripts had been indexed, the researcher used a simple search on some of the key words included in the interview questions, the results of these attempts are presented in the analysis sections below.

Working with documents (Theorizing)

This stage involved some tasks such as, recording, rethinking and revising coding, and putting the text being coded into a wider context. "NU*DIST 4" provided a number of tools to facilitate these tasks:

Base data

Base data is the term used for the key characteristics relating to each interview - such as was the respondent male or female, how old is he/she, what is his/her average annual income? Each transcript was indexed based on the respondent's demographic data: Gender (male or female), age (22, 23, 24, 32, etc.) and number of holiday trips (1, 2, more). Questions such as: " have you ever had a shopping experience on the Web and how was it?", " Do you give your credit information on-line?" and "whether or not respondents buy hotel and travel products on-line?" were explored easily by using the base data nodes function.

Document memos (Theory building)

Writing note of ideas or comments as they occur to one throughout the analytical process was an important task of the analysis process. Memos were attached to nodes either as a freestanding memo, or as a part interview transcription itself. These memos were later helpful in the analysis as they provided the combination of themes and the presentation of the results. The memos were also used to write any useful comments that the researchers viewed important to be included for further investigation or more work. Generally, "NU*DIST 4" facilitated the indexing and coding process. By the end of this stage, there were (7) free nodes and (79) tree nodes. Data sets were ready to be used for final analyses and writing up the results.

Command files (Automatic processes)

The relevance of automated process is not obvious in many qualitative projects. However, almost all can save time by automating some processes. "NUDIST 4" automates almost all processes by command file. A command file is a customized program similar to a script or macro on a word processor. Command files are files of command messages to "NUDIST 4", instructing it to carry out one or any number of actions. The researcher used this function to consolidate answers of each question in order to facilitate the task of investigating and comparing interviewee's responses to each question separately. Commands were created in normal word processor (note pad), stored, then run automatically from NUDIST's (project menu).

Constructing themes to interpret the project's results

The final stage was putting it all together to enable the researcher to interpret the results. The interviews had been indexed under the 86 (79 tree nodes and 7) categories (nodes). Text searches, index searches reports and base data nodes were used in conjunction with the nodes to consolidate the final ideas and present them in the form of research findings. During this stage the researcher had to run various attempts of text-search: supporting simple or complex search of text in imported documents and storing the finds in appropriate index categories, thus allowing rapid auto-coding of documents; asking a wide range of questions about patterns of coding and displaying patterns. Also used an interlocking set of 17 search tools for analyses, and for the expression and testing of theories and answering research questions.

Appendix B-1: Dimensions of website evaluation

Dimensions of website evaluation - Dutta <i>et al.</i> (1998) and Dutta and Segev (1999)
TECHNOLOGICAL SOPHISTICATION
<ul style="list-style-type: none"> The ease of navigation of the site The degree of customization possible of the web interface Speed and ease of access to site features Advanced technological capabilities (such as video)
TRANSFORMATION OF PRODUCTS
<ul style="list-style-type: none"> The availability of product related information on-line The customization of products for individual or groups of customers The participation of customers in the specification and design of products
TRANSFORMATION OF PROMOTION
<ul style="list-style-type: none"> The use of on-line advertising The use of on-line promotions such as sales and discounts The customization of on-line promotions The participation of customers in on-line promotions Links with other organizations in organizing on-line promotions
TRANSFORMATION OF PRICING
<ul style="list-style-type: none"> The availability of pricing information on-line The dynamic customization of prices The availability of on-line price negotiation The possibility to charge customers for only proportions of products consumed
TRANSFORMATION OF PLACE
<ul style="list-style-type: none"> The availability of on-line ordering The availability of secured on-line payment Distribution of products on-line The involvement of partner organizations in on-line distribution
TRANSFORMATION OF CUSTOMER RELATIONS
<ul style="list-style-type: none"> The provision of on-line customer service The on-line identification and tracking of customers to provided customized services The provision of on-line communications to customers The creation of on-line communities for customers The solicitation of on-line feedback from customers

Appendix B-2: Website evaluation - Testing the appropriateness of the developed model

SITES ANALYSED	URL ADDRESS
Egyptian sites	http://www.maadi.com/ http://www.windsorcairo.com/
UK sites	http://www.heritage-hotels.co.uk/
USA sites	http://www.westin.com

Search engine used

Yahoo (www.yahoo.com)

Browser used

Internet explorer 5

Keywords used in search

'Hotels+Egypt', 'Hotels+UK',
'Hotels+USA'.

