

Should your business be online?

For large corporations, establishing web presence is a prerequisite. But for smaller businesses, where every dollar counts, the question of whether or not to 'go online' needs careful and measured consideration.

The current catchcry in the marketplace seems to be: 'You've got to have a web site. Everyone who is anyone has one'. But is peer group pressure sufficient justification for your business to invest in establishing a web site?

Many people are eager to discuss the benefits of having online presence, citing the potential for a broader (even global) market and operational cost effectiveness. However, as the dive in technology stocks illustrated, too many businesses over-invested in the dream without achieving financial returns.

So, before making the leap online and parting with significant capital, let's examine some of the issues to consider.

Business models

It is astounding how frequently traditional business principles are overlooked when companies go online. Any significant expenditure – on or offline – should undergo a thorough business analysis. Establish measures of success and an estimated return on investment as part of the strategic approach to the site's development. Your web strategy should always form an integrated part of the business's marketing mix and, as such, should be approached as a part of a far greater whole.

The cons

Cost

Many businesses are often surprised to discover that the cost of developing and maintaining a site can outweigh the benefits of obtaining an online presence. Set-up costs include the domain name registration, selection of an ISP to host your site and ongoing costs for email usage, etc. All this before the actual web site content and architecture have even been developed – let alone maintained. In fact, launching a web site is



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merely the beginning. Some industry experts believe web site maintenance should be three times the set-up budget.

A web site's level of sophistication will have an enormous impact on its cost. Carefully consider whether your business objectives would be met with a simple 'brochureware' web site (basically a corporate profile online) or one with more sophisticated capabilities.

Beyond the financial expenditure, the smaller operator must also consider the cost of tying up business development resources – especially if the internet is only likely to be a low-returns promotion. You may find the time taken to develop a site could be better spent on more traditional business-generation activities.

Lost in the web

A report released earlier this year by analyst Paul Budde Communications, estimated there are close to 150,000 companies on the internet in Australia alone. And let's not overlook our overseas competitors... no wonder most web sites are lost in the clutter.



Unlike a 'bricks and mortar' business, web sites cannot attract any traffic from passers-by. You need to actively drive visitors to your web site – which can be a very costly exercise.

Client readiness

Another critical consideration is whether your existing and prospective clients (particularly your most profitable ones) are ready to interact with you online.

Fundamentally, 'netizens' are looking for information and convenience. In order to entice them to seek the web site as one of the primary points of contact with a business, the site must provide them with a value, a reason to visit.

Critical content

In order to retain site visitors' interest, the web site content must continue to meet their needs. You may, for example, provide monthly financial planning tips.

first real interaction with your business. A difficult task in this rather impersonal medium.

The pros

So, should your business invest in establishing a presence online? Whilst the answer is dependent on a host of variables, it is foreseeable that in the not too distant future, the internet will be as ubiquitous to businesses as the telephone.

Putting the hype aside, there are substantial benefits in establishing a presence online. A website can:

- be an information-rich and easily updateable medium that can communicate the breadth of services or products provided. It can also offer links to business partners, thereby strengthening alliances;
- enable you to meet market expectations and establish the perception of your business being contemporary and professional;
- be a means of establishing credibility and expertise;
- be a means of regularly communicating with clients via a regular e-mail newsletter;
- be an additional means of understanding clients through site visiting behaviour and client feedback; and
- provide a complementary addition to the overall marketing mix.

Conclusion

Before establishing web presence, carefully examine the issues involved with moving online and be wary of overcapitalising on the internet. Whilst it is certainly the newest addition to the business-world arsenal, it isn't always necessarily the most effective one.

Developing an appropriate web site should always follow traditional business nuance. Measurable objectives must still be set, the site must be integrated into all appropriate business functions and promotions. At the end of the day, the web site should be seen as augmenting rather than replacing offline strategies and sensibilities.

Turn to page 15 for your **Quick Reference Checklist** which will help you decide about your online presence.

Article provided by LUCID Marketing Communications, a Melbourne-based marketing and PR agency specialising in combining new and traditional means of promotion.

be online... is the question!

Whilst the information is provided free of charge, the benefits to your business are in terms of inviting repeat visits to the site, establishing your credibility and expertise, and a soft-sell means of generating leads.

As a financial adviser, you are also faced with additional content considerations. Heavy regulations regarding the provision of advice, coupled with the rapidly changing financial landscape, mean your web site content must always be current and approved by your dealership's compliance team.

Managing perceptions and building trust

An amateurish site or one prone to crashing can substantially damage your business. The online 'moment of truth' whereby the prospective client logs onto your site is crucial. If visitors become exasperated or even merely disappointed with their online experience whilst visiting your web site, their online experience can define their perception of your business.

The risk is that even if their server malfunctions, or their browser is incompatible, it reflects badly on you.

There is also the challenge of building trust over the internet, particularly if your web site is the prospect's