The Internet as a Marketing Tool

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"Build it and they will come." You may remember this line from the movie, *Field of Dreams*. And, as often happens in the movies, that dream did come true. This is often the same philosophy that guides the business owner to develop a web site. Will his or her dream come true also?

With the web so visible to us in writing, advertisements, and casual conversation, many business owners come to believe that a web site is crucial to business growth. Indeed, some business owners have had financial success using the web. Examples are Amazon.com, B-movie.com and Golfballs.com. But the story heard in public is not the entire story. Amazon Books, for all of its visibility, has yet to make a profit. Sites like Golfballs and B-Movie have increased sales and are generating profits from web sales, but to reach that point the companies have invested significant resources in money, time, and energy.

So what about a web site for your business? Is it necessary? Will it help? How can it be done? Answers to these questions will be found in this fact sheet along with some tips to help guide your efforts.

The web market. Micro, home-based, and small business owners, like all business owners, are interested in tapping into a potentially huge market. A web site allows the business owner to reach this market using only limited resources. How large is the market? The numbers vary greatly and change daily, but the Nielson Company estimates there to be 58 million adults in the United States and Canada. That number increased by 15 percent just during a six- month period in 1998. The typical web user is no longer just young, upper middle income males, but is rapidly diversifying by age, gender, income, and ethnicity.

Yet, as a business owner trying to make an informed decision, you are probably more interested in the number of buyers versus browsers. Here the numbers decrease rapidly. While companies are reluctant to report sales, estimates suggest only 5 to 20 percent of on-line browsers actually make a purchase. In addition, the purchases made are less than $60.

Sales via the web are increasing as more people have access and become more comfortable with the idea. AOL, for the 1998 Christmas season, reported that per subscriber purchases on average increased from $8 in 1997 to $82 in 1998. This translates into an increase from $24 million in 1997 to nearly $500 million in 1998, and this number will only continue to grow as more people come on-line and begin to use the web as a shopping source. Estimates indicate that by the year 2000, 67 million Americans will use the web and 45 percent of those will be buyers (Infoworld, 1999). But remember, a web site alone will **not guarantee** an increase in sales. A web site is but one of the tools available to the business owner. Furthermore, sales represent only one purpose of a web site. Other purposes include marketing and lead development.

In brief, the advantages and disadvantages of marketing via a web site include:

Advantages
- A growing audience
- World-wide presence and access to buyers
- Your micro, home-based, or small business looks like any other business
- Possible low cost marketing

Disadvantages
- Tremendous competition. As you can be found anywhere in the world, so can your competitors.
- Getting people to come to your site. Over 1 million pages are added per day. Getting found in this maze is difficult.
- Continual need to refresh and update your site
- Business operations need to change to handle web site business

Making the decision to build a web site for your business begins with understanding your market. Do you believe a web site will reach your potential market? Also, do you have the resources necessary to develop and maintain a competitive web site - competitive in terms of sales but also competitive simply in terms of attracting viewers. If you have a niche market product attractive to a geographically diverse audience, then a web site might be a good investment.

If you decide to develop a web site, the following information will then help guide you in its development.

Site purpose. The first issue is to determine the purpose of your web site. Sites can focus on sales, marketing, or lead development. In the beginning it is recommended that you focus initially on only one purpose for your site. In later development you can expand the site to meet other goals you may have.

Setting up a sales site on the web keeps getting easier with new software available. You can also work with a web site vendor's on-line software. Finally you can hire someone to prepare a customized site for you. Whichever way you choose, you must offer on-line security to assure the customer's information security. Sales sites alone rarely succeed, however, without significant marketing efforts to attract and make people want to shop.

If you are marketing focused, then you should determine one or two clearly identified site goals. Typically these are education, customer awareness, and customer service management. A site devoted to education will focus on promoting a better understanding of the product and/or service. This site will also increase your company's image as a premier provider of the good or service.

Having a good web site can lend credibility to your company. Many web sites are simply "me-too" sites, copying what another site has done. Sites need to have some originality. Effective web sites also require continual updates to maintain a fresh image.