Search results

KEY WORD	CATEGORY MATCHES	SITES MATCHES	WEB PAGES MATCHES
"Hotels+Egypt"	3	40	64
"Hotels+UK"	30	1134	797
"Hotels+USA"	1	3539	720

Date accessed

13/12/1999

Date analysed

13/12/1999

SITE EVALUATION

Site: <http://www.maadi.com/>

Maadi.com is one of the very few sites of independent Egyptian hotel chains. The site is owned by Cairo City Co. For Tourism Development and Investment established since 1975, the company owns and manages a travel agency and 2 hotels in Cairo.

Interactivity

The site only took few seconds to download but it does not provide interesting flow and not very easy to navigate as it lacks a navigation bar as well there is duplication of information in most sections. It only used English language although most of the customers that may be interested in this type of hotels in such a location could be Arabs rather than English speakers. One of the good features was only the site's URL address which indicates that the hotel invested in its own site. It seems that the site is usually updated and maintained as it included updates of prices until December 1999. In terms of graphics, the site used only small unclear pictures and logos, the map provided to show the location of the hotel is hardly readable and it cannot be enlarged as in other sites. The researcher did not identify any multimedia used on the site or any hyper links other than 2 links to services offered by the travel agency page that occupied a part of the site. The travel agency page itself lacks detailed information and extended product and price details. The site asks customers to fax their credit card details, and does not offer on-line payment.

The site followed a slide show structure and consists of different web pages rather than sections on the same central page/s. Most of the pages are designed to include a picture and a very brief text about a service, or a facility that the hotel/s offer. In general the site lacks a number of design and structure features such as: the use of colour, text and imagery items, and hyper links. Although the site is accessible, it did not represent a good example for hotel independent chains sites in terms of graphics and navigation.

The site features 2 hotels in Cairo (Maadi Hotel "4 stars" and Cairo Hotel "3 stars") and a travel agency (Maadi Travel). The site included some details about the services that Maadi travel offer such as: Incentive, Conference, Meetings and

Banquet, Special Interest Tours, Hotels Reservations in other hotels around Egypt for individual and groups as well as pilgrimage organized tours. Following a link from the travel agency home page, the site included a section with basic information and a picture in each section about each of the services provided by the company.

From the company home page the 2 hotels owned and managed by the chain can be accessed by following a clickable text link. The structure and layout of both hotel front pages were identical. The front page of each hotel provided some links to other pages with details about the hotel's location, facilities and rooms, description and services, room rates, reservations and contact information. Each of these features is offered to the site visitor through links to pages included in the site rather than sections. The page contact information is the same page functioning for the travel agency and the two hotels, including the address, phone number and fax number of the company's head office; and 3 email addresses for each of the hotels and the travel agency.

Although the location page which included an unclear map for the 2 hotels, a separate page including only 3-4 lines details about the location was created to each site. All the pages for each of the hotels used the same slogan with red font by the bottom of each page ("Distinctive and Classy" for Cairotel and "Your home away from home" for Maadi hotel). Although the site provided a link to contact information page (section) all the pages for each of the hotels included the address, phone number, fax number, email address and links to the other two properties of the chain. The facilities and rooms pages included a small picture for only one type of rooms (twin bed) and a table listing the number of rooms and suites. Another page for each hotel included links to other pages such as guest services, facilities, restaurants, recreation, conference, banqueting and meeting facilities, rates, and on-

line reservation form. The guest services page included a picture for one of the outlets (restaurant, coffee shop) and a bulleted list of some services offered by the hotel which links to other pages on the site: the restaurant pages a list of food and beverage and 2 pictures; the recreation page for Maadi hotel features a picture for the swimming pool facility; the room rates page included a table with including room types and their prices with US\$; the on-line reservation form which was only accessible from one hotel home page (Maadi hotel), and included details about the guest, his arrival and departure date, his choice for the hotel, type of room, and meals.

