

Online Business Success 101

By Bardia Housman – Business Catalyst

Background: the Internet and Business

The internet has been a huge disruptive force in the business world. We've seen the birth of new business models enabled by the internet, and the face of marketing and "the media" has changed significantly.

Think about how the internet has grown and become a pervasive part of life. We've gone from bulletin boards, free email and an internet boom then bust. Now, blogs are the currency of authenticity and forums are the bedrock of online communities. More and more vital business transactions are taking place online as people purchase goods and services from people half a world away. We're seeing musicians in the charts that were discovered on MySpace, selling an album that they made in their garage!

The world truly has changed significantly in the last decade, and businesses need to adapt to take advantage and not be left behind. Here are some key points that are essential to understand:

- Millions of potential customers are primarily using search engines to find information about products or services to meet their needs. As such, there is an information need that must be fulfilled for any browser to become a buyer.
- The Internet is a low-trust environment – no one knows you are who you say you are. Building trust and confidence is essential.
- Your goals must be clearly defined, and your web presence built with those goals in mind to guide your potential customers where you want them to go.
- The Internet makes it easy to find a cheaper or better deal. Building loyalty and managing your customer's experience with you is more important than ever.
- Having a successful online business isn't magic, and there is no quick path to riches. It requires hard work, but there is a process you can follow that helps!

So many people don't understand the above. That's why a vast, overwhelming majority of web sites fail – some sources suggest over 95% of small business websites are a failure in terms of delivering a return on investment. This is because most business owners don't know how and haven't been educated on how to make the internet a successful part of their business.

The 4Cs – A Process for Success

The 4Cs is a process developed to help business owners understand how to make the web an effective, revenue generating channel for their business. It's about making an online business successful.



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"I would like to thank you for the great work you and your team did in developing and delivering our new website."

The design, look and functionality of it have exceeded our expectations. My only disappointment is that we didn't do it earlier. We were initially only looking for a website to provide us with credibility when prospective clients were initially dealing with us.

The reports generated from the website have been extremely useful in better understanding our business and generating new leads.

Once again thanks to you and your team for a great job and being so patient to ensure we were 100% happy with the look and feel of the website."

Regards,
Cara De Ryk
www.ddp.net.au

The 4C's are:

- Content
- Credibility
- Conversion
- Customer

Content

On the Internet, your potential customers are searching for information, and they are using search engines to find information that meets their needs. Search engines give greater weighting to targeted, valuable content. So if you want your business to be towards the top of the search results, you need to have valuable content on your chosen topic. That means when designing your site:

Focus on the information need of your visitors, not on making the sale.

Credibility

The net is a low trust environment. That means that potential customers will ask themselves many questions as they browse your site to convince themselves that they can trust you. As such you need to build credibility in the customers' eyes. The sort of questions they will ask themselves might include:

- How do I know if this business really even exists?
- How long has this business been around, and will they still be here tomorrow?
- If I buy or contact this business, will my details be safe?
- Will I receive my purchases, or will the promises made by the business be held?
- What type of post-sales support will I receive after receiving the product?

So you need to address those questions, and design your web site to help foster trust and build your credibility. How can you do this?

1. Meet the information need first. Your potential customers came for information, so meet their needs in that department first.
2. Write about yourself – how long you've been in business, who you are and why you do what you do. Even put up a picture or two of your team.
3. Display Customer Testimonials – who else has used your product or service, and how good was their experience.
4. Capture Customer Feedback – Give people a mechanism to contact you easily and provide feedback or ask questions.



"A testimonial is the least I can do for you!!"

I can say it is hard to find a business these days that goes the extra mile for their clients, you guys did & beyond!! This site is better than I ever expected it to be... I cannot thank you enough for the work you did.

It's important for a website to look & feel professional (it's the face of my business) & that's exactly what you did for me. Nothing was ever too hard & if I want a change from the original plan it was easy... One call & it was done. Thank you Jarrod & Andrew for a great website site."

Brad Gordon
Personal Trainer
www.kickon.com.au

5. Create a Community (e.g. Forums) – An extremely powerful credibility tool, as it often achieves points 1, 3 and 4 all at once. Plus you allow customers to talk to each other and spread the word first hand to new customers.
6. Write you business contact details such as phone numbers and addresses. If you have some sort of business registration number, include that somewhere too.

Conversion

Conversion is the art of turning an information seeker or browser into a customer. It's often hard work, but the first two Cs, Content and Credibility, go a long way to helping with conversion. The next thing you need to do is identify your conversion goals, and design you site around those goals.

Usually a site would have at least two goals. One is a primary goal – first prize. A primary goal is usually something that brings in money or has significant value to your business like:

- A sale on your online shop
- A booking for your seminar

The other goal, the secondary goal, is your second place prize, sometimes referred to as the backup goal. Secondary goals are usually a mechanism to give you another chance later at converting the browser to the primary goal. Secondary goals are things like:

- A "contact us" form
- An email newsletter subscription

How can you enhance your chances of conversion? The key things you can work on to improve conversion are:

- Identify and refine your "Conversion funnel". A Conversion funnel is the path you identify that begins where the customer is starting down the path to conversion, and ends after the conversion is made. A funnel needs to be designed to build comfort in the purchase, not be too many steps or be too complicated, but also not be too short. Funnels that are too short result in a "half-baked" customer who isn't sure if they want to buy yet!
- Use "Calls to Action". A call to action is something like "Buy now", "Click here", or "Get started today". You should include these both in your site to start users down the conversion funnel but also within the conversion funnel to drive them to action.
- Use the secondary goal to "catch" people who fall out of the primary conversion funnel. By placing the secondary goal strategically in the site, you can catch those potential customers who aren't 100% convinced.



Customer

Customer is the final C, and the most important. Why is that? It's because the cost of acquisition of a customer is higher than the cost of retention. For you to go out and go through the previous 3Cs and get a new customer is time consuming and requires effort – and money. So the 4th C is about how you can keep your customers happier and retain their business for as long as possible, as cost-effectively as possible. The key things to remember are:

- Customers are expensive to acquire.
- Customers can find your competitors online very easily.
- Customers online are impatient – they want service NOW.
- The Customer has the “high ground” because the Internet gives them greater power to choose and compare you with your competitors.

There are several key ways to increase your customers’ retention rates, including:

- Run loyalty building advertising campaigns. Loyalty campaigns are targeted marketing campaigns that leverage your knowledge of your customer. An example of such a marketing campaign is a birthday campaign that goes out before my birthday to offer me a special deal: “Happy Birthday: Buy one Tshirt and get one free in your birthday month”
- Provide exemplary service with fast response times. When you receive a lead, enquiry or support request, react as quickly as possible. Better yet, you should be receiving emails and SMSs notifying you of customers’ requests.
- Don’t waste time – provide useful FAQs (Frequently Asked Questions) to allow your customers to find answers to their simpler questions without having to contact you.
- Build a relationship. Use the right tools to keep track of your correspondences with customers, and make sure you can share knowledge about your customers.

Each of the Cs works in concert with the others, linking together to create a winning process that helps you generate more leads and ultimately make more money out of your online business.

