

Home > Tools & Tips > Tools & Tips Categories > Sales and Marketing > Online Commerce > Why Small Business Will Win on t

Related Resources

Why Small Business Will Win on the 'Net

Release Date: 03/ 28/ 2002

Everything seems big on the Internet. Big players, big volume, big buzz.

Big deal. Not everyone making a killing online is amazon-size. Truth is, small businesses are in a position to win on the Internet simply by doing what they do best. Here's how to take advantage of the online environment to leverage your strengths against the big boys.

Expand your reach

The Internet is breathing new life into many mom-and-pop stores. It's allowing them to reach more potential customers with minimum overhead. Creativity, rather than capital, is fueling small business expansion.

"Main Street businesses are doing 10 to 30 percent more sales on the Web," says Kennedy Smith, director of the National Trust for Historic Preservation's National Main Street Center. "For small businesses, 10 percent, even 5 percent, is huge. That can be the difference between being viable and going belly up."

With the Internet, small businesses shatter geographic boundaries. They can sell globally with little additional resources. It's also cheaper to run a web site than build another store. And a web page is like a virtual sales force pitching prospective customers, giving them details on the products or services you sell.

Take on the big guys

Web sites blur the lines between the superstores and small shops. Wal-Mart's physical massiveness may overshadow a small specialty shop, but online, the playing field is leveled.

Granted, national merchants enjoy the advantage of brand and costly technology, but bells and whistles are less effective in the new selling environment, which is driven more by service and relationships - areas where small businesses excel. Online, even a sole proprietor can be open 24-hours a day, and inventory isn't limited by square-footage.

Increase efficiency

Web sites aren't just about making money - they can help small businesses save money as well. And the efficiencies the Web offers are particularly suited to small businesses.

It's smaller firms, where the owner wears many hats, that have the most to gain from cutting down on phone calls and other communications. A web site that answers the most frequent questions about store hours or product features frees the owner to concentrate on running the business, as does automating selling and other functions.

Build customer loyalty

The Internet's emphasis on customer service gives small

- Internet Advertising Tips**
- Don't Break Your Budget on a Sales-oriented Web Site**
- Web Sites Are Your Link to Increased Earnings**
- Why Privacy Matters**
- Online Shopping Guidelines**

businesses an advantage over their big box counterparts. Buyers looking for specialized knowledge are more likely to turn to a niche-focused small business than a corporate giant.

Although Amazon.com is fine if you're looking for a wide selection of general interest books, for medical specialty books you're more likely to head to medicalbooks-online.com. The web site of the Los Angeles-based Technical Book Co., this site has over 72,000 books on 140 health care specialties.

Smaller firms also excel in treating customers individually, listening to their suggestions and treating them as more than a credit card number. In an electronic marketplace driven by relationships, small businesses hold the upper hand.

Build your image

Online, getting people to see your site - and to keep them coming back - requires more than name recognition. Sites that create a buzz, that have people emailing their friends saying, "Check out this site," are going to draw more traffic than those doing traditional advertising.

This is small businesses' ace in the hole. They don't have huge marketing departments where every message the company puts out is decided by committee. Instead, it's often the owners discussing their livelihoods, letting their personalities and passions shine through.

"The Web is a business ecology where the small and large sites depend on each other," says Virginia Postrel, editor of the libertarian magazine Reason who also writes for Forbes magazine. "It's not a winner-take-all world."

Get customers by giving something away

The Goodman's Furniture web site encourages customers to not only test new office seats, but also helps them get to their stadium seats.

Rather than a brochure with pictures of office furniture, Goodman's web site is another way for the family-owned firm to talk to its customers. That means giving them ergonomic and aesthetic advice on office styling, as well as sharing their downtown Phoenix store's parking lot, just two blocks from the stadium where the Arizona Diamondbacks play.

"We don't have a corporate skybox, but this is something we can offer to customers and a way to get them to come back to the web site," says Adam Goodman, general manager of G2 Office Furniture Market, a division of the third-generation Goodman's Furniture.

Web site visitors can register for a parking spot online, a way to keep them returning to <http://www.goodmansinc.com/>. Other enticements are links to architecture and design web sites, buttons to click to request a quote or catalog, and a chance to register for a free Aeron office chair every eight weeks.

"Our choice was to just take our 144-page catalog and throw it online, or to give something of value to our existing customers," Goodman says. "We chose to focus on providing value."

