

An Analysis of Online Search Tools

- and their effectiveness to the business world



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Executive summary

The following thesis has an overall purpose to analyse online search tools and identify their effectiveness to the business world. In addition to the purpose, it is also to advance some solutions for a given company: How to develop and implement the tools, and also how to cooperate with all the data, information and knowledge on the homepage.

The findings of the thesis were at first within the basics of search tools. There are both old fashion mundane search tools and new fashion ones. All though they each are either situated in the offline and online world the similarity is to help people find information. In the online world we have both online search tools, which can either be active or passive, and we also have search engines, where the speciality search engines are using the online search tools combined with search engines to enhance customer satisfaction.

By examine 'Information' in a more theoretical point of view it was noticed that search tools need data and information, so it can create knowledge for the user. The important is that it will not produce useful information, if it does not receive useful information.

Analysing the online search tools of the multinational company Amazon.com, Inc. made several effective possibilities appear. The active search criteria and the passive recommender systems were some of the interesting solutions. These are groundbreaking for affecting the customer behaviour and thereby increase sale.

Finally the demonstration of how a company develops online search tools and implements them on the homepage created new interesting opportunities for the travel business. There was several ways to form new needs and demands and thus affect customer behaviour and increase sale.

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1. Introduction

The Internet has not only become a secondary daily tool for fun or work based opportunities, where it should supplement its non-virtual reality. We are beyond that now. The Internet is in many ways a primary residence for people. New businesses are coming to life through the Internet. Many companies only exist here without having their ground platform outside the virtual reality. The world has acknowledged that the Internet is here to stay, and is not just a one-day wonder. Still, many are not yet aware of the Net is actually taking over where the real life is not able to go. Geographical limitations do not exist on the Internet. You can easily communicate with people from all over the world. Time is in many ways non-existing on the Net. You can purchase most goods at any time you want, as the shops are always open.

Many find the Internet much smaller than the non-virtual world, since it is more manageable to manoeuvre around. This has developed fewer barriers for the users and increased utilization on the Internet. On the other hand it has created a high competition among the companies on the Internet. In the real world a local television retailer may have one or two competitors in the area, who sells TVs too. On the Internet he would actually have the whole line of business as competitors. Besides strategizing the price and promotion, there are more initiatives that online companies need to be aware of.

Online search tools today are still for many companies a tool for letting a consumer on the Danish market know, whether or not he or she can find a desired product or service. The last couple of years have proven how efficient different online search tools can be, if they are used properly. A competent online search tool is much more than a user-friendliness design or a plain navigation system. If it is developed properly it will create new connections among your products or services.

"In an increasingly competitive world, we believe it's quality of thinking that will give you the edge – an idea that opens new doors, a technique that solves a problem, or an insight that simply makes sense of it all. The more you know, the smarter and faster you can go."

**Financial Times Prentice Hall¹*

The right search tools can convert normal visitors on your homepage into customers, and it can increase sale.

1.1 Purpose

The Internet has developed many new companies along with new businesses. Almost any company today has created a homepage to prove that they take their business and customer serious. All though the Internet has received a lot of focus the last several years, there are still many businesses that either lacks the knowledge of the Internets possibilities, or simple does not want to enhance that level of focus compared to their offline market. It is a shame, since there are huge opportunities to control customer behaviour and thus increase sale. One of these opportunities is through online search tools, which will be the main focus of this thesis.

Based on the above, the purpose of this thesis is to identify the insight of online search tool and analyse how the tool can improve a given company's effectiveness towards the customers.

1.2 Theory and method

In this assignment I have made use of several theoretical aspects to cover my knowledge in each of the main chapters. This theory states the following.

Interpretation of the search tools and the combination of active search tools and passive search tools are based upon the study of Erik Brynjolfsson, Yu

¹ A section of the foreword from FT Prentice in Marketing Payback.

"Jeffrey" Hu and Michael D. Smith in regard to "the Anatomy of the Long Tail." In that study they use several online companies who all of them utilize the search tools in one or another way. There are examples from Amazon.com, Google's Book Search, Bathys Hawaii Watch Company and Gizmodo blog. I have chosen to use their point of view to state my opinion.

Supplement to the insight of Data, Information and Knowledge I have sought to find among articles such as "A special report on managing information" from The Economist in 2010, and also The Forum of The Knowledge Management. This forum has discussed Knowledge Sciences since 1995 to present time. I have also combined this insight with discussion from the Internet site "Differencebetween.net".

In a later chapter I am using Amazon.com as a case study to identify and explain the effectiveness of online search tools. It is my own analysis with the support of a case study "*A Strategic Analysis of Amazon.com*" and the more webdesign analysis from Webdesignerdepot.com "*An Analysis of the Amazon Shopping Experience*".

My knowledge towards the travel business and its situation has literately originated from 'Børsen'. Some online articles from both Berlingske Tidende 'www.Business.dk' and Jyllands Posten 'www.jp.dk' has been used to state my opinions.

Methods of this assignment have been based upon scientific theory, cases and my own job experience. In my present job I am working with behavioural marketing. We are optimising companies' online communication and advertising towards their target group. There is no doubt that I have obtained many of my ideas, which I am displaying in the later chapters in accordance to my daily job.

1.3 Delimitations

Search tools are a big field. I have had to narrow my focus and leave out many interesting areas. For example there are both more new fashion search tools than the online search tools, and also more old fashion mundane. I decided not to mention those, since my focus was on the online tools. Within search tool is a lot of consumer behaviour, which also contains lots of theory and practice. I have left out consumer attitude; such as the informational and transformational search criteria in accordance to a purchase.

My analysis of Amazon is deliberately limited to only some identification of their online search tools. There are many reasons for the success of Amazon, which not all are to be found in the search tools. Well composed strategies for both product and marketing have surely had an impact. The homepage of Amazon is very big with enormous amount of information, and one could write a thesis only based on these criteria. My focus has only been to identify the operation of some of the online search tools.

The chosen travel business for my fictive company has been limited to only involve the Danish market. This choice is made, since it would have been too immeasurable to include the whole world or even just Europe. Also, it has no determining impact to the use of the search tools.

1.4 Structure

This thesis consists of 6 chapters. They are all divided into important main areas. Chapter 1 is the introduction. Chapter 2 is based on the fundamental of search tools. It is a short description on some of the types there is, and narrows it down to the essential online search tools and their performance. Chapter 3 describes 'Information' in a more theoretical point of view, but nevertheless why this is so important for search tools. Chapter 4 starts off with an understanding of the Internets situation, and ends up in a case study and an analysis of a company to identify the operation of some effective online

search tools. In chapter 5 I have used a fictive company in the travel business to clarify the implementation of some online search tools. Chapter 6 is the conclusion.

The following figure 1.4 explains how the first three main chapters creates chapter 5.

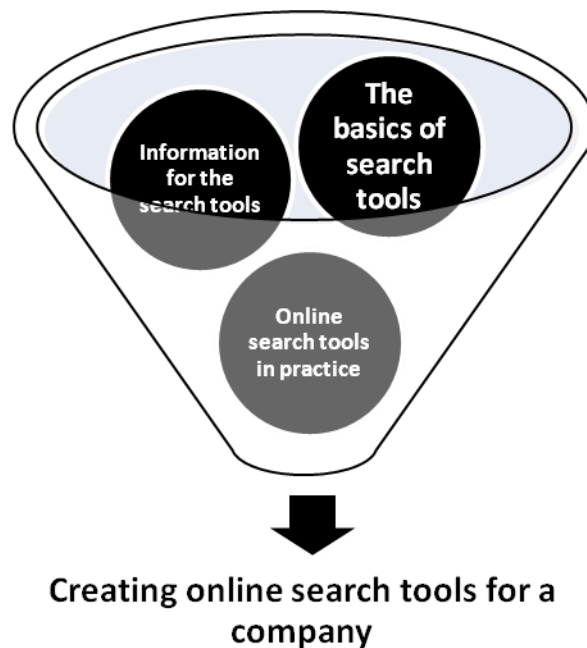


Figure 1.4 – The structure of the thesis. How the first chapters create chapter 5.

Chapter 2 explains the basics of search tools, both offline and online. The chapter is to give a clear picture of their relevance in regard to our society before and today. There will mostly be focus on the online tools with a description of both speciality search engines and active and passive search tools.

Chapter 3 will explore the concept of Information. What it stands for, how we intercept it and why it is so important to search tools. There will be questions

and answers about the Information Society, and how this affects our perception of information. This will lead to a specification of the words and concepts of Data, Information and Knowledge.

Chapter 4 focuses at first on the Internet and the need for knowledge and the experience of overload, equivocality and complexity in this media. Later in the chapter I will make use of the company Amazon.com, Inc. to analyse and identify the use of different online search tools with positive financial possibilities.

Chapter 5 will focus on the creation of online search tools at a fictive company in the travel business. It is an explanation of how the information on the homepage is cooperated with the online search tools and creating a positive outcome. There will be several solutions to optimise the company's sale possibilities. At the end of the chapter budgeting online search tools will be evaluated.

Chapter 6 is the conclusion of the thesis.

2. Search tools

In this chapter I am going to explain the basics of a search tool. Besides identifying the different types, I will also go through several subjects to determine their relevance in regard to our society before and today.

2.1 What is a search tool?

If we were to literally define the expression; 'search tools', we should think of a tool, which could help us to search for something. A search tool should lead us the way to this particular subject that we wanted to find. Even though we might not find exactly what we were looking for, we normally have become a lot cleverer in our search process. This we can conclude from a daily example of losing our keys. In your progress of finding the keys, you decide to do it systematically and thereby look for them in one place first and then go on to another place to search and so on. In this process you acknowledge where the keys are not, which make the search area much smaller. Hopefully this will lead to the last place for the keys to be. You can say that this search tool is using the method of delimitations. Even though this is a simplified example of what a search tool should do, it does tell us that a search tool should help us search for information or retrieve information regarding a subject of matter.

2.2 Types of search tools

There exist many types of different search tools to help us in finding what we need. In the past we used search tools just as much as today, still many new types of tools have arisen. Overall I can divide the tools into either old fashion mundane search tool or new fashion search tools (modern search tool).

2.2.1 Old fashion mundane search tools

Search tools that are described as being old fashion have only received this name, since new and now more used search tools have arisen. Even though new ones are more fashionable, the use of the old ones is still happening.

There are several examples of old fashion search tools still being used today, even though there has been some debates about the decrease in using these.

A first example of an old fashion search tool has to be the physical library. This long time existing building is still a habitat of information in different sources. The main purpose for the library is to give the public availability to most authorized information which has been well-documented. At the library you use different books, articles, tapes or any source to find the appropriate information that you need. Since a library normally is very big and filled with tons of written and recorded information, it can be difficult to find the rightful information that you are looking for. To help you find the right information a librarian is available in many cases. He or she will perhaps guide you through the relevant information sources to spare you time in finding what you need.

Asking someone and be guided by this person is a very good example of a search tool which is old fashion. Today this still occurs, but new search tools' measures have arisen also.

2.2.2 New fashion search tools

With the launch of USSR's Sputnik in 1957, the US in response created the Advanced Research Projects Agency (ARPA) the following year to establish a lead in science and technology within the military field.² ARPA evolved heavily and within 1961 an "Information Flow in Large Communication Nets" was a proven fact. During the 60s and the 70s well known Internet issues as 'hosting' and 'spam message' became reality. Throughout the 1980s some countries (among Denmark) connected to a network called NSFNET, but it was first in 1991 that the known World-wide-web (www.) was released. With the increase use of the Internet people had indirectly complaint about the swamp of information, and how to make use of it. It was very difficult to find what you wanted. It was hard to get an overview. The self-same situation would have

² <http://www.zakon.org/robert/Internet/timeline>

occurred in an old fashion search tool, if a person was to enter a library for the very first time. Imagine no librarian were to help him there. A giant building with enormous data of information stacked on the shelves from the floor to the ceiling. He would not know where to look for the rightful information without the assistant of a librarian. The Internet was lacking this particular problem also, and by the mid-1990s several search engines flourished the Internet to help us finding the rightful information.

2.2.2.1 Search engines

I have decided to explain search engines, since people tend to compare it with online search tools, even though there is a different. Also the creation of the search engines has been the fundament for many online search tools.

Search engines was developed, since there was a need for gathering all the information the Internet contained and make it easier for people to find it. Overall we needed some sort of a managing tool to create an overview and ease the search for data and information on the World Wide Web.

When we mention online search tools, many people tend to mention Google or perhaps Yahoo. They see these homepages as website search tools for us to use. Actually, these homepages, webpages or websites, as they normally are called, are named search engines. The difference between them is that a search engine is a piece of application software that sits on a powerful computer (a server) on the Internet.³ This computer stores information about where webpages are stored on the Internet. On contrary to a website search tool is an application to your own homepage, which gives your visitors a chance to find something on your site, and let them stay at your site. In some way the similarities are very recognizable, since both the search engine and the website search tool store information and lead the way to what you were searching for. On the other hand there is a clear dividing line, since the search

³ <http://www.searchtools.com/info/intro.html>

engine delivers information about other relevant websites, and the website search tool only delivers information from your own homepage.

