



silkmoth
digital marketing

Competing on the web

How to ensure that your use of the web makes you more able to compete

a white paper by silkmoth ltd

02 September 2005

document ref: WS101-3

This white paper will be of most interest to managers in small-to-medium sized businesses. It will be of particular interest to general managers, marketing managers and IT managers in those organisations.

Summary

Companies can overlook the potential for their use of the world-wide web to be part of their competitive advantage. It is possible, with the right kind of analysis, to identify what is required for a company to have a better web presence than their competitors – more visible, and more aligned with customer needs.

This potential is overlooked because hard-pressed managers lack the time and, often, the specialist expertise to make the analysis of what can be achieved.

With proper measurement of results, and the appropriate approach to building and then refining a web presence, a company can use the web to outpace their rivals. With the web having an influence on perhaps 80% of commercial transactions, it is impossible for any company that wishes to be competitive to ignore using the web as effectively as they can.

“Yes, we already have a web site, thanks.”

Commercial use of the Internet has passed through a couple of phases. In the first, companies just established some kind of presence on the web site, with a “brochure site”, unsure of why they were really doing it. In the second phase, companies realised that there was an opportunity to use the web as an additional trading channel, and e-commerce over the web began.

Now, we’re in a phase where it simply isn’t enough to be able to say that you have a web site. The web is so crowded now – with many thousands of new web sites added every day¹ – that to be visible to prospective customers is going to involve serious work.

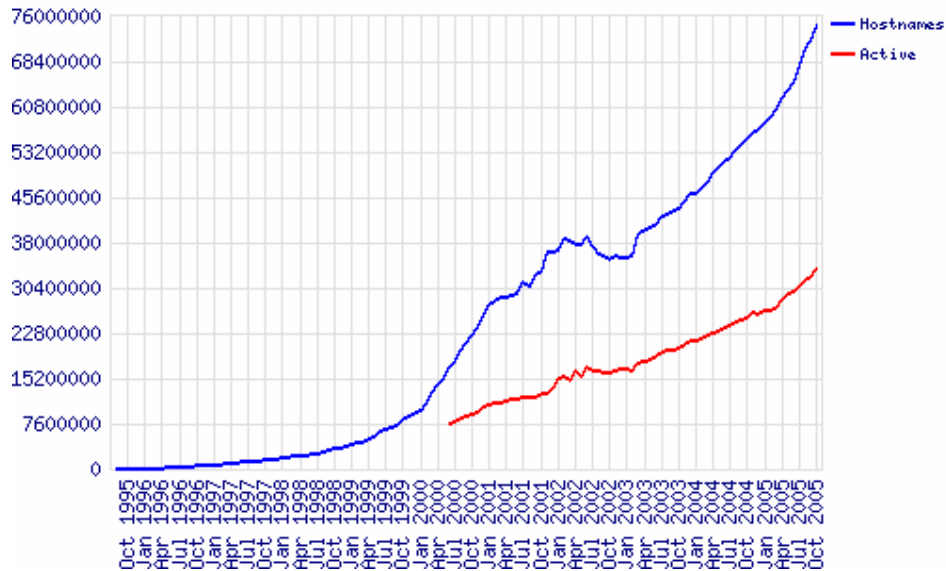


Figure 1: Web sites registered and active, 1995-2005
(courtesy of www.netcraft.com)

Today, a company’s web site needs to be designed to attract the right kind of visitors, and persuade them to act in the way that you want when they find you. That means you will need to understand what potential visitors are searching for, and ensure that your site can be found. The trouble is, the web isn’t a static environment. Just as new web sites are added every day, changes occur in the behaviour of web users as they become more and more adept in its use, and tools such as search engines are constantly evolving. To stay current with all these changes is a demanding task, even for IT specialists who spend their entire time doing it: it is virtually impossible for managers in most mainstream organisations.

¹ Almost three million new web sites were created in September 2005 alone.