The three-year-old site is constantly updated to answer the most commonly asked questions about office furniture. Customers can even check the status of their order online, which has increased back-office efficiency and reduced

telephone calls and emails asking the same questions.

That's made the \$22,000 the company spent on the site well worth it, Goodman says.

"Now our salespeople have more time to spend on the more complex cases, and provide more personalized service," Goodman says. It's also increased the company's exposure in its sales territory of Las Vegas and Arizona.

Also on their web site is a brief company history, showing the experience and perspective offered by the 47-year-old company. To further encourage feedback, Goodman's is adding a questionnaire to its web site asking customers to rate the store's prices, products and service.

"It's a way to keep in touch with our customers and know where we are strong and where we are weak," Goodman says. "When customers come to our site, they don't see all these pretty pictures and a hard sell. They see we're a company that takes care of its customers, and that has definitely paid off."

Add an online sales force

You don't have to be a high-tech company to put a dot com after your name.

Just ask Allen Engineering Corp. The 35-year-old maker of concrete finishing equipment put up a web site four years ago and credits it with increasing sales, reducing paperwork and raising back-office efficiency.

"It's like having a fleet of extra salespeople working 24 hours a day," said Corey Bolton, the company's first webmaster.

Beyond sales, the company has recognized savings by using the Internet to automate repetitive transactions, which frees up customer service representatives to spend more time with contractors. The site at <http://www.alleneng.com/> features color photos of the company's concrete pouring and smoothing tools, as well as an online credit application filed electronically with a credit agency.

Besides raising the Paragould, Ark. company's visibility, the web site allows Allen Engineering to put out specifics on its offerings for perspective customers. It also helps that they are ahead of the curve among concrete contractors.

"This is an industry that hasn't gotten involved in the Web and having a site up gives us an advantage," Bolton says. "We're tops in the world for concrete finishing equipment and this will give us the edge to keep us on top."

The company, which sells around the world, is translating its web page into different languages. Bolton is also adding an online chatroom for customer service, automated ordering and an intranet from which salesmen on the road can download the forms and information they need.

Reach more customers without extra overhead

Like a barstool waiting for a thirsty patron, Alaskan Brewing Co.'s web site encourages beer lovers to stay a while and share their stories. And they do, in the form of about 50 emails a day to the Juneau-based brewer of specialty beers.

"We hear from people all the time who tell us about the first time they had an Alaskan beer on their trip up here," says Kristi Monroe, director of public relations for the 13-year-old brewer of Alaskan Pale Ale, Alaskan Stout and

Alaskan Frontier Ale.

"People tell us how they used to live here and are now so excited they can buy the beer where they live," says Monroe, who regularly adds news and recipes to <http://www.alaskanbeer.com/> site. "We're planning to increase the interactive nature of the site to provide other ways for people to share their ideas." Beyond details on its beer and where to buy it, Alaskan Brewing Co.'s web site is a portal to the "last frontier," featuring links to Alaskan travel and history, and updates on fishing and weather. The site is an example of how a small business can make themselves more accessible to customers, virtually.

"Juneau is a remote area and not everyone can get here, so the Web gives other people a view in," Monroe says. "You can only reach here by plane or boat, so it also gives people a view out."

Each month, two of Alaskan Brewing's 50-member staff write why they like living and working in Alaska. Owners Geoffrey and Marcelle Larson also explain why they chose to locate in a remote wilderness where the weather always has the last word.

It's a story that's struck a cord with viewers, more than 2,000 of whom have subscribed to an electronic newsletter started last year. Rather than increasing sales, the site's intention is to build customer interest and loyalty, Monroe says. "We love what we do," she says. "And it's nice to know others love what we do."

Forge a community of customers

Walkabout Travel Gear is proof that a having a niche and promoting community make for a successful Web business.

Located in Southeastern Utah and run out of a recreational vehicle, Walkabout sells gear for the independent adventure traveler ranging from a portable water purifier to an all-terrain money belt. Started by Brad and Gia Boyle four years ago, Walkabout grew from their own interest in budget travel.

"We're not glossy, but neither is the way we travel," Brad says of his straightforward web site, <http://www.walkabouttravelgear.com/> where selling items is almost a sideline. Much of the site contains travel advice, from links to online currency converters and country information to travel tips sent in by visitors. There's also a message board, for people looking for travel partners or wanting information on places to stay.

"We never treated the Internet as a place to use flashy advertising, but see it as a tool," Brad says. "Customers email us saying they are going to France, what type of converter will they need to run their laptops there? We can tell you exactly what you need. We also sell what you need, if you want to buy it here, but we're not pushy salespeople."