Search engines are more known to Internet users, since they use them as start pages everyday either at work or in their spare time. It is the ideal way to start a search, and thereby find the webpages with relevance. You enter the homepage of the search engine and type in your word or sentence, whether it is a specific product, industry, line of business or just a plain hobby, it will reveal all the websites or homepages that are relevant for your search. What many do not know is what changes these search engines have been through throughout the time. The evolution has created changes for effectiveness and perhaps better use. Common knowledge to most fans of search engines or perhaps even just fans of the Internet know that some of the first existing search engines, such as the original Excite, Altavista, Lycos or HotBot ranked webpages based on page content and format based on the content of metadata tags. Special attention was paid to bold text or to keywords and summaries in the head of the HTML document.⁴ This meant that if you typed in the search word "car", the page with the most words of "car" would rank highest. Surely, webmasters figured out how to use this for their own benefit. They filled their webpages with fake material to trick the search engines into giving them a high ranking. Webmasters made their webpages contain those single words (which they wanted to be resembled with) in repeatable numbers. They wrote this single word over a lot of times, but displayed white on white so the search engine would catch the word, but the user would not see it on the displayed webpage. As a result search engines no longer trust the content of your page as a majority to determine its rank. So if you have the word "car" on your webpage, the search engine knows to categorize your page under this topic, but your rank will not be determined regarding the amount of the word "car" you have written. There is very little to be gained by setting keyword and

⁴<http://www.zeald.com/Resources/Promoting+&+Tuning+a+Successful+Web+Site/Types+of+Search+Engines.html>

summary metadata in your pages. Of course you still should be sure to state the purpose of your page in all of the likely ways people may search for it, because search engines still use the content of your page to determine its relevance. If your page does not have the keyword the user is searching for, it will not come up on that search at all. As an example; if you have a homepage where you inform people about different finance loan, it will be unwise not to include keywords as "loan" in your written text, and perhaps "money". Relevant people will search for these words.

There are several different search engines on the market by now, and some surely more reliable and better than others. I will not mention them all, but instead explain the 'Speciality search engine', since these do have many resembles to online search tool in general, which makes them quite interesting. There is no doubt that the speciality search engines have developed many solution possibilities for the online search tools, which I will refer to later.

Specialty search engines⁵

One of the more lately and thereby modern perspective there has been added, is the specialty search engines. These have been developed to meet the demands of the niche areas. They are some of the more interesting aspects regarding search engines, since they strive not to compete with the big and 'normal' search engine as Google, but instead focus on that demand that evolves among people in a certain stage of process. Say, if you want to buy a camera and brand, price and delivery time is essential for you to buy it. Brand is important because you want a well known camera, and your friends find it prestigious. Price is important, because you want to pay the lowest price. At last, delivery time is essential because you want the product as fast as possible. Now you have some criteria that you want to be fulfilled. How are you

⁵<http://www.zeald.com/Resources/Promoting+&+Tuning+a+Successful+Web+Site/Types+of+Search+Engines.html>

going to find that product with all of these criteria in a 'normal' search engine? If you were to use a normal search engine, it would take a lot of time, since these ones cannot differentiate on those criteria. This is where the speciality search engines come to life. These search engines have variables that can create a special search within your chosen areas. That way you will quickly see a list with all of your chosen criteria levelling the best place to buy your camera. Of course you cannot create a search engine that would be able to have all of the products and services. That would be way too comprehensive and thereby nearly impossible for now. Instead you will find more and more speciality search engines, which will be very effective within each niche area. These niches would normally be within different line of business.

As an example of some of those sites that do encompass specialty search engines, I can mention:

- Yahoo Shopping (www.shopping.yahoo.com)
- Download (www.download.dk)
- Amazon (www.amazon.com)
- Pricerunner (www.priverrunner.dk)
- EDBpriser (www.edbpriser.dk)

They all have variables that you can choose between to receive your desired information. As a short presentation I have chosen www.edbpriser.dk to elaborate the capability of a specialty search engine. In figure 2.2.2.1 you will see a screenshot of the webpage [edbpriser.dk](http://www.edbpriser.dk).

This is a homepage, which presents different types of electronic, such as hardware, software, mobile phones etc. What makes this site a speciality search engine is the way it makes it easier to find relevant electronic products among different suppliers inspired by your search criteria. Say I wanted a new monitor for my computer. By choosing the head flag 'Hardware' **#1** I quickly

find 'monitors' (this webpage is reserved to Danes, and is of course in Danish).
#2 Now I can delimit my search criteria into size of display, dissolution, price and so on. After I accept my criteria and make the search, a whole bunch of monitors are being displayed. Now I have different sorting criteria, which again will help me to satisfy my needs. I choose **#3** 'price' as the important criteria, and now all the monitors are displayed with the cheapest monitor at the top **#4**. It is fast and easy to use.



Figure 2.2.2.1 - Homepage of EDBpriser.dk.

If the speciality search engine is reliable, it is very effective for the searching consumer. You can thereby search among many suppliers in the same line of business within very short time to find your desired product. Imagine doing the same offline? Either you should telephone the different suppliers and ask them for information, or you should actually go and visit each of them.

These speciality search engines are becoming more comparable to website search tools, since they also focus on the search criteria on the page. Again you will find the difference within the website search tool, whose purpose is only to guide you around its own pile of information on the site and subsites, whereas the speciality search engine collects information from many different webpages, and not your own subsites. Many are referring to webpages with speciality search engines as online market places, since you have many companies trying to sell to customers at the same place.

2.3 Online search tools

As oppose to the search engines the online search tool has not been analysed that much to this day, even though the use of it is in high progress. Many businesses are spending lots of money on Search Engine Optimisation (SEO) and Search Engine Marketing (SEM) which refers to the search engines. This is an external point of view, where as search tools are internal. Unfortunately many websites use the narrowed limitation of the online search tool purpose, especially companies who are selling products or services online, like webshops.

Online search tools are determined for homepages or websites with a lot of information. This could be companies with webshops with lots of products or perhaps public domains, which need to inform the citizen in many matters. Even though online search tools have different purposes and therefore exist in

different types, we can divide them into two main tools: The active search tool and the passive tool.

Active search tools (AST)

If there is a lot of information on the homepage, the visitor quickly loses the overview, and cannot find what he or she needs to find. They will get confused and short time after they will leave without achieving, what they came for. This is where the visitors need help to navigate around on the homepage, finding what they are looking for.

Overall the AST is a tool that gives your visitor a chance to find something on your site by searching for it.⁶ The visitors have to activate the search tool to receive information on a subject or topic. This search tool is the most common on the Internet, since it lets the visitors find something specific that they need or want by searching for it. When a webpage has an active search tool, it literally lets the visitors write the word for the desired information, in which they are interested. This search tool will then list these, if it is present on the pages. Say you are visiting a webshop of a supermarket and you want to find information on milk. You will then type in the word milk, and the active search tool will give you an answer on perhaps the price, location, product types and so on. An active search tool will allow visitors to find the information quickly and without wading through hundreds of irrelevant results. Locating specific products or services by typing it is a must for any online company, who has many stated products or services as for example a webshop.

Within active search tools you will also find the sampling tool. This tool is still an active search tool, even though it does not show the exact product or service that you were literally searching for (and therefore typing). The sampling tool will allow you to find some information on something similar to your searching criteria. Let us say you heard a song on the radio, which you

⁶ From Niches to Riches pp. 67-71.

came to like. The radio host tells you that the song was performed by the band U2. Now you go online to a webshop for music and try to find that particular song. When you are searching for information on U2, the sampling tool within the active search tool will list many other songs from U2, and it might also show you other bands, which in some way are in the same music category as U2. The sampling tool will show you related products or services to your search criteria, which you might be interested in. Suddenly a new desire appeared for another product, which you were not aware of before your search. The tool may just have sold you a product more besides the origin U2 song or album.

Passive tools (PT)

As opposite to the AST the passive tool is not directly affected of the search that a visitor makes. This type of online tool works most common as recommender systems.⁷ It uses the consumer's revealed preferences from past activity. These preferences occur from pre-behaviour in a certain situation. This might be from past purchases on webshops or just past page views. It is all about your behaviour; what have you done earlier = you must be interested in that. The recommender system will then collect this data and then base it upon what to recommend you. Say you had been at a homepage, and scrutinised some specific topics, revisiting that same homepage the search tool will automatically list you new topics, which you might be interested in based upon your past behaviour. If we take the example with the song from U2 above: If you entered that homepage again after buying an album from U2, or perhaps just a song, this time the homepage will show you other bands that you might be interested. The homepage's recommendation to you is directly based upon your previous behaviour. There will be a connection between your interest in U2 and the song/band that the homepage is showing/offering you to buy. Technically the PT is using a tracking device operated through a cookie placed on the user's computer. In that way the homepage can track the behaviour of the user, and use that to enhance his or her buying power, since

⁷ From Niches to Riches pp. 67-71.

the homepage will know what interests the user. You could think that the passive tool seems close to the sampling tool, but the difference lies in the pre-behaviour. The sampling tool is listing the subjects in regard to the active search tool, whereas the passive tool will list the subjects based upon your pre-behaviour. Some passive tools actually will connect different visitors' behaviour to each other, if they seem alike in behaviour.

Both active and passive tools are very effective in allowing consumers to discover and purchase products they otherwise would not have considered. The search tools will result in changes in sales distribution among a company's products or services. Brynjolfsson, Hu and Simester made an investigation in 2007 where they concluded the effect of active and passive search on the Internet tools in oppose to a offline catalogue sale⁸ Here it was determined that the Internet channel and the catalogue channel had the same products, prices and shipping polices, but because of the search tools on the Internet channel, it made a significant increase in sale online.

For search tools to fully work effectively they need to create synergy between all the data and information. If the active search tool does not have the right information it will not deliver a successful search for the visitor on the homepage. The same goes for the passive "search" tool. If this tool does not receive the rightful information it cannot make use of its recommender system and thereby create a positive situation as for example additional sales to the company.

⁸ Goodbye Pareto Principle, Hello Long Tail pp 1-39.

3. Information

In this chapter I am going to explore the concept of Information. What it stands for, how we intercept it and why it is so important to search tools.

3.1 Search tools need information

We need information to make choices throughout our life. Our whole life is based upon a process of countless choices. As mentioned earlier we needed information to find our keys, as an offline search tool in a matter of a delimitation process. An online search tool needs information too. For example a consumer searches for information, when he or she wants to make a purchase.⁹ The consumer is giving the search tool information in typing in his or her criteria for the need or want. The online search tool will create an outcome in form of information that will be displayed for the consumer. This information process is in reference to the active search tool, where the consumer or user knows what he wants and therefore is searching for it. This can be a much more complex one, if the consumer does not know what the name of the product he is seeking, or perhaps he does not know what specific product he wants. Actually it may occur that he does not even have a known need in his mind for that product. The active search tool is not capable of helping the consumer now. It is time for the passive tool to commerce. This search tool should help us make these choices much easier. At this point the search tool goes beyond the formal information part, since it has to help us establish information that we did not even know we needed.

When we mention search tools in either online or offline the keyword is information. A search tool needs information otherwise it cannot function efficiently. I believe it goes for the search tool as it according to the Final

⁹ Consumer Behaviour p. 236.

report of the American Library Association Presidential Committee does for people:

*"To be information literate, a person must be able to recognise when information is needed and have the ability to locate, evaluate and use effectively the needed information"*¹⁰

3.2 Information Society

According to Danish history Denmark became a part of the industrial society in mid-1800. The time of the agriculture society was ending, when people was moving to the cities to become employees at the factories instead of staying with farming. The farming industry was thereby bearish.¹¹ By now we are moving away from the industrial Society towards a Society of information.¹²

We can say that Information Society is therefore a stage of time. We do not know exactly how long the time of the Information Society will last and when a new stage of time will rise. All we do know is that now our Society has literally based its behaviour upon information. This we know, since looking back at the industrial society, emphasizing traditional industry and hierarchical organization structure was characteristic for that time of stage. Now in the Information Society we find the main focus to be service and information, and the organizational structure to be plane, where networking with a lot of communication is essential. This is involving information.

When we talk about an Information Society, we are normally referring to what our world has of opportunities to deliver information. These opportunities are basically based upon Information technology. Think about all the technology used to send out information; TV, radio, screens, computers etc. all different media. We always talk about how our technology has created the Information

¹⁰ <http://www.ala.org/ala/mgrps/divs/acrl/publications/whitepapers/presidential.cfm>

¹¹ http://www.ug.dk/erhverv.aspx?article_id=arbm-videnserhverv

¹² http://www.laeger.dk/LF/UFL/ufl99_00/smid_ud/ufl2007/o_s/32543.htm

Society that we have today. If it was not for the technology, we would not have an Information Society at this level. We really use technology to increase the amount of information and also to make it easier to receive it. It is all about creating a better democracy, where everybody has easier access to information. So, lots of information must be good then. But is it possible to have or to receive too much information in our society?

Claus Emmeche a theoretical biologist from the University of Copenhagen has discussed the concept Information pollution.¹³ How we live in a new type of society called "the global cities." We are perhaps drowning in information since there is just too much of it. Claus mentioned the loss of control in regard to information. Every day the individual of the global cities is being attack by amount undreamt-of information; pictures, sound, messages and so on. We have no guard for it, since we do not have it under control. Too much of it is being created.¹⁴ We know that information involves communication that is how it is being delivered. A so called message is being sent out so somebody may receive it. All organization wants to communicate something to an individual. Think about it; product and service-selling companies want to reach the consumer, so that the consumer might buy the product or service. Organization such as human rights or the public sector also has something on their mind, so they also want to deliver some kind of a message to the people. By now it are actually not only organizations and companies who want to inform, individuals do it too; friends contacting friends with either their mobile phones or social media such as the famous MSN messenger or Facebook. The individuals are leaving information all over the place. With the help of the technology level that we have reached today, we are surely able to inform the worker, the consumer, the friend, the individual all 24 hours 365 days a year. All this focus on information makes us believe that information is the essential of our newly developed Information Society. In some way that is true, but not

¹³ <http://www.nbi.dk/~emmeche/cePubl/94b.mytominf.html>

¹⁴ The Economist – February 2010, pp. 3.

completely, since the revolutionary concept of the information society is not the information itself, but the amount of it, the pace at which it grows and the role it plays in our society. In an Information Society it is all about the choice of what is information. Is it all information, and is it all useful information? Who are we to say, when information is useful or not? Is that not up to the receiver of the information? These interesting questions actually answer themselves, since it all cannot be “just” information. We wouldn’t know what separated some information from other information, if we did not have different categories for it. We need to separate it and place it into other categories in regard to its meaning. In this way we will suddenly understand why some is not information, but mainly data, and why some information is actually knowledge. This will also make it more clearly for a search tool to work with the received information and to create useful information to the user.