Service and customer relations web sites are one of the fastest growing types of sites. The web offers an excellent way for a business to offer follow-up help. This can be in the form of frequently asked questions, a self-guided problem solver, and a direct communication tool with e-mail. One concern about e-mail is that customers may feel their concerns and complaints are going into a "black hole." E-mail is often viewed as less serious communication and may tend to be put aside. As a business owner, you must realize the importance of e-mail and respond to it as you would any other communication you receive or even faster.

The final purpose of a web page is to meet potential clients or lead development. Differing from the educational site, the lead development site may provide sample information about your product or service. It might also include testimonials from satisfied customers. The site should help clients contact you for more information. Make sure to include your physical address, as well as your phone and fax numbers.

Design elements. After deciding on your web site's purpose, the next step is to design the site. There are many software programs, books, and consultants who can help with this task. A crucial design element is to develop the site with the end-user in mind. The design should facilitate the customer's ability to use the site and be able to find relevant information. The most effective designs include the use of graphics, pictures, sound, and video. However while these touches produce a great-looking site, they also make sites very slow to load. Many individuals have relatively slow internet connections, and the customer will tend to click away from the site if they have to wait much longer than 30 seconds.

To keep customers coming back to your site, you must keep it fresh. This means adding new information and updating the look. In order to keep up with this task, it is often best to start out simple and small. Keeping up a sales site is much more intensive than keeping up with an educational or lead development site.

You want the customer to feel the trip to your site was worth it. The customer must feel like they are receiving value for their time and effort. Sales via the web are often done to reduce your costs. Customers should receive some of the savings if that is the case.

In one final comment about design, the owner must consider how a successful web site will impact existing business operations. Can you respond to orders coming in possibly every hour of every day and do so in an efficient and timely manner? Proper design of the web site can help alleviate some of these issues; however, a successful web site also means the redesign of existing business operations.

Site Production. As you can see from the suggestions, the operation of a web site requires commitment. It is not something that can be done quickly and then forgotten. Whether or not you hire someone to produce your site, you, the business owner, must provide clear and continuous guidance. You should test the site personally when any changes are made. If your company has several employees, one person must be in charge of this element of your marketing program, i.e the "Webmaster."

A common question about web site production is who should do the actual work. Can you do it yourself, or should you hire someone? It depends on your skills, your desire to learn web design, and the resources, both time and money, you have available and want to commit. Remember, not only will you have the initial site development costs, but constant updating is a necessity.

Today's sites need to be more sophisticated than before. What once would have been perfectly adequate as a web site, now would not receive much attention. Creating such sites takes resources: either your own time to learn more sophisticated tools or monetary resources to pay for this sophistication. Allowing the client to actually make purchases on-site will require even more sophistication, thus increasing the cost to build and to maintain.

Once your site has been developed, you then need to decide where that site will be stored. Storage means whose computer will host the site. For storage of your web site you have the same two options as with its production – you can do it yourself or you can hire a hosting service. Typically the small company will not host their own site because of the additional technical and hardware necessities. Site hosting means that your computer network must be on-line 24 hours a day, 7 days a week. That means having someone constantly handling computer problems.

The selection of a hosting service should be done with care in order to have a service that will meet your needs. You can hire a simple hosting service or look for a company that offers consulting on web design. When comparing costs, carefully understand what each service offers and compare like services to each other. Make sure they have the speed (bandwidth) to amply handle the traffic plus back-up systems in place. (A note of caution: Do not rely on just your server's

backups. You should keep a copy of your entire web site at your location also.) Ask about the amount of time that the system is up and operating. Finally, make sure your web host can offer secure transactions.

Site or domain registration can be done on-line at http://rs.internic.net/. Perhaps the most difficult task is finding a name for your domain. It is best if your domain name is also your business name. By registering your domain, you own the rights to use that name as long as you continue to pay the fees, which are currently $70 for the first two years and then $35 per year thereafter.

If your existing business name is not available, you have two options. You can choose another domain name, or you can go to a company that sells sub-domain names, e.g. www.somecompany.com/*yourname*.