Product

Product information is not very clear; the site did not even give any information about the categories of its two hotels. It only showed one type of rooms in each hotel page. No detailed information about products and facilities was provided and only one or two statements and a small picture for only one or two outlets (restaurant and coffee shop) were used. The site did not provide any extended details about the destination or other services such as group bookings or any customer participation items such as feedback forms or FAQ.

Price

The price of products was only provided with \$US. The site did not offer any links to currency converters. No details about prices for other services or facilities were available.

Place

The site did not offer any details of product availability. It only offered on-line reservation but not real-time processing. Confirmation is done by email or fax. The

site accepts payment with 3 major credit cards (Visa, Master card, and American express). Customers are required to fax their credit cards details to the hotel to make payment.

Promotion

The site did not use any on-line advertising or any other promotion items or special programmes for guests. No details about discounts or special offers were provided.

Customer relationship

The site did not include any sort of customer relationship building features; it even lacked a feedback form or a counter to monitor the number of visitors.

Site: http://www.windsorcairo.com/
--

A 55 rooms, 3 star's independent hotel that was built 1901 and renovated 1976.

Interactivity

The site followed a hierarchical structure starting with a central page (home page) and provided a number of links in a side bar linking to different sections, or other pages. This structure allows the visitor to take only short surfing routes in order to get specific information. The site is not very attractive in terms of colours, pictures and fonts used.

The site consisted of different sections offering brief information. The main sections comprised a quick description of the hotel's location and its history, an information section including some details about the hotel address and contact information with some details about when it was built and renovated. Services and facilities section

only listed facilities and hotel's outlets but not giving any details about food and beverage offered or any prices or extended information about meal prices. "Room rates" is another section that presented a table of room prices for 4 different types of rooms. The site included a picture gallery gathering some pictures for the hotel lobby, lounge, bar and a guestroom. A map for Cairo showing the hotel location is included separately in a different section. A reservation section or registration as called by the site master requires customers interested to make reservation to give some personal information, and their choice of room type and dates for arrival and departure. A final section named questions only provided the possibility to send email to the hotel through "Microsoft Outlook Express" interface. Although the site provided on-line reservation, it did not offer too much information about the product or facilities and it is likely to be an on-line brochure more than an interactive site.

The site only provided two links by the bottom of its front page: a link to Yahoo weather to check weather in Cairo, and another link to another hotel site in Cairo (Hotel Louts) which is following the same design and layout and an included incomplete section for information it did not even show any details about the hotel number of rooms or categories in its information section. In an attempt by the researcher to place a reservation by filling out the form provided for this, the process did not succeed and the browser after three different attempts came with the message "page not found". It was noticed as well that the link to yahoo site did not properly link. Although the URL of the site (www.windsorcairo.com) is one of the few good features, it stills confuses with other hotel's site (www.windsor.com).

Product

The site lacked information about the hotel services and facilities the section only included a list of services and amenities offered pointing to some facilities which are

on call and nearby (travel agency, airport services, sports facilities) but with no details about where are these services are located or how much they cost. The site only offered information about Cairo airport and the time zone of Cairo and neglected other information that might be important to customers such as currency used and visas requirements for example.

Price

Prices were only provided for rooms in the room rate section through a table listing type of rooms and prices in \$US, no links to currency converters is available. It was mentioned on the site that prices including taxes and service charges with no details about how much exactly they are.

Place

The site provided on-line reservation, but not the function of checking availability or providing real time information and did not list the types of credit cards accepted. No details about handling payment were given on-line.