I need to specify what I mean when I talk about information, so any doubt will be crossed out.

3.3 Data, Information and Knowledge

If you surf the Internet in search of discussions about the word information, you will surely come upon the words data and knowledge too. All these discussions have one thing in common; they all encompass whether there is a difference between data, information and knowledge or they are all the same. Many people were quite sure that separating these three words as three separate concepts was just like “bottling old wine on new bottles” as a young student from the University of California commented.¹⁵ All though there are lots of varying points of views to understanding the concepts, there is a difference between each of them.

¹⁵ <http://www.km-forum.org/t000008.htm>

3.3.1 Data

Because of the way our society has evolved we have become a society of information. Due to the evolution of our technical knowledge our modern society has created a new word 'Data'. According to most dictionaries the word means 'A collection of facts from which conclusions may be drawn'. This is heavily referring to the computer language, and with good sense, since all numbers, calculations, facts, observations and so are running through a computer today and thereby creating data. Of course it does not have to be a computer to create data. Anybody can create data by observing or calculate. There is no context in data. It is just raw numbers, characters, symbols or pictures. Data refers to the lowest abstract or a raw input, which when processed or arranged makes meaningful output.¹⁶ As soon as you are processing, working or analysing the data, the outcome will not be data anymore. The outcome will then become information.

3.3.2 Information

What is information then if it is not knowledge? According to the Danish dictionary the word "information" consists of the concepts notifying, announcing and reporting. It is not hard to see that all three words are communicating something out, and therefore explaining something to a certain receiver. Actually the word 'Information' was derived from Latin. The verb from which is derived is 'informare', which means 'to instruct'.¹⁷ You may find many meanings of the word information, since it places itself either up against the word data or the word knowledge. Words or concepts such as constraint, instruction, meaning, mental stimulus, pattern, perception, and presentation are just some, which are to explain information. They all contribute to the understanding of the concept or word, but they differ between passing on and to receive. This tells us that you can both deliver and receive information. The same thing is actually true with knowledge you should think; it too can be

¹⁶ <http://www.differencebetween.net/language/difference-between-data-and-information/>

¹⁷ <http://www.differencebetween.net/language/difference-between-data-and-information/>

shipped and received, but that is not completely true, if we are to analyze it into details. An individual can have some knowledge which he or she wants to pass on to another person/receiver. When passing this knowledge on, the person is actually informing the other person. The interesting part of this matter is whether the person, who is receiving the information, considers it to be knowledge or just plain information. It can be knowledge for the person delivering the information, but that does not make all of it knowledge to the receiver, perhaps even none of it is. An example is perhaps in a better place to support my point of view:

Example of information vs. knowledge

Imagine a man going to the mall to buy some sort of a connector for his bathroom shower, so that the water will be able to come out the shower in a proper way. The man encounters different employees at the mall to assist him in finding the right thing for his problem. At first they all show him different tools, which should do the work. Then again, when they find out that it is not what he needs, they send him off to find another employee, who might be more experienced in this case. At last he meets the employee, who knows about tools to fix things in a bathroom. The employee knows a lot and is literally talking about all the tools existing to fix a shower. On some level he is even telling our guy about tools for fixing the toilet. Our person is listening carefully, since he wants the right connector for the bathroom shower and is therefore getting a lot of information from the employee. At last he comes home with the right tool that he needed.

This example shows us how one person (each employee) is delivering a lot of information, which is perhaps knowledge to each of them, but is actually just information for our person, which he cannot use, since he only needs to know about the right connector for the bathroom shower. Each of these employees was feeding our guy with lists of information, but it was up to him to prioritize the information, sort it in a way that is comprehensible, and digest it. Only

then does it become useful information, and therefore we can call it knowledge.

The example above was told with focus on two persons at a time. I could easily have used an example with a man and a computer, where the man was using the computer to seek knowledge regarding some matter. The essential with the example is both how we deliver the information, and how we receive and entangle to find the information useful and thereby acknowledged it as being knowledge.

3.3.3 Knowledge

As stated above the difference between information and knowledge is the difference between useless and useful information. What is useful information or knowledge as we may call it is in my point of view all up to the receiver of the information. I will not question the meaning of knowledge in regard to the different philosophers as for instant Plato and The Forms,¹⁸ or even Aristotle and his believe in knowledge through empirical observation and experience.¹⁹ I will believe that information becomes knowledge, when it is useful for the receiver.

3.3.4 From Data to Knowledge

Further above, I explained that information derived from data. This is exactly what differ these two concepts. Data is unhandled, whereas information is more organised, analysed and summarised. As for knowledge this occurs according to the perception of the information. Is it relevant and useful to the receiver of the information, then it is knowledge for the receiver. This can be illustrated by the following figure 3.3.3.1. This process can be resemble with the search tool, which also computes the data, so it can be send out as information, and hopefully received as knowledge to the receiver. The amount

¹⁸ <http://www.antiessays.com/free-essays/2050.html#citation>

¹⁹ <http://www.philosophypages.com/hy/2p.htm>

of data going through the search tool is huge, but perhaps more clear if we were to look upon all the macroeconomics trends, which may help the search tool to develop into ancillary business in their own right. "Torture the data long enough and it will confess to anything."²⁰ If you work with the right data it will reveal the useful information. This is what the online search tool does. It reveals useful information to the user in regard to the data and information the user has been feeding the tool.

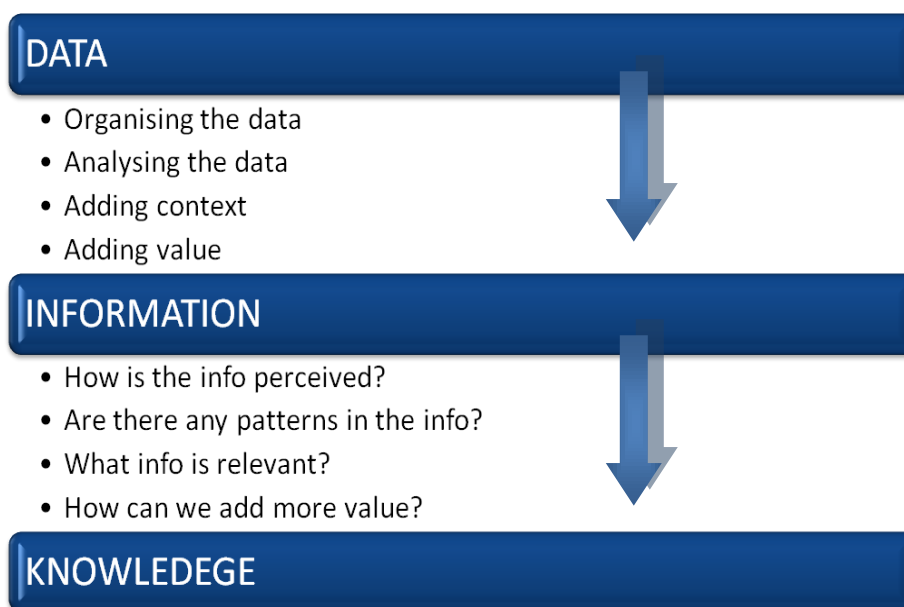


Figure 3.3.3.1 - From data to knowledge.

If a search tool does not have or receive the right data and information (input) it will not produce useful information to send out (output), and the search tool will be of no use.

²⁰ The Economist – February 2010 , pp. 6.

4. Effective search tools

In this chapter I start off by clarifying the need for knowledge and the experience of overload, equivocality and complexity on the Internet. Later on I use a real time study case of the international company; Amazon.com to emphasise their use of online search tools to overcome and also make use of the challenges on the Internet.

4.1 The Internet and the homepage

We need information to make choices throughout our life. This we have learned by observing people. The way we gather information to conclude a behaviourally action is a daily matter for everybody. This particular topic is interesting in an economic point of view, when it comes to consumer behaviour. As mentioned earlier consumer behaviour is appealing for almost any company, since the right information of a potential consumer can lead to a sale, if the company knows how to use the information. Therefore companies are very focused on how consumers gather information regarding a purchase. The company wants to know the criteria of the consumer's needs. For instant; what type of product is the consumer thinking of buying? If the consumer does not know the name of the product, how can the company help him to actually find what he needs? The list for obtaining the rightful information is long and desirable for the companies.

When we think of ways for a company to affect consumers buying behaviour, we normally think of advertising in form of TV commercials, magazines, billboards and so on.²¹ These promotion matters are used to obtain attention of potential buyers. They are positioned in every little place where there is a chance a consumer will see them. It is all about creating attention for one's brand, product or services. Online advertising and promotion was already said

²¹ Advertising and Promotion p. 4-5.

to be revolutionizing our world regarding marketing.²² This was mainly because of the measurable performance of Internet ads. You could not only measure, how many people saw the ad, but also how many was interested in it by 'clicking on the ad'. You could control the potential consumer and navigate him directly to the place you wanted. The barriers are fewer for the consumer to be distracted online than offline. Outside the Internet a person may see an ad for a product that suddenly interests him he must then find the place, where they sell this product. Also he must not be affected by other ads on his way to the store or retailer, since we do not want him to forget our ad and product. That will be very tough, since we cannot expect him to suddenly have his eyes closed. On the Internet the situation is less problematic, because it is a lot easier to hold on to the consumer, since there are very few barriers to disturb his attention. It is every company's dream to have 'control' of the consumer. As long as you have the control, you can show the consumer, what needful products you have. It is after that up to the consumer what needs and wants he or she may have. If we can figure out to create a need or want in the mind of the consumer, we may sell tons of our products.

With the increase use of the Internet it is becoming more of a habit for any company to have a website. To be handling your company's product- or service flow through your website is both expected by the consumers and in many cases very profitable. The Internet is another world. You are able to target consumers on a whole new level. The Internet is never closed, and has no geographically distance.²³ You can say that the Internet creates websites, which breaks down barriers of time and space, and facilitates communication between individuals in both their personal lives and in their corporate or professional spheres of activity. Due to the increase use of the Internet by the people, companies are utilising more time on a productive and effective website to gain the competitive advantage. Not only are people spending more

²² Marketing Management p. 360.

²³ Marketing Research p. 172.

hours online than before, they are also shopping more. According to the newspaper Telegraph in UK online shopping is booming at the expense of high street stores in 2009.²⁴ Further on the newspapers explain that industry insiders are predicting that by the year of 2016 the online fashion business will account for 13 percent of the fashion market and be worth over £6 billion. This increase has to inflict a decrease somewhere, which is to be seen on the physical stores. Retail clothing giants moves their focus away from the stores and plans to sell all of their collections through the Internet. Mike Petevinos, UK head of consulting for retail at Capgemini acknowledged the increase of online consumers of nearly 20 per cent during the low economic in the month of December 2008.²⁵ He strongly advises retailers to use the online market more than ever: "The strong performance of online points to a continued need to invest in the development of their e-commerce propositions." He also predicts new trends within the limits of the imagination of the Internet, but also the inevitable financial ruin for many physical retail stores. The competition is just too hard for many physical retailers to keep up with the low cost at Internet sales.

With the statements of how significant the Internet is to the companies, how they communicate is next in line. The companies communicate to the consumers via their website. Having a website is not just a commodity for businesses nowadays, but a must. A company or a professional without a website is like a salesman without his business card. The website needs to be your profile and what's good about it is that there is limitless information you can put on it. Another good thing is that static content on your site can be changed very easily. Even better, you can opt to go for a dynamic site which will automatically change your content based on changes to your business, like stock items, prices, articles, services and more. There are endlessly opportunities to communicate your company's vision, mission, goals and

²⁴ <http://www.telegraph.co.uk/fashion/4449609/Online-shopping-fast-fashion-at-your-fingertips.html>

²⁵ <http://www.computing.co.uk/computing/news/2236589/online-shopping-sustains-growth>

strategy. The amount of things you can inform the surroundings are as said; limitless. These boundless information opportunities are on the other side also a great problem creator. We know when something is without boundaries it tends to overwhelm the eye of the beholder. This is exactly what happens for a lot of websites and therefore the companies' images. Earlier I spoke of too much information floating around on the Internet and creating understandable problems for the people, since extracting knowledge from this information were at some points very difficult. When people are pouring out their opinions and stamp it as useful information, it can be hard for some to overlook it or get some knowledge out of it. This same situation occurs for many companies, when they are moving their whole empire to the online features. One website to show it all and still remain clear to the eye of the beholder is a great task.

For companies who are selling their products or services on the Internet, the homepage is most important. This is the place for them to both inform a potential customer and also make a purchase happen. In a physical store you have the assistant to inform you, guide you, and in many cases impress you and thereby influence a sale. This you literally do not have online, even though some companies have invented some virtual assistants on their website. As an example is the Swedish furniture company IKEA²⁶, who created the "Ask Anna" in Denmark. 'Anna' is a virtual female who blinks and smiles for you, and asks: "How may I help you?" to make her as real as possible. 'Anna' should have all the answers regarding IKEA and its products, but even that invention has its limits especially when it comes to making you buy more. None the less the mission of 'Anna' is to reduce the number of request by the telephone with 15% and 50% with e-mails.²⁷ As for this matter 'Anna' will influent the economic positively, if the mission is fulfilled. A lower request rate from the consumers means less spend time and therefore money saved for Ikea.