Back in the High Street

Getting an understanding of how your web site should work can start by thinking about what a good shopkeeper will do on the High Street. Imagine you're in their shoes for a minute or two.

Would a good shopkeeper change their window display every once in a while, to make passers-by notice the shop and think that it has something new and different to offer? Of course. How strange that companies keep the same web content for months and years. No wonder that visitor traffic drops away.

If a visitor comes into the shop, would it be a good idea to find out why they came in, and if it's not possible to sell them what they want today, give them a reason to return? Yet on the web, most web sites don't invite a visitor to reveal anything about what they need, and don't encourage them to return by providing anything of value during their visit.

Before the good shopkeeper opened their shop, they would have looked at what their competition would be. They'd have used that information to design their shop and what it offered so that it would be distinctive and appealing to the potential customers in the area (and they'd have tried to analyse the potential customer base too). That habit hasn't been widely established on the web: we frequently meet companies who don't know which other companies would be found if a potential customer was trying to find products like theirs on the web. Their perception of who their competitors are at the moment is often misaligned with who their competitors appear to be on the web – and by competitors, we mean any company that can be found in preference to them.

As it is on the High Street, so it should be on the web.

You need to know your enemy. You need to know who your competitors are, why they attract visitors, and what you need to do to be better positioned than they are, so that you can attract the customers you need and retain them.

You need to know your customers. You need to know what they're looking for. Here is a simple illustration: if someone is searching for "buy socks" and all of the content of your web site talks about "sells socks", you won't be found. More than finding potential customers, you need to use the web as a way of retaining their interest in your company by giving them good reasons to come back to your web site.

We estimate, putting together data from several sources, that up to 80% of commercial decisions are influenced by the web. That includes transactions that result from someone searching specifically for your product and also people researching you and your competitors. It's rare for a major decision to be taken without the web being used for some part of the research.

“OK, it’s important, I’m sure we’ll get around to it.”

If business is about competing, shouldn’t you use all that’s at your disposal? Shouldn’t that include effective use of the web?

Good managers regularly review many elements of their business to check whether they are competitive. They’ll look at how their products compare on price, availability, fitness for purpose, and many other measures. Their customer service will be evaluated and refined. Performance in sales, marketing, finance and other functions will be rated.

The barriers to the inclusion of a company’s web site in a regular review and improvement process are commonly:

- **Lack of time.**
So often we meet people, particularly in marketing and information technology management positions, who are so busy “keeping everything moving” that it is difficult for them to devote enough time to regular updates and revisions of the company’s web site. Their organisations have established a web presence, but since it hasn’t been updated, it has fallen behind and is no longer competitive.
- **Lack of specialist knowledge.**
Even companies who get statistics from their web site – and that’s a minority – frequently don’t know how to analyse them in order to accurately determine how well their web site is working. Figures for ‘clicks’, ‘hits’ and ‘visits’ are meaningless without proper analysis against the broader context of competitors’ web sites. As we said earlier, the web is a dynamic environment in which ‘the rules’ change all the time. In fact, there are surprisingly few real rules, as such, just a constantly evolving set of best practices for achieving a desired result. To keep up to date with these techniques and, more importantly to innovate in the use of the web, is the preserve of specialists who spend all of their time in this area.
- **Inability to set appropriate goals.**
Lack of specialist knowledge brings about an inability to understand how to measure the performance of a web site from the standpoint of competitiveness and a failure to appreciate what can be achieved. Without these issues being addressed, it is impossible for a company to establish the proper metrics that should be used in monitoring the ongoing performance and improvement in their use of the web.

It’s not just about technology

There are many free tools available that will scan a web site and give you advice on changes to meta-tags, page titles and the like which will supposedly make your web site optimal.

Companies offering ‘search engine optimisation’ will sometimes promise that your current, unaltered, web site will appear in prime position in web search results for the outlay of just a few pounds.

