

## **Bringing the Power of the Web to Small and Local Business**

Consider the following:

- A developer of luxury vacation homes wondered why he was getting 1500 visitors a month to his website but almost no visitors to his model home. An analysis of his traffic logs showed that his website had been optimized for the wrong keywords. His site had inadvertently been built to attract the “wrong” search engine traffic, and was all but invisible to the traffic that he really needed to drive sales.
- A distributor of medical equipment has begun selling a new product line with a significant breakthrough in affordability for its target market. One local hospital has installed multiple systems and verified major cost savings. It appears that the company may have a large potential for expanding sales regionally and nationally. Unfortunately, their web developer used graphic techniques that make their website virtually invisible to Google and the other major search engines. And, even if the site were more visible, it is not optimized for the search engine keywords that could attract large amounts of relevant traffic to their site.
- A new B&B relies on Internet traffic to build their business. They created a website and optimized it to attract local B&B visitors, and then were perplexed that almost no one visited their site – or their B&B. What they did not know was that search engine traffic for keywords like “Mars Hill Bed and Breakfast” is virtually non-existent, whereas “Asheville B&B” and related keywords attract many thousands of searches a month. They are now in the process of re-branding themselves as an “Asheville-area” B&B in order to tap into existing search engine traffic.

## Are These Sites Representative of the Real World?

These website failures were easily preventable. All it would have taken was a better knowledge about how search engines work, and a couple of hours of search engine traffic analysis.

I want to emphasize that these are not just worst-case examples. In fact, I have been asked to analyze five websites since I began visiting Asheville last Fall and these examples were taken from that original pool of five. I would not have expected three out of five websites chosen somewhat at random to have major problems, but search engine issues like these are commonplace in small business websites, for reasons that I will discuss further on.

## The Internet Opportunity

Partly, that's due to the rise and phenomenal growth of e-commerce, which continues to grow at 30-35% per year. But even more importantly, the web has emerged as our tool of choice for product search and research, and for finding and qualifying potential suppliers. (When was the last time that you went to the Yellow Pages, or consulted an industry directory?)

One can make a case that the Internet is the biggest business opportunity to have come along in our lifetime.

In addition, the Internet has radically destabilized the traditional marketing channels of manufacturer – distributor – wholesaler – retailer that most of us grew up with. Thanks to the Internet (or no thanks, depending on where your business sits in the supply chain), all the old lines are now blurred.

Manufacturers routinely sell online (and over the heads of their distribution chain); retailers with strong product niches have become wholesalers and online catalog merchants; and web portals have become the new “gatekeepers” in the online world. Over and above the impact of e-commerce, this market destabilization has created unprecedented opportunities for businesses that are both web-savvy and market-smart.

## The Internet Levels the Playing Field but Will Small Business Benefit?

One key question is who will benefit from the marketplace changes brought on by the Internet? market turmoil and transition?

Well, we know that large businesses will. With their easy access to highly specialized internal staffs and outside consulting expertise, large companies have the resources to stay at the leading edges of technology curves and changing marketplaces. Many have already made a successful transition to Internet marketing, and incorporated it successfully into their business model.

Some small businesses have done the same, especially those that are highly entrepreneurial and committed to rapid adaptation to change. These entrepreneurs realized early on that the web could transform marketplace opportunities, and they did what it took to jump in. (Just as one example, we helped a solo entrepreneur who bought a sleepy little used mannequin business in the San Francisco Bay Area change her business model from traditional telemarketing to web marketing. Her low six figure business tripled its sales in less than two years. And, as a bonus, being able to abandon her hours-a-day cold calling gave her back precious time to plan and strategize about her business.)

**If you don't understand how search engines work, success on the web will either be non-existent or accidental**

Web-savvy small business owners are however still pretty rare. We have worked with and held seminars for hundreds of small businesses. Only a tiny fraction of them had any understanding of the mechanisms by which Google and the other search engines deliver traffic to websites. And, as the three businesses discussed earlier can testify, if you don't understand those mechanisms, your success on the web will either be non-existent or accidental.

And yet, understanding how search engines work is for the most part pretty simple stuff. In our seminars, we provide entrepreneurs with the basics of search engine and web marketing in half a day. In our experience, most business people who attend this seminar walk away with the feeling that they are no longer in the dark about how this technology works and how it might apply to their business.