²⁶ <http://www.ikea.com/dk/>

²⁷ <http://www.pressport.dk/pressrelease/IKEA-indfoerer-elektronisk-kundeservice-2165.aspx>

As for any physical organisation the same goes for any online websites; the more the amount of information increases, the more use for help and guiding is needed. Companies have these issues. They have all the information stacked around on their website, but need to separate information that is not needful for each consumer. Yet again they need to make their online shopping more efficient, so they can sell more. Actually over 75 per cent of people that goes to the Internet have a specific purpose, many of whom then enter a company's online shopping area and start to pull items into the shopping basket. Yet two out of three of these online shoppers abandon their shopping trips, many times because the navigation is too difficult or too confusing.²⁸ Specifically, the consumer experiences different stages of complexity in form of overload and ambiguity. Imagine two out of three would leave a physical store and not buy anything, even though they already had put products in the basket. The store would surely have a problem and do whatever it takes to solve it. In regard to the online webshops Brynjolfsson, Hu and Smith also proclaim²⁹ the consumer has a need for knowledge navigating around on the website searching for his problem solution. When the amount of products at a online retailer increases, the demand for proper search tools becomes very important. If the online retailer himself creates unsatisfied search tool for the consumer, the deduction of purchases will be a fact. This matter shows that online search tools have an important role for both the consumer and the retailer. Now, in modern society online search tools are not just a help for organizing the products and information. We see on a daily basis that developing the right search tools both online and offline can create an increase in purchases by the consumers. Some companies have come up with a way to influence a consumers buying behaviour positively with focusing on their search tools.

As elaborated earlier every company's wish is to affect the mind of the consumer, so the person will buy more products. How to affect the consumer is

²⁸ Marketing Research p.173.

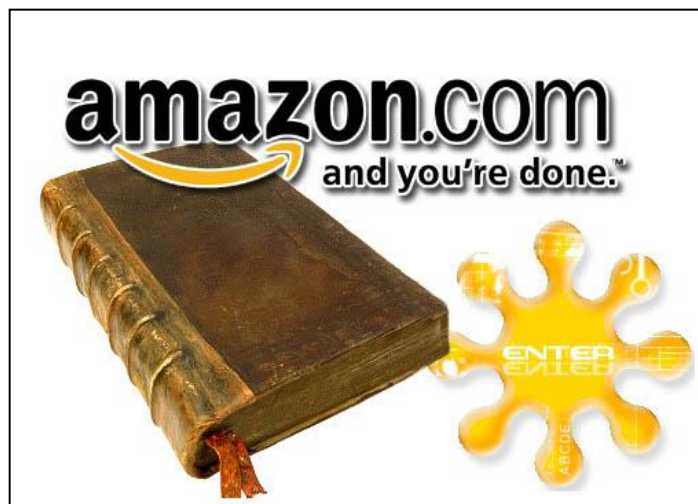
²⁹ From Niches to Riches pp. 67-71.

due to the buying behaviour, and with this a company can gain an advantage with a beneficial search tool.

4.2 The history of Amazon.com

The multinational e-commerce company Amazon.com, Inc. is America's largest online retailer with sales revenue of \$24.509 billion in 2009 worldwide.³⁰ It is said to have nearly three times the Internet sales revenue than the runner up, Staples, Inc. Not many companies can brag about that in their line of business.

The CEO and also founder of Amazon.com, Inc. is Jeffrey P. Bezos, who in 1994, at the age of 30, quit his job as a vice-president of the Wall Street firm D.E. Shaw to pursue his interest regarding Internet sale. He had read a report that projected annual Web growth at 2,300 percent at that time.³¹



Bezos started by drawing up a list of 20 products that could be sold on the Internet. He narrowed the list to what he felt were the five most promising: Compact discs, computer hardware, computer software, videos, and books. Bezos eventually decided that his venture would sell books over the Web, due to the large worldwide market for literature, the low price that could be offered for books, and the tremendous selection of titles that were available in print.³² Amazon.com quickly established over 1 mill. titles to choose between. This was actually one of the first business differences Amazon.com implemented to have over 23 times more book titles than its large competitors, such as Barnes &

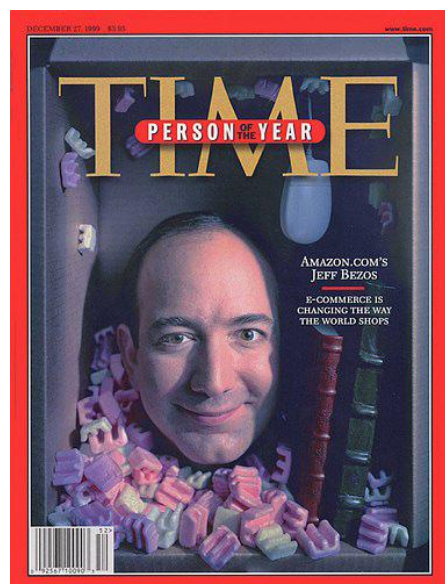
³⁰ <http://www.answers.com/topic/amazon-com>

³¹ <http://bizcovering.com/major-companies/case-study-a-strategic-analysis-of-amazoncom-in-1997/3/>

³² <http://www.referenceforbusiness.com/history2/35/Amazon-com-Inc.html>

Noble and Borders, who only carry about 2,000 titles in stock. Most orders through Amazon.com were placed directly through wholesalers and publishers, so no warehouse was needed. Amazon.com would simply receive the books from the other sources, and then ship them to the customer.³³ Amazon.com wanted to be the pioneer in the world of Internet commerce. They wanted to set the standard for perfect web business. With that goal in mind, Bezos went to focus on different possibilities to make the customers happy. For instant he made it possible for the customers to receive their books gift wrapped, so the customers could buy any book as a gift and then get Amazon.com to ship it directly to the person, who needed the gift. With this new possibility, people could send gifts to other countries rather cheap, since they did not need to pay for shipping charges twice. Together with many titles and low prices, Amazon.com gained more and more foothold in the online book market.

With the words: "Our vision is the world's most customer-centric company. The place where people come to find anything they might want to buy online," Bezos literally spoke his own future vision. Just before the year of the millennium Amazon.com moved into CDs, videos, toys, electronics and a few years later also into clothes. Many sceptics announced big problems for Amazon.com, since the company was growing too fast. The sceptics meant that the world associated Amazon.com with a bookstore, and only that.



Jeff Bezos in the TIME magazine

Amazon.com was for online book sales what Ford was for cars. Ford should not sell food, since that would not be reliable.³⁴ The same goes for Amazon.com. Umbrella branding is to be implemented with

³³ <http://www.answers.com/topic/amazon-com>

³⁴ <http://www.achievement.org/autodoc/page/bez0bio-1>

caution. Bezos and Amazon.com did not share the same scepticism and instead announced their intention to go from being “Earth’s biggest bookstore” to “Earth’s biggest anything store.” Years followed with success for Amazon.com and Bezos, and in 2007 they introduced their newly development electronic invention: ‘The Kindle’. This piece of electronic “toy” looked like a smaller picture frame, which has the ability to go online, check your e-mails, but most important read e-books. This electronic piece enabled the reader to purchase books from Amazon.com (and also other places) and store them to read, whenever he or she felt like it. With book prices below \$10 for new bestsellers, this development was and is markedly innovative. By mid-2010, Kindle and e-book sales reached \$2.38 billion, and Amazon’s sales of e-books topped its sales in hardcover.

4.3 Amazon.com and its data, information, knowledge and search tools

When Amazon.com was starting up, Bezos knew that even ground breaking ideas within book sale would not generate success for an online company itself. E-commerce was the new hype in the mid-1990s, and therefore many were making unknown mistakes, since they had no experience with online sale. For Bezos it was devastating to create a website that would make consumers happy and thereby improve them to be returning customers.³⁵ Since Amazon.com wanted to be a pioneer in the world regarding e-commerce, they analyzed website possibilities in many ways. Bezos was not in doubt that it was within the design of the website and also the consumer behaviour that a healthy empire could be build. It was therefore important that the customers perceived their website positively. It had to be easy for a newly arrived customer to navigate around and find what he or she was looking for. A well constructed online search tool had to be made.

I have chosen to identify the efficiency of Amazon.com’s online search tools, and how these tools are being an important part of a well function homepage.

³⁵ <http://bizcovering.com/major-companies/case-study-a-strategic-analysis-of-amazoncom-in-1997/5/>

Amazon.com is making use of both some active search tools and many passive tools in form of recommender systems. It is all a strategy to help customers on their purchases, and I will show you how.

Looking at figure 4.3a³⁶ you can see a screen shot of the website of Amazon.com, Inc. (From now on I will refer to as Amazon). For the inexperienced observer the website of Amazon may at first glanced heavily over-swamped with data, and without much clarity. After a short time you will be aware of the 'search bar' at the top and the different department options. With this you can start up by searching for a product in different departments. This is Amazons active search tool. As you start typing your specific topic, name suggestions will appear for the products in the data base of Amazon. Not only are you able to search for a specific topic, this search tool will also help you in many other ways. Firstly it will help you remembering the name of your product in either brand, name or just topic. Also it helps you to spell it correctly and lastly it speeds up the search time, since you only have to start typing your search and then click on the desired topic. This active search tool is to delimit the amount of information on Amazon, so the visitors will not get overwhelmed. It is essential for Amazon that the visitor finds what he needs very easily and as fast as possible. The less time he uses on one product the more time he has to be affected to buy other products.

After a chosen product or topic in the search bar, Amazon will let you narrow down your search criteria even more, without you needing to write anything more. You will in a multiple choice model chose certain criteria in which you want the product or topic to be. For instant you chose "man" if you want a male product. You can further on choose price level, size, colour and much much more.

³⁶ Please note that I have chosen to use the UK website of Amazon (www.amazon.co.uk)

The screenshot displays the Amazon.co.uk homepage. At the top, the Amazon logo is on the left, and navigation links like 'Hello Jesper', 'Deals of the Week', and 'Gift Cards' are in the center. A search bar is prominently featured. Below the search bar, a large banner for 'The All-New Kindle' is shown, highlighting pre-order prices: \$139 Wi-Fi and \$189 Free 3G+Wi-Fi. To the left of the main content, a vertical sidebar lists various departments such as Books, Music, Kindle, Electronics, and more. Below this sidebar, there are several promotional boxes: 'Check This Out' with links to Grocery, Musical Instruments, and Lighting stores; 'Amazon Services' including Amazon Excludes and E-mail updates; and 'Inspired by Your Browsing History' which suggests related products like Casio watches and digital voice recorders. On the right side, there are more promotional banners for 'Heading Back to School?', 'Read Kindle Books Now', 'Gift Certificates', 'Seiko Watches', and 'Time For Little Learners'. The overall layout is dense with text and images, typical of a major e-commerce website.

Figure 4.3a - The homepage of Amazon.co.uk.³⁷

As you also can see the Amazon start page has much more to offer. You see a lot of different pictures of products and quite much written messages. It may seem as way too many ads has been placed asymmetrical all around. It is at some extent confusing and incomprehensible why they are showing all that data. Nevertheless there is of course a reason for a website designed as Amazon, and why it has such huge online shopping experience that is worthy

³⁷ This is only 2/5 part of the total site. More of the site will follow later on.

of imitation by other e-commerce developers today.³⁸ None of all the topics and pictures that you see on the start page of Amazon is placed by a coincident. It is all a part of their passive (search) tool. Actually, if you enter the homepage, you can spot that many of the topics are divided into areas with a thin grey line. I have unfortunately not been able to catch that on my screen shots. Nevertheless each area has a headline written in orange. These areas have something interesting to inform you, and there are quite a lot of them. To highlight some of these areas I have chosen to make yet another screen shot, which is the same as the last figure, but this time I have added some boxes with numbers or letters to emphasise each area. They all have great importance for Amazon regarding costumer data, which I will explain in the following. I have added this screen shot in figure 4.3b.

From the top of the start page **#1** Amazon is greeting me with my name: "Hello Jesper". I am a returning customer and thereby they address me personally to build up a relationship. In almost the same sentence they tell me: "We have recommendations for you". This is one important part, since what they are recommending me is all based upon many different pre-obtained data from both my earlier visits and also data from other customers' behaviour, which in some way have a same buying behaviour as me. This is the passive tool coming to live. I have granted Amazon tons of data from previous visits that they can use for either post-informing me or actually other customers. Each time I look at a product, search for a product or perhaps just read other customers review on products it is all being tracked by Amazon and their passive tool. This tool is actually spying on me, knowing every little step I take, so it uses my own behaviour to inform and inspire me for any product, which is to be resembled to the ones I already have had an interest in. Looking at the screen shot in figure 4.3b I obvious have been 'scouting' around previously. More precisely I have been looking at watches **#2**, this is how