Unfortunately, it's not that simple. To create a credible web presence definitely involves using the most appropriate technology, such as a content management system that will allow business people to modify site content without reliance on technologists. But it will also involve bringing together good design, and good content. The content will need to be closely aligned with your company's marketing strategy. These things need to be bound together in an efficient process that enables for regular revisions to be implemented with ease.

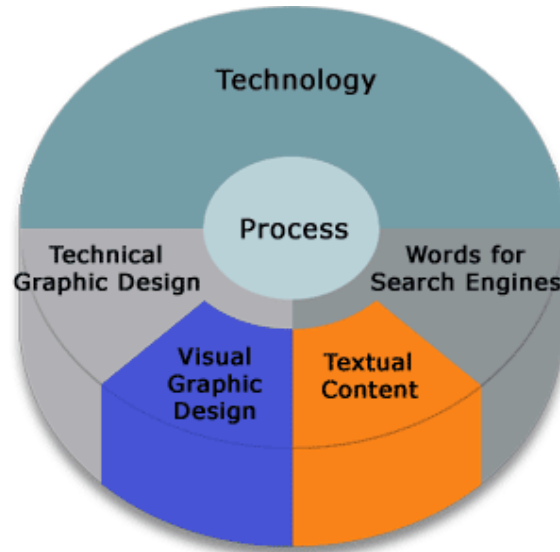


Figure 2: Silkmoth's Approach

(Details available at <http://www.silkmoth.com/article.asp?id=178>)

Beginning the improvement

The foundation for better use of the web is to make sure that everyone involved – particularly the marketing and information technology functions of the company – understands that the reason for the web site's existence is to compete. All decisions can be taken in that context.

Start with a health check

Review your use of the web against these criteria:

- Is the web site portraying our company as we want it to be seen?
- Is our web site visible to the type of customers that we want to attract?
- When a potential customer is searching the web for what they need, which companies will they find – and therefore, who are the companies we compete with *on the web*?
- Do we understand what our customers are looking for, and is our web site designed to attract them better than our competitors?
- Does our web presence engage existing and potential customers in a useful dialogue? Do we give them good reasons to either do business with us right now, or at a later time?

If you can't make this assessment using solid metrics, you need specialist help².

² Of course, we'd be delighted to help you. Please visit www.silkmoth.com or call 0800 074 0343.

Set goals

The goals you will need to set for the improvement in your use of the web will depend on the objectives your company has overall, and the results of the analysis made in the health check.

Your goals should certainly include determining what might be achievable with a better web presence: you will want to establish how much potential business exists, and what a reasonable share of that business could be.

In some cases, a better web presence can deliver customers to you that would not have engaged with you through your existing channels to market, and they will perhaps have different expectations that you will need to anticipate and plan to handle. In other words, be prepared for a better web presence to result in your company needing to look at some of its other processes.

An effective, competitive web presence, that captures a good share of the potential business, will not be a once-off project. Once begun, you will need to sustain it. Therefore, plan the use of your internal resources and the external specialist knowledge that you may need, in order to ensure that your momentum will be maintained and you will stay competitive.

From these factors, it will be possible for you to estimate the return on investment that should be expected, and most importantly, put in place the metrics that will allow you to see whether the desired results are being achieved.

In Conclusion

The web is underused as a competitive tool, and it provides one more way for companies to find the competitive advantage that they need.

By careful analysis of the current effectiveness of their web site in comparison to their competitors, it is easily possible to put in place a programme of regular review and improvement.

Specialist assistance is often required if a company is to avoid falling into the trap of creating a web presence that is not dynamic, and able to remain competitive.

silkmoth is a web software development company based in Macclesfield, Cheshire. Our clients improve the promotion and operation of their businesses by using the web sites and web technologies that we provide. Since 1995, we have provided effective solutions to the business problems of companies such as Astra Zeneca, Mitchell Beazley, BT and Steroplast, as well as a variety of medium sized companies throughout the UK.