Promotion

The site did not use any form of on-line advertising and does not offer any sort of packages, discount or special programs.

Customer relationship

No items for customer relationship building features were identified in the site.

Site: http://www.westin.com/cgi/t3.cgi/main.taf
--

Westin hotels and Resorts' website is a global collection of over 110 hotels, including 29 resorts. Westin is a member of Starwood Hotels and Resorts Worldwide and provide links to it from its own site.

Interactivity

The site followed an interesting structure and flow reflected by its clean design and organized sections and links and type fonts used. The site, at the time of the evaluation, presented a very good example for chains' websites. It provided an extensive searchable database for hotels in the chain called Westine Travel guide. The guide is searchable by city, state, hotel or other countries around the world. The visitor can search the site by other facilities of keywords such as "scuba diving or snorkelling". The guide can also be used to obtain information on all Westin properties worldwide.

Very interesting and helpful content included on this site it provided a special section called Traveller's Advisory which provided information about local events and weather forecasts, and a daily exchange rates and foreign language tips. Other interesting sections included a link to amenities offered by the chain and another link for latest Westin news. Besides all these features the site contained sections for guest survey, direct email of comments, and FAQ sections. A very interesting section is "Meeting Planner" through which the visitor can arrange and organize his meeting in any of the hotel and resorts within the chain and another section for hot deals.

The site took approximately 3 seconds to download, and provided very reliable links to other hotel chains some of them are Sheraton, Four Points, St.Regis, and The Luxury Collection. The site presented a very easy to navigate site through which visitors can access any piece of information about a facility or service in a shorter time. It only used English language, and regularly updated each time featuring detailed information on one of the hotels in the chain. No multimedia items were identified on this site.

Product

The site provided detailed information on its products, services, locations, and links to destinations with extensive information about prices and provided on-line help for choosing hotels through a section called Traveller's forum where travellers can converse with one another, ask questions and share experiences. The site also provided a section to collect customer's complaints or suggestions is an attempt from the chain to make customers participate in the development and design of new products.

Price

Detailed information about accommodation, food and beverage and other facilities and services was available in \$US.

Place

It was possible to make on-line reservation in any of the chain hotels and resorts, visitors can check availability and obtain on line confirmation. A special section is devoted for travel agents where they can register and log in with their ARC/IATA names and this of course provided a very important distribution channel. Most of

credit cards can be used with this site and customers can give their cards details on-line.

Promotion

Different sorts of on-line promotion techniques were included in the design of the site, A special section called hot deals, offered extensive information about hot deals in different destinations and hotels across the chain. The site also included a reward program to its customers where they can view their rewards points on-line by accessing this section using their membership numbers and their last names, as well members to this reward program can make benefit of Starwood Preferred Guest program (Free Fridays and More) A very attractive promotional activity was presented on the site through a special section that features (Westin Kids Club) with services from baby sitting to providing sports and special services and amenities. Great vacations here, was another promotional section available to include one-stop shopping for vacations with load of offers and discounts up to 25 per cent on airfares, accommodation and transportation.

Customer relationship

The site provided different items to engage customers in the site from basic email, FAQ and feedback forms (Your Feedback is Important to Us) to a "Traveller's Forum" via which customers can converse and share ideas and experiences which creates a community of customers. Another section included the latest news of the chain which helped in keeping customers up-to-date with any offers, special packages, or programs.

Site: http://www.heritage-hotels.co.uk
--

Heritage hotels offer a collection of over 40 establishments throughout Britain. Heritage is part of the popular British Hotel Company Forte.

Interactivity

A very interesting and attractive design presented the site is an excellent structure. It is designed from the user's point of view not the hotel's incorporating Clean design with plentiful white space matching colours and suitable type fonts.