³⁸ http://blogs.gartner.com/gene_alvarez/2009/05/12/what-is-amazon/

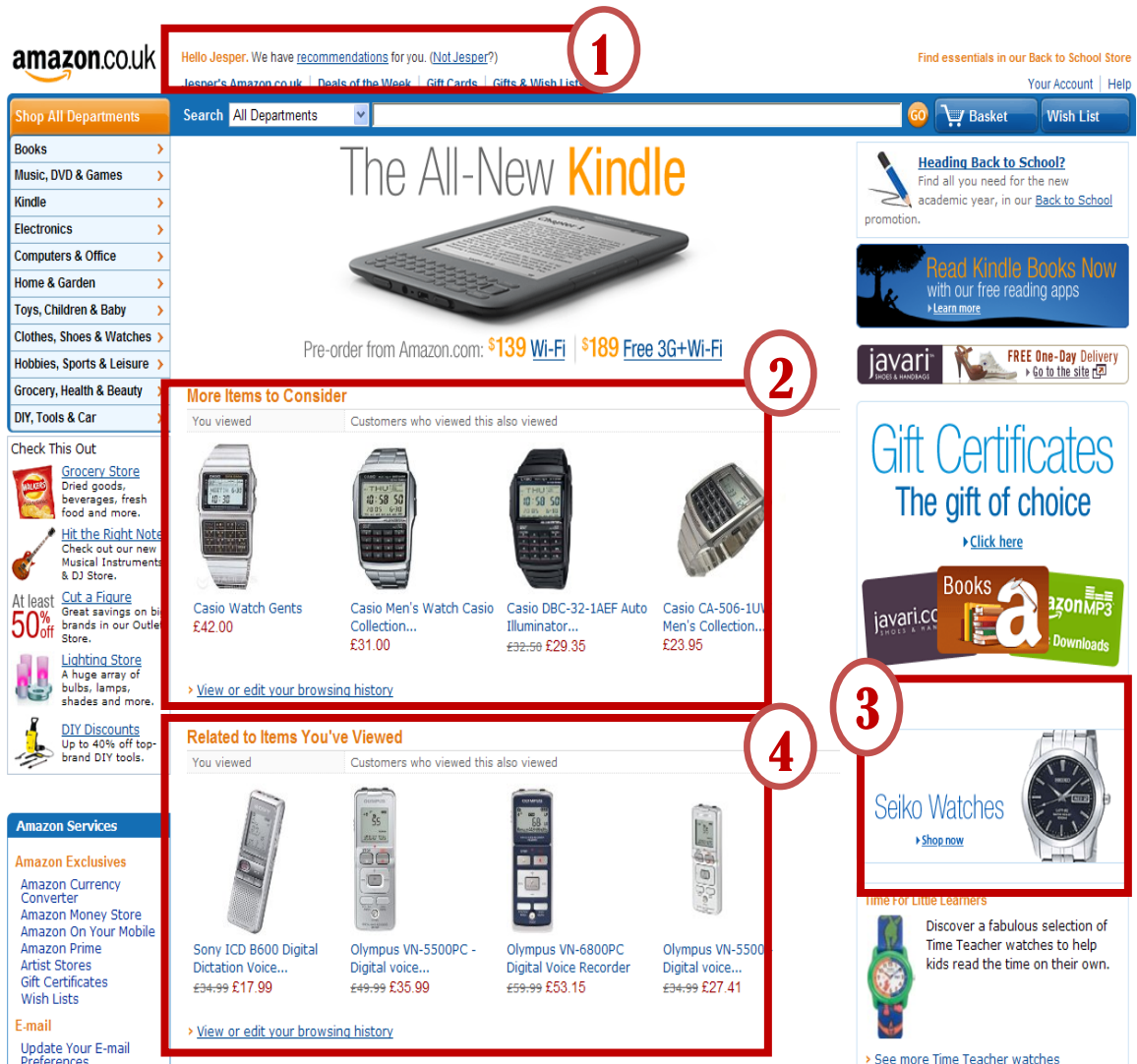


Figure ?.B. The homepage of Amazon.co.uk with highlighted areas.

Amazon tells me: "More Items to Consider" and "You viewed". In some way it is a history of my earlier searches, even though I have not looked at all the watches that you can see. I have looked at the watch for £42 (The Casio Watch Gents to the left). The recommendation system (the passive tool) has gathered this information since I was interested in a watch therefore I may be interested in other watches too. Clever enough the watches which are displayed are in many ways very similar to the one I looked at. For instant they all have a calculator! Again it is very well thought out, which products to show me based upon my previous interest.

A new recommendation system within the passive tool is the use of the 'Twin model' "Customers who viewed this also viewed". This 'Twin model' is relying on simple customer buying behaviour. If I looked at some different boots and perhaps ended up buying a pair, how big is the possibility that a customer looking at the same brand of boots that I bought, would be interested in some of the other boots that I looked at? The chance is huge, and that is what Amazon has figured out. Why not find the patterns among the customers and inspire each of them with the search and buying history of one another. It has a remarkable resemble to the situation in a shop, when a sales assistant spots you looking at a certain product. He then approaches you to inform that you might want to have a look at some other similar products, since these have been happily purchased by other customers. He is using other customers buying behaviour to affect my buying behaviour.

Further down **#3** on the figure we find a ad for Seiko watches. This ad is a paid ad from a company, who want to sell its product to potential customers. The clever part of this passive tool is when it is been displayed. It is not just an ad that every visitor will see. This ad is only to be shown to customers, who already have shown interested to watches. This ad is surely hitting a big potential customer, when it is being shown, because how much more can a customer be potential, than a customer who already have shown interest to that particular line of product. In my case it is the watch company Seiko, who are paying Amazon extra to be presented for me, since I have shown Interest for watches. They are hoping I will click on the banner and get inspired about the Seiko watches and hopefully buy one. There is no doubt that Seiko will target very potential customers instead of advertising to all visiting Amazon. Focus on the ones who already are interested.

Below the area of my entire watch search and my browsing history for the seldom **#4** you will see the same area for digital dictation voice recorders. To

no surprise I have been browsing for products of that type of digital machine. What is relevant here are the price figures, which are a reminder to the costumer, why they should shop at Amazon. We have a crossed out price in black and beside it a lower red price in a slightly larger font. The black price is the manufacturer's suggested retail price or list price. The red price is of course the price of Amazons, always letting the customer know that he saves money at Amazon. It could sound like Amazon will lose money, but surely they have a deal with the supplier for the discount.

The screenshot displays the Amazon.co.uk homepage with several key sections highlighted:

- Area A:** "Inspired by Your Browsing History" section, showing products like Wahl Vogue Mains Hair Clipper Set, Wahl Chrome Pro Mains Hair Clipper, Wahl 79233-017 100 Series Mains Hair, and Wahl Clip N Rinse Cord Cordless.
- Area B:** "Customers with Similar Searches Purchased" section, showing products like Wahl 9918-1117 Beard and Moustache, Wahl 9916-1117 Groomsman Rechargeable, The Matador [DVD] [2005], and Remington Groom Professional MB320C.
- Area C:** "Additional Items to Explore" section, showing products like Matador - Entire Series - 12-DVD Box Set, How the West Was Won - Complete Season 2, The Vikings 6DVD Gift Pack, and V - Season One [2009] [DVD] [2010].
- Area D:** "Bestsellers" section, showing top-selling PC & Video Games like FIFA 11 (PS3), Mafia II (PS3), Gran Turismo 5 (PS3), Call of Duty: Modern Warfare 2 (PS3), and DualShock 3 PS3 controller (PS3).

Each highlighted area includes a "View or edit your browsing history" link. The right sidebar also features an advertisement for javari shoes and handbags.

Figure 4.3c - Further below on Amazon.co.uk homepage with highlighted areas.

On figure 4.3c we find a lot more processed data and information and thereby recommendation to inspire me. I have been looking at many products, and Amazon will want me to remember that. I might have been looking at a beard

trimmer **#A**, which has inspired Amazon to show me some other unseen beard trimmers. Then again this one search for a beard trimmer also has triggered the other passive tool, where Amazon shows me, what other customers with similar searches have purchased **#B**. It might interest me, which might lead to a purchase.

Further down is yet another example of me browsing Amazon for the Danish classic movie series Matador **#C**. Amazon lets me know as before, what customers with same search criteria also have viewed. It has been quite some time since I made that search for Matador, which is also the reason why, it is placed rather way down on the homepage, before they show me.

One other interesting thing you will find to the right of the figure, is an area with the "Bestsellers" regarding video games **#D**. Even though it has been quite some time since I was browsing that product field also, Amazon sometimes pops up with a reminder of which video games is selling best at this time, just in case that I will be in a state of mind for purchasing a video game again. Now it is not about the twin customer, but more in general which games are the best selling at this point. So, if a new game or product suddenly makes an appearance on the top 5 list for Playstation 3, they will quickly inform me. It is much easier to sell a product that many already have bought. There must be a positive reason for them to buy it. This is what Amazon is telling me with the top 5 list.

Going deeper into Amazons homepage and onto the next step of their search tool universe, I have chosen to look closer at one product; in this case a watch (see figure 4.3d). Now Amazon really informs me in any way possible. If we start from the bottom of the figure **#1**, Amazon informs me about what products customers actually buys immediately after viewing this watch. An interesting point here is that Amazon is not informing me what a customer, who already

amazon.co.uk Hello Jesper. We have [recommendations](#) for you. (Not Jesper?) Visit our new Pet Supplies Store

Jesper's Amazon.co.uk | Deals of the Week | Gift Cards | Gifts & Wish Lists Your Account | Help

Shop All Departments Search Watches Go Basket Wish List

Watches Watch Brands Bestsellers Men's Watches Women's Watches Children's Watches Accessories Luxury Watches Jewellery Outlet

Casio CA-506-1UW Men's Collection Retro Watch

by [Casio](#)

★★★★☆ (3 customer reviews)

Price: £23.95

In stock.
Dispatched from and sold by **THE JEWEL BOX.**

Only 3 left in stock--order soon.

4 new from £23.65

£23.95 + £3.95 shipping
In stock. Sold by **THE JEWEL BOX**
Quantity: 1
Add to Basket
or
Sign in to turn on 1-Click ordering.
Add to Wish List

More Buying Choices

GMT Classics Add to Basket
£27.50 + FREE SHIPPING

Trade2you Limited Add to Basket
£23.65 + £3.99 shipping

Bablas Jewellers Add to Basket
£24.95 + £2.95 shipping

4 new from £23.65
Have one to sell? Sell yours here

Share

Special Offers and Product Promotions

- Check out our [Watches](#) store for timeless classics to latest fashions.
- Save on a huge selection of men's, women's and kids' watches and accessories in our [Watch Deals store](#).
- For one week only find great savings on a wide selection of watches in our [Jewellery and Watches Deals of the Week](#).
- Find a helping hand to make watch shopping easier with our [Watch Buyers Guide](#) and [Watch Glossary](#).

Product Specifications

Watch Information

Brand:	Casio
Part number:	CA506-1UW

What Do Customers Ultimately Buy After Viewing This Item?

31% buy the item featured on this page:
Casio CA-506-1UW Men's Collection Retro Watch by Casio ★★★★★ (3)
£23.95

25% buy
Casio CA-53W-1Z Men's Collection Retro Watch by Casio ★★★★★ (5)
£19.50

17% buy

Figure 4.3d - Looking closer at a specific product at Amazon.co.uk.

bought this watch, would have bought afterwards. I have not bought this watch yet, and perhaps I will change my mind viewing the product information or the customer reviews. It is therefore more important for Amazon to inform about other similar products, and which ones my "twin" bought after looking at this specific watch. Another point is also that a lot fewer customers would have bought yet another watch, if they already had bought this specific one. To put it briefly Amazon just wants me to buy a watch. They do not care which one it will be, just as long as I buy one. This we can also state by viewing their "Special Offers and Product Promotions" #2. It is very unusual that you will do

any commercial for other brands, when a customer has chosen to look at a certain product. You would normally wait until you knew for sure that he was not interested in the origin product. Then again whatever behaviour I develop, they will track and keep it in mind for all my twins (potential customers who develop a same behaviour as me). Let us say that I bought this watch, Amazon would then track it and put it into their recommender system, the passive tool. As soon as my twin visits some of the same watch products that I have looked at, Amazon will inform him or her that “others” bought the watch that I did immediately after watching these different watches. As Amazon finds out when a certain customer is a certain twin, they can guide him or her towards a product, which with big chance will interest the customer, since the person has shown to be like another certain customer.

The last highlighted object in the figure is regarding the customer reviews **#3**. These reviews are a very clever way to let customers rate and give their opinion in regard to a product’s expectations or even the manufacturer’s delivery time or service level. At Amazon you can rate it with stars from 1-5 and also leave a written comment. The star rating Amazon uses to create a statistic about is for new viewers to quickly gain a good overview whether this product is liked or not. They can then use the comments to get a more detailed description about the like or dislike. In figure 4.3e I have highlighted the specific customer reviews for the watch I looked at.

At most webshops today you will find customer reviews, which have proven to be essential if the passive “search” tool recommender system should create some greater synergy. Amazon is in my opinion one step ahead again. Besides being able to read customer’s opinion or see his or her rating **#A** (see figure 4.3e) for the product you are viewing, you are able to access the one customer’s other reviews as well: “See all my reviews” **#B**. If you liked a certain review from a certain customer, you are now able to see all his reviews

and thereby be inspired to buy some of the same products he has bought. It is all about

Customer Reviews

3 Reviews

5 stars:	<div style="width: 100%; height: 10px; background-color: #f0e68c;"></div>	(0)
4 star:	<div style="width: 100%; height: 10px; background-color: #f0e68c;"></div>	(2)
3 stars:	<div style="width: 100%; height: 10px; background-color: #f0e68c;"></div>	(0)
2 star:	<div style="width: 100%; height: 10px; background-color: #f0e68c;"></div>	(1)
1 star:	<div style="width: 100%; height: 10px; background-color: #f0e68c;"></div>	(0)

Average Customer Review
★★★★☆ (3 customer reviews)

Most Helpful Customer Reviews

1 of 1 people found the following review helpful:

★★★★☆ **Classic**, 14 Mar 2010

By [Aj Johnson "AJJohnson"](#) (uk) [See all my reviews](#)

REAL NAME

This review is from: Casio CA-506-1UW Men's Collection Retro Watch (Watch)

Really liked this watch, although it was cheaper when i brought it.

Works really well - very easy to use.

Would have gotten 5 stars if it had a little light. But not a major issue as i try not to do too much maths at night time!

Its pretty waterproof too - been in a few rivers wearing it, and its still working.

The strap is ok, nice and light (like the watch) so you will forget your wearing such a retro watch until one of your friends notices!

Help other customers find the most helpful reviews
 Was this review helpful to you?