Finding Your Site. So now you have your web site developed and listed. You have "built it," and now they, the customer, "will come." Not yet. You are now facing the most difficult task – getting people to find you. Being "found" in the 800 million web pages that exist is the next critical step.

What can you do to help people find your page? The first step is to register with the major search engines. Typically, you can go to the search engine's home page to learn how to add your site. Also be sure to use key words and meta tags in your web site. This is technical language, but basically it allows automatic indexing services to look at your site and list it in their database. Probably one of the best tips for getting your page found is to network with web developers and learn their tricks. If you want, you can hire someone to do your site registration.

You also will want to leverage your current advertising and marketing efforts by placing your web site address on anything you produce, including all your written materials. You have probably noticed that practically every advertisement today, whether in printed form, on a billboard, or on the back of a truck, carries the business's web address.

While these methods may help the person who knows nothing about your site find you, the best method, true in any marketing program, is by word of mouth. Encourage your customers to visit your site and get them to recommend you to others. In addition, you will want to connect with groups who may be interested in your site. For example, you may agree to be a speaker at a meeting where you can introduce the audience to web shopping in general and during the presentation use your site. Another way to connect is to make agreements to cross-link with other pages.
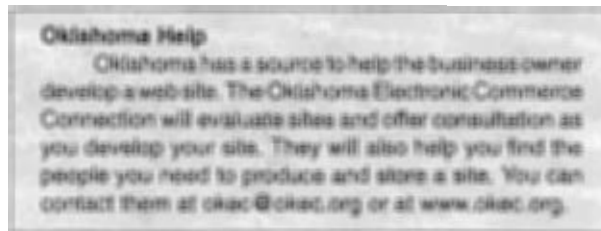
Summary

Should your business have a web site? Probably. However, the type of site and the details about the site will vary. Your own knowledge of your business and customers will help you determine if you need a web site and the specific purposes for your site.

A web site can be an important part of your marketing plan. Just like any other marketing tool, a web site requires commitment and resources.

Remember these tips:
- Start simple.
- Make the trip to your site worth it.
- Keep it new and updated.
- Remember your customer when it comes to page design.
- Tell people you are there.
- Integrate your site with your other marketing efforts (Don't depend on the web site alone).

Oklahoma Help

Oklahoma has a source to help the business owner develop a web-site. The Oklahoma Electronic Commerce Connection will evaluate sites and offer consultation as you develop your site. They will also help you find the people you need to produce and store a site. You can contact them at okec@okec.org or at www.okec.org.

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The Oklahoma Cooperative Extension Service
Bringing the University to You!

The Cooperative Extension Service is the largest, most successful informal educational organization in the world. It is a nationwide system funded and guided by a partnership of federal, state, and local governments that delivers information to help people help themselves through the land-grant university system.

Extension carries out programs in the broad categories of agriculture, natural resources and environment; family and consumer sciences; 4-H and other youth; and community resource development. Extension staff members live and work among the people they serve to help stimulate and educate Americans to plan ahead and cope with their problems.

Some characteristics of the Cooperative Extension system are:

- The federal, state, and local governments cooperatively share in its financial support and program direction.

- It is administered by the land-grant university as designated by the state legislature through an Extension director.

- Extension programs are nonpolitical, objective, and research-based information.

- It provides practical, problem-oriented education for people of all ages. It is designated to take the knowledge of the university to those persons who do not or cannot participate in the formal classroom instruction of the university.

- It utilizes research from university, government, and other sources to help people make their own decisions.

- More than a million volunteers help multiply the impact of the Extension professional staff.

- It dispenses no funds to the public.

- It is not a regulatory agency, but it does inform people of regulations and of their options in meeting them.

- Local programs are developed and carried out in full recognition of national problems and goals.

- The Extension staff educates people through personal contacts, meetings, demonstrations, and the mass media.

- Extension has the built-in flexibility to adjust its programs and subject matter to meet new needs. Activities shift from year to year as citizen groups and Extension workers close to the problems advise changes.