### **Why the Knowledge Gap?**

As with any infant technology, the demand for technical expertise far outstrips the supply. Given the explosive growth of internet marketing, there is still only a thin cadre of people with the skills to evaluate online opportunities, assess the competitive landscape, optimize websites, and develop winning campaigns. Not surprisingly, most of them are out of the budget reach of most smaller businesses.

These companies are left to rely instead on local web developers. And, while almost every large web development shop includes significant search engine expertise, small business are generally doing business with one or two person web shops, or their local graphic artist turned web developer. For the most part, these small shops have neither the required web marketing expertise nor any easy means to acquire it.

**The principal barrier to web success for the smaller business is not cost but knowledge.**

Small business owners are caught in the middle of an insidious knowledge gap. They don't have the knowledge or expertise to properly plan for success on the web, and in most cases their web developers don't have that knowledge either.

Thus, the principal barrier to web success for the smaller business is not cost but knowledge. And this knowledge gap is the principal reason why smaller and local businesses are unable to secure a larger slice of the online marketplace at a time when it is still largely up for grabs.

### **Why Small Cities and Rural Counties Should Get Involved**

If you are in charge economic development in Charlotte, and most of your future growth is driven by a growing base of very large companies, then the future of internet marketing is interesting but probably not compelling.

On the other hand, if you are a small city or rural county, much of your future is in the hands of smaller businesses, and smaller businesses are the sector that potentially has the most to gain from the Internet marketplace revolution. The web is a powerful vehicle for enabling small companies to get regional and national exposure for their products and services.

In addition, web technology is still very affordable, which means that small businesses can now easily match their larger competitors web page for web page and web functionality for web functionality. Moreover, the web environment actually reinforces one of the few natural advantages that small businesses have over larger businesses – nimbleness and speed of response to changes in the marketplace.

Some small businesses are already reaping the rewards of search engine and web marketing, but most are not. It is in every small community's interest to help all its businesses to maximize their online potential while the opportunity is ripe.

### **In Search of the “Gazelles”**

Most small cities and rural areas depend on the emergence of local “gazelles” to jumpstart their business and job growth. (“Gazelles” is the name sometimes given to that tiny percentage of companies that generate 70+ percent of the job growth in the US economy.) Gazelles often emerge around either new technology or unique business models, and they are usually regional or national in scope. That means that the Internet plays a significant role in their growth.

Since it is almost impossible to “spot” gazelles in their formative stages, one way to nurture them in advance is for local communities to raise the level of web education and expertise throughout the local business community so that all businesses – including the gazelles - stand a better chance of maximizing their online opportunity.

## **Web Training Cuts Across Business Sectors**

While only a minority of businesses are likely to reap a search engine windfall, virtually every business can benefit from better use of web technology.

Many small businesses now use the web to increase customer service and reduce operational costs; develop unique web-based service delivery models; integrate front end and backend systems; track and reward repeat customers; manage prospect pipelines; conduct surveys and market research; build communities of loyal users; and, in a time when company brochures are fast becoming extinct, to put a powerful and persuasive electronic “face” on their company and its products and services.

Perhaps more than any other business assistance program, web marketing assistance and education benefits virtually every business sector – and many non-profit sectors as well.

## **Piggy-Back on Existing Outreach and Assistance Programs**

Web technology is not rocket science. Any reasonably intelligent business person can be taught the basics in a half a day or less. Most people who come to our seminars walk away feeling empowered for the first time about how to evaluate and manage the use of the web in their business.

Ten years from now, any business counselor will feel as comfortable making web and search engine marketing recommendations to their business clients as they do now in making referrals for SBA loans, job training, education, networking, or other well-established assistance programs.

Smart communities won't wait ten years. They will “get” that the web is the next big component of business literacy, and a potentially major driver of the growth and health of the local economy.

Finally, the best part is that we are not talking about a new layer of bureaucracy, programs or expenditures. A local program to raise business web expertise can piggy-back on existing programs and resources, taking advantage of business outreach and assistance programs, relationships and resources that are already paid for and already on the ground.

***WebEG is a web technology strategy and training company.***

***We partner with economic development agencies and business groups to help local businesses learn how to maximize their web-based marketing opportunities.***

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