[Report this](#) [Permalink](#)
[Comment](#)

★★★★☆ **Nice look, shame about the quality**, 19 Aug 2010

By [Andy/Michelle](#) - [See all my reviews](#)

This review is from: Casio CA-506-1UW Men's Collection Retro Watch (Watch)

I've had this watch since Christmas 2009 and while it was great for the first few months, I'm now disapointed with the quality of it.

First, the surround of the watch (around the face) is coloured plastic and when it gets worn down, it reveals a darker grey plastic below, so it now looks a bit patchy. As the band is stainless steel, I had thought the face would be of the same quality.

Second, the watch has now started to randomly lose time/date settings and the alarm function. Every so often, I'll look at the display and it will have lost the time and think we're in the year 2080 for some reason. For something that's eight months old, not great.

It also doesn't have a light, which is a bit frustrating given the pure grey on grey LCD display.

They don't make 'em like they used to...

Help other customers find the most helpful reviews
 Was this review helpful to you?

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FREE 365-Day Returns

100% Price Match Guarantee

on Thousands of Styles
(...and there's more to come)

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[Ad feedback](#)

Search Customer Reviews

60

☒ Only search this product's reviews

Figure 4.3e - Customer reviews at Amazon.co.uk.

individual branding. If a total stranger came up to you in a store, when you were looking at different products and telling you to go the electronic department of the store and check out a certain DVD movie, you would perhaps be a bit surprised, but you would surely be affected by this “advertisement”. Then imagine the same scenario, but this time the person was not a complete stranger. This time it was actually a person you had confident in when it comes to DVD movies, since this person has shown to have an opinion like you on these matters. Now your interest for that DVD

movie would surely increase, and I guess you would go have a look at that DVD. This “advertisement” is suddenly even more effective than before.

4.4 The effectiveness of Amazon’s search tools

The online search tools have been important for Amazon from their start of business. Amazon has many products, which as we know produces a lot of information. Instead of fearing the amount of information, they just started to collect a lot more information in form of consumer behaviour and tie it together with the information of the products, creating a huge synergy.

Amazon has created some strong active and passive tools. These effective search tools are to help the visitor find what he or she is looking for, but also to inform of the needs that he or she may not be aware of. It is Amazon’s wish to help the visitors to find new interesting products and services. Amazon is creating awareness of products and services, which the visitor at first did not have a need for. Suddenly he or she must have the product or service, and will buy it. An increase in sale is then unavoidable. Amazon is actually doing what big physical supermarkets are trying to do in their stores. The supermarkets place their products, so that the customers get inspired to buy them. They create awareness for the products, which will suddenly create a need. For instant you will almost see the sweets, when you are in the queue waiting to pay for your products. The awareness of the sweets creates a need you were not aware of before you entered the supermarket. Just as the supermarkets Amazon has triggered a new need or want in the mind of the consumer. Still the supermarkets cannot even create the same awareness for the customer, since they have fewer parameters to use. They may have the possibilities to place the products as to target the customers best. They can also inform the customers over the speakers about some products. The supermarkets can also have different booths, where a person can influence the customer with a certain product. Of course we cannot forget the possibility of having the employees to help the customer and thereby guide and influence him or her to

buy something. Why Amazon has more possibilities than the supermarkets is simply because they focus on the one customer. As soon as he or she enters Amazon, the homepage will be personalised for him or her. The supermarket and any other physical store cannot change to that extent. One customer will see the same products as the other customers, even though they have different preferences. If the physical stores were to catch the one customer in the same way as Amazon, they would need to have a personal helper or informer to go with each customer, and observe the customer's behaviour and thereby respond to that.

Looking from a theoretical point of view Amazon has broken up with the traditional marketing point of view and instead chosen to use behavioural marketing, where the individual is the main focus. This evolutionary stage was something Amazon developed in the online business earlier than the market could follow. In the marketing book "Kellogg on Branding" from 2005 Philip Kotler wrote the foreword and told us that old and traditional marketing was no good anymore. We had to leave the oldschool way of thinking and head towards the newschool. In the Kellogg book there are many different statements for how to follow the modern marketing way. One of these is especially to leave the mass marketing and focus on the individual. It is all about the customer and only the 'one' customer at a time. You can see that Amazon processes and handles their customer data on an individual level. This is because Amazon only addresses the individual on their homepage. They are not shouting towards a group, but only talking directly to you. The Kellogg book is from 2005 so Amazon has been groundbreaking on this matter, since they started these ideas up in 1995.

Amazon has great success with their online search tools, both the active ones and the passive ones. One issue that has intensified their search tools is in regard to their storage space. Since Amazon does not have all the products piled up in a warehouse, they do not care about selling all their products. What

is important for them is to sell as many products as possible in shortest time. This means that they do not use extra time on products that are tougher to sell than others. That problem is only for the manufacture of the product. Amazon's focus is on selling products that are easier to sell, since that creates a faster income and therefore more money. I bet that among the board of Amazon they were discussing the issue of which products were the easiest products to sell, when they first wanted to create a lucrative business model on the Internet. They must have figured out that the easiest products to sell were the products that were most liked. But consumers have different opinions about a preferred product. There are always some who have the same preference. Therefore it does not matter whether or not the customers are right. There is no need for an expert in that line of business, since Amazon is selling products to all customers, and why not let the customers be the judge of the product then. If one customer likes a product the chance is that another customer likes it too. All what Amazon has to do is to find that other customer for every product that is liked. This is what creates the twin model. A twin has the same behaviour as the origin customer, which means that the twin will like the same thing(s) and therefore purchase the same products. This is what creates a great recommender system due to a well developed passive "search" tool.

There are many things that have made Amazon as successful as they are today. I have only focused on their search tool model in regard to their homepage. It has been important for me to explain, how easily a well thought out search tool can help your online business tremendously. Also how well you can link the tools together so they actually create synergy for each other. In this case with Amazon, their active search tools are doing wonders for the passive tools and vice verses. As soon as a customer is searching for something, he or she is giving information to the active search tool, which the passive tool can use for later purpose.

5. The fictive company

The following chapter will content a larger area of what I have been talking about and illustrated in the previous chapters. I will make use of a fictive company to demonstrate how an online search tool is incorporated and operated on a homepage with high chance of success.

5.1 The online company 'Travelme.com'

I have chosen to work with a fictive company in my progress of explaining the need for an effective online search tool for an online company. In terms of being able to illustrate which information is important from start to end for this company, I need the company to be at its upstart level in regard to its online progress. If I was to take an existing company on the market, who already had been online for quite a while, there would have been a great chance that I had wasted a lot of time on both correcting and analyzing the company's homepage in oppose to the right search tool. A search tool is surely best placed at the creation of the homepage and then developed further as time passes and the amount of data, information and knowledge is growing bigger. In that way you will be able to control your online search tool optimal, and then optimise it when you get new information.

Travelme.com is as told a homemade company, and therefore does not exist in the real world at this moment. The domain "Travelme.com" is therefore not in used. The company is working within the travel business and according to the company's name I have chosen one that should be memorable. As you can see I have chosen an international name, which is mainly because of this assignment's language. It is then better understood. Although the name and the domain is not Danish I will chose the company to be Danish, and therefore only focus on the Danish travel market. My knowledge is limited to this market in this field, and it would be too much to include several countries. The differences are also to my belief quite immeasurable between the countries.





5.2 Choosing the travel business

My choice of business has several argumentations, but still I could have chosen any line of business in regard to online search tools. Of course the business had to have a lot of information, since this is essential for an optimal use of the tools. Businesses that sell products or services online always have a lot of information, which always sets a high need for a good search tool. It is called a webshop, when a company has the opportunity to sell their product or service through the homepage. Almost all travel agencies are online and many of these have webshops, where you can book your travel. The travel business has a lot of information organised within the corporation. As regard to all the services in form of the trips, you will find tons of data and information. These services contain different informative aspects, since many trips are divided into different main areas. For instant a travel to Tokyo for 14 days may include several separated services. The trip may include a stopover at another airport, where you have to take another plane. The trip may also include staying at different hotels. You may also need a car some day during your stay to get to a specific place, and perhaps you would really like a guided tour to experience Tokyo the best way. All these separated services contain different information, which either can confuse the customer on the homepage, who is looking for his or her perfect trip, or it may be able to create an extraordinary synergy if combined properly. If the customer wants a certain travel, which in her or his way seems unique and preferable, they will book within the criteria that are possible on the homepage. If a booking has been made, the synergy between the services and information has been a success. If the information on the homepage is perceived data instead of knowledge and thereby it does not give the preferred choices, the customer will not book a trip, and it has been a failure.

5.3 The travel business

The travel business has seen a huge growth on the online field the last 10 years. In Denmark we experienced that only one percent of the total travels ordered in 1998 came from the Internet. In the year of 2000 this number was increased to four percent, and by 2003 it had reached even seven percent.³⁹ From 2000 and the following three years the online travel business was also booming among the Internet shoppers. Of a total of Danish consumers, who were shopping on the Internet, 33% were actually purchasing travels. At the year of 2008 this number had increased to 49%, making it the favourite buying category on the Internet.⁴⁰ Within these years of travel development many travel agencies saw their first daylight. In 2009 there were 458 registered agencies in Denmark.⁴¹ As the travel market had been experienced a positive and very fast rise it was not all travel agencies that were making money. Actually it was estimated that over 50% of the total agencies in 2006 had a poor turnover, even though the year implied a boom in the country. Most of these agencies with unfavourable economic were small agencies. The bigger ones were the ones making money, whereas the little ones had problems surviving.

There are several advantages of being one of the bigger travel agencies on the Danish market in oppose to being a smaller one:

-  Media attention
-  High marketing budget
-  Distribution of development cost
-  Homepage focus

One obvious situation is that they get all the attention in the media. This attention normally comes because of the agencies' seniority and their huge

³⁹ <http://npinvestor.dk/nyheder/rejsebranchen-satser-paa-nettet-84533.aspx>

⁴⁰ Børsen – may 2008 "Rejsebureauer under pres"

⁴¹ Business.dk – december 2009 "Rejsebranchen presset af dårlig økonomi"

spend on marketing initiatives. Agencies that have existed longer are usually more known, and therefore give the consumers a better picture of the business, rather than an unknown agency would.

The big agencies have a huge marketing cost. For the big ones it is all about market share and marketing initiatives provides a larger share of the market.⁴²

Also the big agencies can distribute the cost of development on many port folio items, whereas the small ones only have a few main item, from where they normal get all their revenue. When the small agencies only travel to a few destinations and also only have few types of travels to offer, they do not have many areas to divide the extra expenses on.

One last and important issue which separates the big agency and the small one is their resources spend on their own homepage. The design, layout and functionality is very often a lot more well-composed and developed at the big travel agencies than at the small ones. Firstly they do not have the same spending, but worst they do not wish to allocate resources to that area, since they rather save some money on that account and create sales over the telephone instead.⁴³

The travel business has been and is still a very difficult market for the travel agencies. The competition is sky high and many companies cease to continue every year. In 2009 the Swedish analysis firm 'Soliditet' stated that approximately 27% of all the travel agencies have low cash position.⁴⁴ This would raise the possibility of going bankrupt in the near future. Since the Danish country suffered an economic depression throughout the year of 2008 and the years after, the travel market was very much affected of the pessimistic and fearsome attitude from the Danish consumers. In those

⁴² Børsen – may 2008 "Rejsebureauer under pres"

⁴³ Børsen – marts 2008 "Nej tak til e-handel"

⁴⁴ Business.dk – december 2009 "Rejsebranchen presset af dårlig økonomi"

situations you lose revenue and will have to sell many of your trips with a big discount. This has its affect on the margin profit for the travel agencies. It also appears that the agencies are not only competing against each other on this market. Travel agencies who focus on discount prices have experienced devastating competition from other airlines. In 2004 many airlines wanted to have low price trips.⁴⁵ Suddenly the short trips to European capitals were in high demand which created a huge supply. Those trips were not only determined for the travel agencies. Even though the airlines did not sell package solution with a hotel enclosed in the price, they had success with the trips. People had no problems in searching for their own hotels. Just as long as the price for the flight were low enough to save money, the customers would just find their own unique hotels, which fitted their own price level and needs. The agencies are surely suffering if the customers suddenly begin to buy their own flight ticket through the airline, book their hotel on the hotels own homepage and rent the car at a local car dealer. This is where the travel agencies lose revenue.

The travel business is changing in Denmark. Even though the charter holidays are still profitable for the agencies, the Danes have more criteria for a desirable trip than earlier. Hotel facilities, service level and dining experience are all something that are being demanded at a higher level than before.⁴⁶ People want individual charter holidays. They still want the package trip, but with unique experiences. A need for flexibility, where the customers can chose to change the normal settings for the trip. Different overnight stay, visiting new areas and a more individual guide appearance is just some of the things that people are longing for. They want to plan the trip themselves, so they can hunt that unique travel and maybe even to a lower price. A lower price means more saved money to spend on other trips. This is exactly what the Danes do. They travel more. It is not unusual that the Danes will travel three times or

⁴⁵ Børsen – october 2010 "Krone Rejser var en fiasko"

⁴⁶ Børsen – July 2010 "Charterbranchen skal skabe værdi på nye måder"

even more every year.⁴⁷ There is of course difference between the target groups of travel vacations. The ones who travel most are the more mature people, who either have no kids or at least they are old enough to take care of themselves. It is often travellers 50+ who travels more than 2 times a year. This target group is also the ones, who have higher interest for a unique and a self-made trip for ultimate satisfaction. This is the opposite to young people and in many case families with babies. They often chose package solution "all inclusive", since they are more enjoying the vacation as a relaxation and not as much to experience new culture with a daily 'to-do' program.

5.4 Travelme.com and the information for the search tools

As stated earlier in the assignment having a good useful search tool is all about combining the different information, so a co-operative network is constructed. That way it will create a synergy, which will literately enhance people's perception of the information and convert it to useful information; knowledge. For the online company with a webshop it will mean increase in sale in either the amount of products or services sold or perhaps an increase in the margin profit for each product or service.