The site comprised different pages (sections) such as "Our Hotels", which provided extensive information about different hotels in the chain, and links to other hotels such as Forte, Posthouse, Le Meridian, and other sites for hotel guides such as London Hotels. A section for reservation provided 2 options to reserve a room in any of the chain's hotels around the UK; the user here has the option either to place his reservation on-line through a secured booking and payment system, or by simply contact the nearest centre (World-wide Reservation Numbers) by telephone (toll free or local numbers) or email from the list provided on the site including numbers in different countries around Europe, Middle East, Asia, South Africa, Latin America and Asia/Pacific. In an attempt by the researcher to book a room in one of the hotels, by clicking on on-line reservation the browser was directed to the popular GDS site of Sabre TravelWeb (www.TravelWeb.com), that means that customers are able to check the availability and to receive on-line confirmation and as well benefit from other services offered by TravelWeb such as air tickets offers, packages, or car rentals.

“Meeting, Conferences and Events” was another section with extensive information offering detailed information about properties around the UK with in the chain with the facilities of conferences, meetings, and events. “Partner and travel links” section provided very useful links with leading service providers in the travel industry which have partnerships with Forte. This links included many of the world’s major airlines and allowed the user to earn points under partner’s “Frequent Flyer” and similar reward programs when staying at Forte hotels. “Newsroom” is another section which provided the latest news and views from Heritage Hotels, from this section site visitors were able subscribe to email alert service where they can receive instant updates directly from the hotel.

In relation to graphics and navigation, the site stood above the rest of the evaluated sites. Finding a room in London in one of the hotels within the chain was an easy job. One can select a hotel by clicking on the map provided in the front pager of the site with 3 different categories of prices pointed on the map it self. Information on each individual site is presented with enough details about services and facilities offered. The site is regularly updated and new items are added to the newsroom section.

Product

Information on each hotel was provided with details. The site offered on-line request for hotel brochure features, and provided products updates through a special email alert service. Through a clickable map the site offered extensive information, a location map, facilities and pictures of each of the hotels with a link to on-line booking. The site provided extended information on local attractions and individual information for each establishment and allowed visitors to use the Heritage Explorer section to visit the best of the British past and the present.

Price

The site offered three categories of rates (gold, silver and bronze) in sterling pound and linked to a currency converter via TravelWeb website. Visitors to the site were able to use the provided map and the navigational guides to explore which hotels fall into which category and represent their budget. Prices were provided for special packages and events from the special promotion page.

Place

The site used TravelWeb (Pegasus Systems) (<http://Web.travelWeb.com>) interface to allow secure on-line booking transactions. Customers were able to check availability, browse more information about the hotel and include their account information in the "Professional Identification/Frequent Membership" section on the same web page.

Promotion

"Special offers" and "Sport deals", were two sections included on the site to allow visitors to find special deals and packages. On this page the hotel listed its latest packages and deals and also invited users to subscribe to an email alert service to receive instant updates directly from the Heritage Hotels included across the chain.

Customer relationship

The site provided interactive communication with its users. A newsroom service, email alert services for offers, request for further information, feedback sections were all offered. Another interesting feature was the "Contact us" page via which visitors to the sites were able to email the managing director of Heritage hotels directly with their comments, and suggestions.

Appendix C-1: Distribution of hotels in Egypt by governorate (1997-2001)

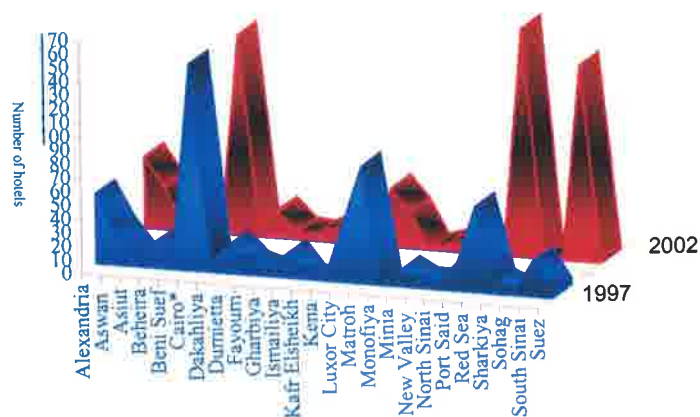
DISTRIBUTION OF HOTELS IN EGYPT BY GOVERNORATE (1997-2001)