The Boyle's launched Walkabout with \$10,000 of their own savings. The company grew 45 percent last year and averaged annual commissions of close to \$250,000. With no permanent employees, only seasonal help, the Boyle's can indulge their passion from a remote area that would never support a specialty retail store.

Walkabout collects customer information by asking site visitors to register for a free print or electronic catalog, or a monthly electronic travel newsletter. The Boyle's are strict about not selling their customer information.

Brad's tip for small businesses putting up a web site is to keep it simple, and do as much of it yourself as possible. "Lots of the Internet stuff isn't that complex, but you can pay a lot to hire someone to do it," he says. "I wouldn't throw a lot of money at it. I'd learn to put up a fundamental site myself."

Most of Brad's time is spent responding to email and updating the site, not only adding new items for sale, but also new links to travel information sites. That freshness keeps customers returning, even if they have no intention to buy.

"We wanted our web site to be a reference source as well as sell things," Brad says. "We focus on the customers, and the site is a forum for them."

Create an entertaining image

Talk about personality. There's no mistaking Bite Golf's web site for that of a corporate giant. The Redmond, Wash.-based designer of offbeat golf sandals has a bold online presence with lots of attitude.

That 'tude has won them a loyal customer following, from celebrities like Michael Douglas and golfers on the PGA tour. Last year the four-year-old company had more than \$4 million in sales, a growing percentage of it from online business. About \$25,000 was invested in the site at <http://www.biteshoes.com/>.

Owner Dale Bathum's strength is his niche - golfers looking for alternative footwear. Without the Web, finding and selling to this subsection of the population would mean costly advertising.

"We are going after young golfers who haven't shopped for golf shoes before," says Todd Van Selus, who admits that none of Bite's nine employees has job titles. "Of course we want them to buy, but mainly we want to capture their attention."

Bite shoes are designed like cross-training shoes and retail from \$69 to \$99. The web site is used to sell, as well as to direct people to stores where they can buy Bite products.

Take on the big guys

When Drew and Susanne Bourke scrutinized how the Internet would affect their retail travel agency two years ago, they didn't like what they saw.

So they sold their agency and went virtual, launching <http://www.youpriceit.com/> in September 1998. Their site lets travelers name their price on plane tickets, then searches airlines to match the bid. If a match is found, the customer must buy the ticket. By using consolidators and other discounts, the company claims to save clients up to 75 percent.

If that sounds familiar, it's because the Bourkes are competing against Priceline.com, a high-profile public company with first year sales of \$35.2 million. But while Priceline showed a net loss of \$112 million its first year, Hendersonville, Tenn.-based YouPriceIt is profitable after a year and a half, with growth of 15 percent each month.

"We had the idea before Priceline came on the scene, but they beat us to the Web," Drew says. "But we're growing, and without outside investment."

After getting initial estimates of \$2 million to build the web

site they wanted, Drew decided to do it himself. "I make enhancements to the site almost daily," he says. "It's tempting to try and compete on a larger scale, but we're building customer loyalty."

Web resources to do it yourself

Don't buy into the hype that you needed to be on the Web yesterday and have deep pockets to be successful. Here are some free resources for those just starting out, as well as for those looking to update or better manage their site.

<http://www.poorrichard.com/> - Based on a book by Peter Kent, by Top Floor Publishing, this site bills itself as "Geek-Free, Commonsense Advice on Building a Low-Cost Web Site."

<http://www.bizland.com/> - Free resources to build your own web page, create an online catalog and register for search engines.

<http://www.efuse.com/> - A how-to site by NetObjects Inc.

<http://www.bizweb2000.com/articles.htm> - A trove of how-to articles.

<http://www.smartbiz.com/sbs/dobiz.htm> - Web site design and maintenance.

<http://www.nebsnow.com/nebsnow/home.asp> - free web site design and hosting services.

Small Business Sound Off

Does this story hit home? [Share your story with us](#)

[▶ Print This](#)

[▶ Sign Up for Newsletter](#)

[▶ E-mail to a Friend](#)

[Home](#) | [Summit](#) | [Site Map](#) | [Join](#) | [Contact Us](#) | [Privacy Policy](#) | [FAQ](#) | [Terms & Conditions](#) [RSS](#)

NFIB's purpose is to impact public policy at the state and federal level and be a key business resource for small and independent business in America.

© 2001 - 2005 National Federation of Independent Business
All Rights Reserved