Travelme.com has a homepage with a lot of processed data. This information is for example present in form of all the basics like; who Travelme.com is, the travel destinations and the use of the webshop, where customers book the travels. The two first aspects are normal information for any travel homepage. Even though these also can play a part in an online search tool, I will focus on the webshop, and how to incorporate the online search tool with it. In the following I will explain what information Travelme.com needs to develop a search tool, which will create both known needs but also unaware needs in the mind of the visitor. This will increase inspiration and satisfaction for the visitor, which will increase sale for the company.

⁴⁷ <http://jp.dk/rejser/andet/article1874284.ece>

The webshop itself receives huge amount of data and information from the visitor already on the first step, which is of high value for the search tool on later steps. It is therefore important to collect these data and information to make effective use of them when developing the search tool.

As figure 5.4 shows I have displayed an example of an active search tool in a webshop for Travelme.com. It is for the visitor to use this in the first place, so he or she can find a desired trip. This search tool will give Travelme.com the needful information to develop both the active search tool and also to further develop the passive tool. In the figure you can see the first step of the company's webshop.

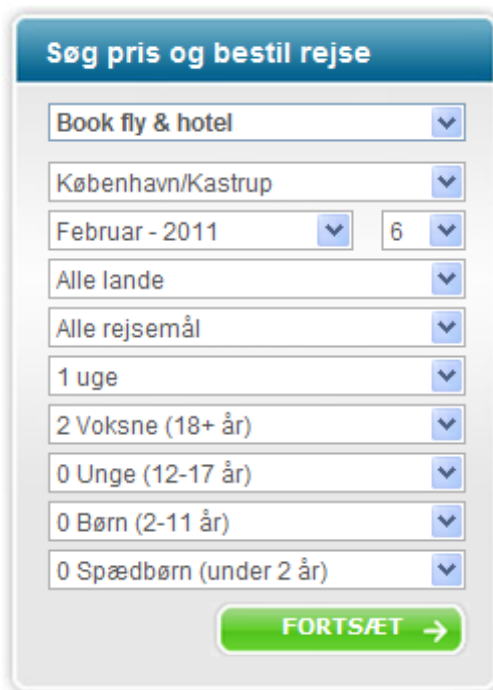


Figure 5.4 - An example of a webshop to cooperate with an active search tool (step 1).

Step 1.

The first information the visitor has to give is the travel type he or she is looking for. There can be different choices depending on what the travel company has of opportunities. For Travelme.com the choice can either be a single flight, a charter holiday with flight and hotel or a combination trip, where

the person can build up a travel with more than one destination. The next choices contains airport to start from, time of being and of course the destination. The visitor will also give data and information about number of people travelling and whether or not there are kids among them. This active search tool is the first step of finding and hopefully book a travel. Many travel agencies have this online search tool within their webshop to let the visitor look for a travel and also book one. They may or may not have the same variables to choose from, still there is nothing unusual with this search tool yet, but it gets much more interesting in the next step, since the data Travelme.com has received from the visitor can actually be converted and used to influence the visitor's further choices.

After filling out all the variables in step 1, the visitor pushes the bottom "FORTSÆT" and continues on to step 2.

Step 2.

In this step there will be more choices to make for the visitor of Travelme.com. Now the person's choices will activate other search tools both active and passive and create more options to choose from. All these choices are based upon behaviour; the ongoing behaviour of the new visitor in resemble to the post-behaviour of earlier visitors. The work between the active search tool and the passive tool is operating.

Why the behaviour is important among the new visitor and the earlier visitor has to be seen in the regard to the choices they both have been making on step 1. Along this step the search tool separates the people based upon their choices. As soon as the passive tool can find resemble between the new visitor to an earlier one, the tool will let the new visitor know of the choices of the earlier visitor. This is the activation of the passive tool originated from a well developed active search tool.

Choosing a hotel

From step 1 in the active search tool the visitor informed of his or her country and region of destination. The search tool can use this information to create more possibilities in step 2 in form of giving him or her different hotels to choose from. The criteria for choosing a hotel can actually be in more numbers than normally assumed. Normal criteria as: Price, standard (number of stars), type of apartment (one or more rooms), with or without a balcony, half board holiday, all inclusive or no food at all, are we all in some degree well aware of. A passive tool can offer new suggestions, which may have a great impact on the choice of hotel. For example other people's recommendations may mean a lot for a new visitor to Travelme.com, who is looking for a trip. Travellers who already stayed at one of the hotels listed among the search criteria could perhaps have written something in regard to the hotel. Stating their opinion about the hotel, sure means a lot for a person, whose behaviour is very similar to them. Why this passive tool is very important has to be seen in regard to the normal criteria a travel agency reveals. For example showing the standard of a hotel with number of stars almost gives you no determination at all. Surely we are certain that a five-star hotel and perhaps also a four-star hotel give you some sort of high quality standard. Though, the problem starts when we are below those levels. There is no unified definition of a three-star hotel in Europe, since the countries have different standards between the definitions of the stars.⁴⁸ One of the main reasons is that they are rated by different parties. For example in Switzerland it is a volunteer organization that makes the rating, where as in many other countries it is the government. In the UK it is Visit Britain and the AA which makes the rating, and they are only beginning to synchronize their approaches in recent years.⁴⁹ As it seems it will be a quantitative measure used to determine the price range, and sometimes the tax obligation, of a hotel. The ranges will overlap and sometimes a three-star hotel may be more expensive than a four star in the same city.

⁴⁸ http://goeurope.about.com/cs/hotels/a/hotel_stars.htm

⁴⁹ <http://londonhotelsinsight.com/2011/01/10/the-death-of-the-hotel-star-rating-system/>

An interesting short case study has been made by the IndependentTraveller.com, an American online travel guide, who wanted to test the rating systems between three big American booking engines (Expedia, Travelocity and Orbitz) and the normal citizen, who had stayed at the hotel (please see appendix 1 for the case study). First of all the case study shows the rating difference between the "pros" and the "normal" travellers. The variation is fairly large between the two groups, where each of the "pros" had a strict manual or guidelines to follow when rating the hotel. For instance Expedia mentions telephone and on-dining as a variable, whereas near major attractions is mentioned at Travelocity. What is most important with the case study is not the diversity between the two groups, but the diversity between one person and another. The case study determines that the star rating system is unreliable, since you cannot see why a person has rated the hotel with one, two, three, four or five stars. Even though there sometimes are many variables to include in a total rate score, a person giving the hotel 4 in comfort and 1 in service will equal a person giving 2 in comfort and 3 in service. People are different and therefore they rate differently. For some a view to the busy street is wonderful, and will cancel almost any other bad experiences at the hotel. For others the busy street would mean a noisy environment. We know who will give the hotel a bad rating and who will give it a high rating. This proves that a score itself is not enough for a customer to choose a hotel and be well aware of what is waiting for him. As the case study also concludes; you will have to look for travellers who sound like you, if you want the most genuine rating.

For Travelme.com it is therefore important to collect reviews from everybody, who has an experience with the hotel. As soon as the visitor at Travelme.com finds a review from a previous traveller with the same needs and wants, the visitor will be influenced to book this hotel. On later steps this behaviour will yet again prove to be vital for other influences.

Number of persons flying

One matter I have always wondered about is the linkage between persons, who choose seats in planes, hotels or short local trips. We are giving the webshop useful information by telling how many we are, which should establish a foundation for helping us. What I am talking about is in regard to the number of persons or visitors, who is going to travel. For instant if a visitor wants to book a trip for one person, why not give him or her the chance of sitting next to another single person? Creating some sort of travel for singles. It does not have to be a dating situation, but more the opportunity to meet other single persons, instead of sitting next to the 'just-married' couple on your 9 hours flight to USA, who would rather not invite you into a conversation. The same goes for the choice of the hotel. This could be a criterion for choosing a specific "single" hotel, where you will not feel like the third wheel. There are some travel agencies who specialise in single travels, and let single travellers experience new countries together. In the year of 2010 every third adult was single in Denmark, so possibility is definitely there.⁵⁰ For Travelme.com it is not about creating a dating atmosphere. The choice the search tool can give the visitor is unique and sure preferable. For some it is almost horrible to sit next to babies in the plane. The search tool could actually give you the choice of deciding, whether or not you wanted to sit next to a family with little kids. The same goes for families with kids, who want to book a travel. I am quite sure that most kids and also the parents would prefer to have other kids close to them, when they are going for a 9 hour flight. It can be tough for a kid to play with himself for so long. This possibility also goes for the hotel booking. A happy child on holiday is really good for the holiday. I guess all parents' nightmares are whether or not the kids find something interesting to do on the vacation. It is going to be a long vacation, if the kids are bored.

⁵⁰ <http://pleasure.dk/rejser/artikel/182807/>

Renting a car

Often when people are travelling to a new country they want to experience as much as possible in less time. This means that they will frequently need a car to visit all the decided areas. If you travel to an island or quite far away from your home country, you will need to rent a car. There normally are some options for doing this. Either you can just visit the local car dealer or you can use your travel agency to recommend a dealer. There is sometimes also the possibility that you can pre-order the car, when you book your trip on the Internet or over the phone. In that case the travel agency will mostly have a cooperation with a local dealer, and they therefore have pre-chosen your car. If Travelme.com collected the information from previous travellers' experiences, they could let the passive tool recommend the new visitor with the reviews from the earlier travellers. People would be writing positive and negative opinions about a certain 'rent-a-car' situation. Some would say that you should just rent a car at a more unknown local car dealer, since this would be cheapest. Others would perhaps say that they had great experience with renting their car through the agency, since this was easy and you know that the condition of the car was in top. What I am trying to say is that it really does not matter, what opinion they people have. What matters is that the new visitor finds a similar behaviour as his or her, which means that he or she will choose the same solution as the pre-travellers with the same behaviour. This solution will make him or her satisfied and happy. For Travelme.com this will result in happy customers and happy customers return and increase sales.

Getting guides

As stated earlier many people want to personalise their own travels in the modern society. Even though they still want to visit well known countries, they just want a vacation which they feel are individually chosen by them. For some it is all about experience something "new" and not mainstream. For others it is all about convenience. For people who want to be affected with new culture when they are on vacation, and to feel the place like they local does, a local

guide would be essential. For a family with kids it is perhaps different for them. They might want a guide, who speaks the same language as them, and also knows what is best for kids in the area. Choosing your guide or other conveniences is also achievable on the webshop, if you let the search tool operate it. Along your choices you could decide, whether or not you wanted a local guide to be at your service for some days. It is all about choices and deselections.

What goes for these choices, and not just for getting a desired guide, is that you do not want to use too much of your precious time on running around on your vacation and retrieve information on what to choose. On your vacation you should do what you actually came to do: Having vacation. If it is possible to plan your travel after the needs and wants you only could dream of, why not do that? For many travellers it is a part of booking the journey to think: "Oh, I do not hope there are too many young party people at that place", or perhaps: "Let us hope there are other kids at the same age as our two children." The list goes on, since these questions or wishes are normally to be answered when you first arrive at the location of the holiday. With a well constructed search tool many of these issues would either be eliminated or obtainable. With these different solutions in mind the search tool will actually optimise customer behaviour and create positive attitude. For Travelme.com it will surely create happiness for letting the visitors choose their desirable type of vacation, because the visitors have the possibility to choose, and not let it be up to fate.

The solutions that I have mentioned above are only in proportion to the travel business. Although I could easily have chosen another business and analysed and elaborated on how the online search tools could optimise the customer buying behaviour in that line of business. It is easy to see that there are way too many businesses that do not use proper online search tool. The answer to this could easily be lack of knowledge or financial reasons.

5.5 Budgeting online search tools

It is important to know that to combine all the explained solution models is not that straight forward. I have mentioned several solutions for the travel business to expand their possibilities towards the customer, but it might not be all of them that a travel agency needs. None the less I still believe that any travel company could make use of almost all the criteria to increase customer satisfaction and thus increase sale.

Time consumption will be comprehensive, and time cost money for all companies. Any company wants to make an investment as cheap as possible, just as long as it does not sacrifice the quality of the outcome. This said, any company has to remember that there is a lot of data and information that has to work together to develop the online search tool. Technically the company has to implant a system that can link the online search tool with the homepage including the webshop, so it will work together. The customer will feed the company with data, when they are visiting the different sites of the company and also (most important) when they are using the webshop. The system will track the behaviour of the consumer and inform the search tool. This computer knowledge is something that the company has to buy from another more experience company. It is an investment, since they cannot create the system in-house. A cost of a search tool in the dimensions mentioned earlier is hard to predict. It depends on the amount of data on the website, how detailed the webshop is and also how creative the search tool shall be. Logically thinking the company needs several programmers on the task for some time. If the search tool is huge and have several passive and active tools incorporated chances are the company needs a permanent programmer following the system on a daily basis. Although it is difficult to estimate a cost, I will imagine it high-priced.

As we know the small travel agencies do not have the big budgets to spend, and are therefore doubtful in getting the well developed search tools. They

have to start small and slow. On the other hand it is a fact that the big travel agencies have that kind of money. For instance the travel site MyTravel, who owns several Danish travel agencies developed their homepage in 2002 to an unbelievable three-figure million cost.⁵¹ The figure included the creation of the search tool also, even though this tool was and still is mediocre compared to the solutions possible today. The money is not a problem for these big travel agencies as long as the ROI is positive. I surely believe that the ROI will be positive, if the company focus on the individual, and uses the search tool to satisfy the traveller. If you satisfy him or her, they will return.