GOVERNORATE	5 1997	5 2001	4 1997	4 2001	3 1997	3 2001	2and1 1997	2and1 2001	NC 1997	NC 2001	Total 1997	Total 2001
Alexandria	3	5	7	7	13	13	28	24	0	3	51	52
Aswan	4	5	3	4	3	3	15	12	1	7	26	31
Asiut	0	0	0	0	4	4	3	3	0	0	7	7
Beheira	0	0	0	0	1	0	2	1	14	1	17	2
Beni Suef	0	0	0	0	0	0	1	1	6	0	7	1
Cairo*	21	24	15	14	57	48	52	55	6	5	151	146
Dakahliya	0	0	0	0	2	1	7	9	1	0	10	10
Darnietta	0	0	0	0	0	1	19	17	2	2	21	20
Fayoum	0	0	1	1	1	0	1	4	4	1	7	6
Gharbiya	0	0	0	0	2	2	1	1	0	2	3	5
Ismailiya	0	0	2	3	0	2	7	3	8	3	17	11
Kafr Elsheikh	0	0	0	0	0	0	0	1	0	0	0	1
Kena	0	0	0	0	1	1	1	1	0	0	2	2
Luxor City	5	6	5	4	13	14	16	18	4	1	43	43
Matroh	0	0	2	2	16	13	8	7	60	5	86	27
Monofiya	0	0	0	0	0	0	0	1	0	1	0	2
Minia	0	0	1	1	0	0	2	3	9	2	12	6
New Valley	0	0	0	0	0	0	3	6	2	1	5	7
North Sinai	2	2	0	3	2	1	1	0	0	1	5	7
Port Said	1	0	1	2	7	6	12	9	0	1	21	18
Red Sea	2	12	0	34	0	30	1	53	60	38	63	167
Sharkiya	0	0	0	0	0	0	0	0	8	2	8	2
Sohag	0	0	0	0	1	0	1	0	0	1	2	1
South Sinai	4	21	9	22	6	34	1	37	6	29	26	143
Suez	0	0	0	0	3	2	2	1	0	0	5	3
Total	42	75	46	97	132	175	184	267	191	106	595	720

* Cairo Metropolitan (Cairo, Gizah and Kalyobiya)

Source: Egypt's Governorates Net (1997); the Egyptian Hotel Guide (2000/2001).

DISTRIBUTION OF HOTELS IN EGYPT BY GOVERNORATE (TOTAL NUMBER OF HOTELS) IN THE PERIOD BETWEEN 1997-2002



Appendix C-2: The change of the number of hotels in Egypt by governorate (1997-2001)

VARIANCE (+/-) IN THE NUMBER OF HOTELS IN THE PERIOD BETWEEN 1997-2002

Governorate	Total 1997	Total 2001	Variance
Alexandria	51	52	+1
Aswan	26	31	+5
Asiut	7	7	0
Beheira	17	2	-15
Beni Suef	7	1	-6
Cairo*	151	146	-5
Dakahlia	10	10	0
Damietta	21	20	-1
Fayoum	7	6	-1
Gharbiya	3	5	+2
Ismailiya	17	11	-6
Kafr Elsheikh	0	1	+1
Kena	2	2	0
Luxor City	43	43	0
Matroh	86	27	-59
Monofiya	0	2	+2
Minia	12	6	-6
New Valley	5	7	+2
North Sinai	5	7	+2
Port Said	21	18	-3
Red Sea	63	167	+104
Sharkiya	8	2	-6
Sohag	2	1	-1
South Sinai	26	143	+117
Suez	5	3	-2
	595	720	+125

* Cairo Metropolitan (Cairo, Giza and Kalyubiya)

VARIANCE (+/-) IN THE NUMBER OF HOTELS IN THE PERIOD BETWEEN 1997-2002