When you know the behaviour of your customer, why not give him what he wants, when it can increase your sale. Turn your focus towards the needs and wants of the customers and apply to these. Concentrate on the individual instead of the mass. We always focus on how to make our machines better, faster or more efficient, since we know this will either reduce cost or increase sale. Why not do the same with our customers? To state my purpose, I will let Robert Shaw and David Merrick have the last word:

*"Customer equity's main thesis is uncomplicated. The customer is a financial asset that firms should measure, manage and maximize, just like any other asset."*⁵²

⁵¹ <http://npinvestor.dk/nyheder/rejsebranchen-satser-paa-nettet-84533.aspx>

⁵² Marketing Payback pp. 338

6. Conclusion

The main focus of this thesis has been to analyse online search tools and identify their effectiveness to the business world today. In order do to that there has been several focus areas to be defined and emphasised.

It has been important to examine the basics of search tools to identify their types and what they can do. During this process it has proven to be significant to evaluate the concept of 'Information', since this key word consists of important content to the search tools. Analysing a company that makes heavily use of the online search tools has also been important, since this could determine a deeper understanding of the performance of the search tools. At last it has been enlightening to demonstrate the possibilities a company in the travel business possesses with the use of online search tools. Each of these areas has concluded the following:

Search tools are to help us find something. It is important that they can guide us to this particular subject that we want or need. Search tools are not a new phenomenon, since they have been visible to our society for long time in form of old fashion mundane search tools. These types of search tools are categorise as a person trying to help us to find what we need. Examples can be a librarian or a shop assistant. Within the new fashion search tools we find the online search tools, which are not to be resembled to online search engines. The similarities are many, but often the difference lies in how and where they collect their information. Where the search engine retrieves its information external the online search tool collects the information within its own internal range. The active and the passive search tools are the two overall types of online search tools, where the active search tool works, when the user activates it searching for something. The passive tool works most often as a recommender system, where it will offer the user different choices based on the pre-behaviour of the user himself or other users.

In the thesis it has been important to examine the concept 'Information', since this has a big value to the online search tools and in our society today. When our society is over floating with data and information in form of consumer behaviour, it would be profitable to extract useful information from it. The online search tools do that, since it works with macroeconomics trends to develop the most efficient website. The search tools therefore need information, otherwise it cannot function efficiently. When the information is useful is all up to the search tool itself and how it handles the information. It will process all data and information obtained from the user, so it can convert and offer it to either the same user or another one.

For companies who are selling their products or services on the Internet the homepage is very important. The homepage is their virtual shop, and they therefore need to handle the visitor as optimal as you would in a physical store. As for a physical organisation the same goes for a website. If the amount of information increases, the more use for help and guiding is needed. Especially online webshops face this problem, since in average two out of three online shoppers abandon their shopping trip. Some reasons for this are due to poor cooperation of the online search tools or none tools at all. Amazon.com, Inc. has had great success with their online search tools. They have created an efficient synergy between the product information and the information of the consumer behaviour. The different combination of active and passive search tools have created a new way to influence consumer behaviour. For instant the recommender systems finds customers with the same behaviour and then uses the 'twin model' to inform the customer about what he or she must be interested in. Their search tools are not only to navigate the customer around, but also to inform of the needs a customer was not aware of. Amazon is creating an awareness for a customer in a scale that not even big supermarket stores with millions of products can

do, since they do not have the possibility to focus on the one customer. Amazon can with their online search tool create a customer focus on an individual level, which is a newschool way of thinking. They have broken up with the traditional 'mass' marketing.

In the final stage of the thesis I have gathered all the processed information from the previous chapters in order to demonstrate how a fictive company in the travel business could create great customer satisfaction and increase sale with the use of the online search tools. The line of business could practically be any, since it is all about the combination of the product or service information and the consumer behaviour. I chose a company with a webshop to show the possibility of an increasement in sale, because if customers are happy they will purchase. If the company were with out a webshop, the success might instead have been measured in visitor satisfaction. For Travel.com I created a webshop which gave a good starting point for cooperation with both the product (service) information and information from the costumer behaviour. As stated earlier this is essential for developing an efficient online search tool. As the search tool has gathered all interesting data and information from a customer, it can use it to offer different options to this customer and to other customers. The options available are almost infinite, as long as they can create an interest to a customer. For Travelme.com the possibilities of offering the customer a hotel he really wants reached new dimensions. The old and normal criteria for choosing a hotel are not detailed enough for the customer. This has been proven in the confusing star rating model of a hotel. Comparing the active search tool, the start of the webshop, with recommender system of the passive tool, Travelme.com will be able to find the hotel that the customer really wants in a much more efficient way. The same possibilities have been shown with choosing the number of seats in an airplane, or even renting a car.

Incorporating a well developed online search tool on a website will cost time and money. Those who have that kind of liquidity are mostly larger

organisations. As stated online search tools are most efficient for organisations with a lot of information on the website, thus they bigger ones are the perfect target group for these types of search tools.

For the travel business in general it has been stated how important it is to create the most desired trip for the customer. This means a more personalised trip, where the customer is being offered the right choices based upon his or her needs and wants. Knowing the behaviour of your customer makes it possible for any company to influence the buying behaviour. When a company can influence the behaviour of the customer, it can optimise their buying behaviour and increase sale. With the well developed search tools a company can maximises its customers' satisfaction and create turn over in new scales.

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8. Appendix

Appendix 1 –Independenttraveler.com

A case study about Reviewers vs. Travellers' hotel rating.



Star Quality: What's in a Hotel Rating?

- [Choosing a Hotel](#)
- [Get the Best Hotel Rate](#)
- [Free Travel Deals and Tips!](#)
- 🗳 [Poll: Which Ratings Do You Rely On?](#)

When searching for a **hotel** recently, the intrepid editor of IndependentTraveler.com noticed hotel star ratings sometimes varied by a "star" or more when switching from one booking engine to another. If hotel ratings can fluctuate just by typing in a different URL, what's the point?



On the whole, star ratings can be very useful; if you're just crashing for a few hours during a **road trip**, you don't need many amenities, and probably don't want to pay for them either. But if you are on your only real vacation of the year and will be staying several days, you don't want a flea-pit with dark rooms, poor service and, worst of all, bad (or no) coffee. Star ratings can give you a very quick sense of what the room at the inn is really like.

So how can there be so much variation from one site to the next? Was the inspector in a foul mood? Was the hotel cleaning staff out sick with a rampant cold? Was the hotel just having an off day? If the reviews are suspiciously good, did the hotel know the inspector was coming, or just show them the best room? I suspect that reviewers are underpaid and overworked -- did they even stay at the hotel, or did they just scan the place and move on to the next one?

The fluctuations in ratings all come down to the Who and How Many we take at their word. Some sites just take it on the advice of the experts and their inspection teams; others let travelers tell the tale; others rely on a mix of all the various voices. The more eyeballs that have a look and the more voices allowed to have a say, the closer it seems we get to the truth of a rating.

Then, after the reviews are in, how are the sites tabulating the numbers? All three of the major booking sites -- Expedia, Travelocity and Orbitz -- post both an "expert" star rating alongside user contributions, including ratings and reviews. All three sites offer links where you can read explanations of what types of data their expert ratings are based on.

Reviewers vs. Travelers

A serious discrepancy between the star ratings of the "pro" reviewers and those of us "lay" folk who actually lie in the beds can be attributed to almost anything and everything. How many different kinds of people visit any given chain hotel in a major city (or perhaps in this case, how many stars are in the sky)?

Among travelers, the variations appear to come from anything from personal preferences to personality type. A view of the ocean from one person's window will make them inclined to ignore almost anything actually in the room, and to give a higher rating. Another person staying in the same room pulls the drapes to escape the glare and forms the opinion that the room is actually kind of dark and dingy.

On one hand, Visitor Half Full says "rooms were clean enough, staff was nice, great location for the price." Meanwhile, Visitor Damn Near Close to Empty says: "I will never ever stay here again; the next thing to visit this place should be a bulldozer."



Ratings may even vary by several stars based on the mood of the person at the front desk at check-in and how well they treated the traveler in that very impressionable five minutes. But one thing you will find for certain: the experts and the travelers sometimes appear almost to be reviewing different hotels. It turns out that the best person to trust may be yourself, or rather, someone just like you -- someone who actually slept in the hotel.

Case Study One: Days Inn Miami South Beach

First, let's look at our editor's choice, the Days Inn Miami South Beach, a bargain to mid-priced hotel in a prime location in a city overloaded with hotels of every rank and price point. Ratings on the big three booking engines:

Expedia:

- Expedia Rating: One and a half stars
- Traveler Rating: 1.0 out of 5

Travelocity:

- Travelocity Rating: One and a half stars
- Traveler Rating: Two smiley faces

Orbitz:

- Orbitz Rating: Three stars
- Traveler Rating: 2.4 out of 5.0

Tally: The "pros" give it 1.5 - 3 stars, travelers 1 - 2.4. At the extremes, this is a fairly large variation.

Site One: Expedia gave it a star and a half based on its formula for calculating star ratings. The site's description of one-star hotels is as follows: "A one-star establishment is expected to offer clean, no-frills accommodations with minimal on-site facilities for the budget traveler for whom cost is the primary concern. Guestrooms generally are small, functionally decorated, and may not have a private bathroom, in-room telephone, or amenities. On-site dining is usually not available. Public access and guest reception may not be available at all hours."

Expedia appears only to have two reader ratings at this time, both negative: "It's a very old hotel and its age is showing," writes one reviewer, who gave the hotel an overall rating of 1.0 (even though he or she rated the service a 4.0, room cleanliness a 3.0 and room comfort a 3.0).

"Days Inn should be ashamed of this one," writes the other, before proceeding into a litany of complaints.

Star Quality: What's in a Hotel Rating?

[◀ Previous page](#)

Site Two: Travelocity offers two ratings, a 1.5-star "Travelocity rating" and a two-smiley rating based on 14 traveler reviews.



The Travelocity rating comes with no specifics save for a generic explanation of their inspection and rating guidelines. For one-star ratings, the description reads thusly: "These properties meet a budget-traveler's basic needs for comfort and convenience. They tend to be located near major attractions or thoroughfares and provide clean guest rooms. Many properties do not have a restaurant on site but are usually located within walking distance of dining establishments."

For specifics, you'll need to check with the lay folk. This is where it gets tricky. One lodger says, "The only thing good at this hotel is the location. The rooms are disgusting."

Another more or less agrees: "The cockroaches were friendlier than the staff!"

But another lodger was happier, posting a review entitled "Very Nice":

"This hotel was very nice and kept up. The best rooms are the rooms that are outside poolside. I would stay again next year."

Another reviewer struck a balance: "It was a good value for South Beach. It is an older property but I had a nice room."

So now we're fully in Amazon country, where one person loves a book or CD, and someone else hates it, someone else thinks it's okay, likes the beat, gives it three stars. You would think that a hotel room is less a matter of taste than would be, say, a novel, but this does not seem to be the case.

Site Three: Orbitz's review gives the property a full star more than anyone else, and two stars more than several individual travelers. However, Orbitz gives no specifics for their ratings, offering only the following: "3 Stars - Mid-scale hotels: Discover convenience and comfort in the city or in the suburbs where many of these properties are located. Amenities that may be available include: swimming pools, fitness centers, room service, concierge service and parking. Often you'll find these properties located near highways and office complexes. Rooms and lobbies are nicely furnished, and restaurants are usually located at the property."

Uhh, that's not what quite the folks who stayed there told us!

All of that said, everyone liked the location right on the beach and in the heart of the action; if location and price are your two top priorities, this hotel could be a good choice.

Case Study Two: New York Marriott Marquis

Let's do one in another packed hotel district. Make it Times Square -- the New York Marriott Marquis. The tally:

Expedia:

- Expedia Rating: Three and a half stars
- Traveler Rating: 4.5 out of 5.0

Travelocity:

- Travelocity Rating: Three and a half stars
- Traveler Rating: Four and a half smileys

Orbitz:

- Orbitz Rating: Three stars
- Traveler Rating: 5.0 out of 5.0



Here we have a somewhat different scenario; the "pros" are largely in agreement, but are out of step with travelers by a full star or two. This time travelers rate the hotel consistently higher than do the "pros."

In reviews on all three sites, travelers consistently praise the convenience of the Marriott's Times Square location -- which may help explain the discrepancy between the their ratings and the pros'. A great location near all the attractions of the Big Apple may weigh more heavily into a sightseer's rating than it would into the rating of an expert taking a critical look at the hotel itself.

However, judging by the traveler reviews, the hotel itself rates pretty highly as well; it gets kudos for excellent service, large rooms and a great restaurant. Compare that to the Days Inn, which also had a great location but got slammed for dirty rooms and an unfriendly staff. (Strangely enough, the pros at Orbitz gave both the Days Inn and the Marriott Marquis a three-star rating -- talk about a discrepancy!)

Conclusion

At the heart of the discrepancies in ratings from one service to another appears to be the weight they to reviews written by us, the travelers. As I note above, in many cases, the experts and the travelers appear almost to be reviewing different hotels.

Even a quick scan on a hotel search can show you the discrepancies between "official" and "traveler" ratings; keep a sharp eye. Also, as with the elevators above, you may want to consider the date of the review, as hotels renovate and update amenities all the time.

In the case of the Days Inn, the pros want to call it a two- to three-star hotel; a lot of travelers think it is a one-star hotel at best, a tear-down at worst. (Qualifying Note: There is dissension in the ranks. My thinking is that it's not terrible to have a low-priced chain right on the ocean in South Beach; at least folks can still get a room where the other half lives and plays.)

At the Marriot Marquis, the pros want to give it a three-star rating; in most cases, travelers rate the Marquis a solid four or more. Of 154 reviews on Expedia and 46 on Travelocity, travelers appear almost universally to rate the hotel a notch higher than the "experts." Whether it is the hotel itself or

The bottom line? Take every rating with the proverbial grain of salt, check multiple sources, and look for reviews from travelers who sound like you.