Association for Information Systems
AIS Electronic Library (AISeL)

2006

Strategies for small businesses selling online

T Chesney

Nottingham University Business School, thomas.chesney@nottingham.ac.uk

Phil Darby

Napier University

Follow this and additional works at: http://aisel.aisnet.org/ecis2006

STRATEGIES FOR SMALL BUSINESSES SELLING ONLINE

Chesney, Thomas, Nottingham University Business School, Wollaton Road, Nottingham, UK, thomas.chesney@nottingham.ac.uk

Darby, Phil, Centre for Mathematics & Statistics, Napier University, Edinburgh, Scotland

Abstract

Numerous books and articles have been written advising businesses how to set up a successful e-commerce website and much of this advice is relevant to small businesses. The research reported here examines this advice to generate a list of tactics and then attempts to group the tactics into strategies which describe how small businesses are using, or want to use, the Internet. Results suggest that SMEs are very customer oriented, even when dealing online. Small businesses have traditionally always been customer focused, many know their customers individually, and it is interesting to see that use of the Internet has not eroded this as some had feared. This may be due to the caution many SMEs showed by being slow to adopt the Internet or it may be the cause of this caution. The results also suggest that small businesses find it important to use the Internet to apply traditional business tenets. The things that can only be accomplished on the Internet such as personalisation are not seen as important or are seen as unimportant. It may be that small businesses do not realise the Internet's potential in these areas or if they do realise it, they do not see them as being useful.

1   INTRODUCTION

Small businesses are crucial to the world economy (Chesney, 2003) for wealth generation and employment creation (Martin and Matlay, 2003). There were an estimated[1] 3.7 million businesses in the UK at the start of the year 2000; 99% of these had fewer that 50 employees and they provided 45% of non-government employment (Small Business Service, 2002). In the European Union, 99.8% of businesses have fewer than 250 employees and the vast majority of businesses are classed as very small (10 or fewer employees) (Frank and Landström, 1997). In the U.S. almost 50% of businesses have fewer than 5 employees with 98% having 100 or less[2] (U.S. Census Bureau, 2002). 80% of the Japanese workforce is employed in small businesses (Henry et al., 1995).

Small businesses can benefit from using the Internet (Poon, 2000). Lymer *et al.* (1998) found the Internet can be, and is being, used by small businesses to reach more of their market, to communicate more efficiently with customers and suppliers, and to access business information such as information about competitors. The Internet can provide a wealth of useful information to small businesses about their environment (Urwin, 2000). Martin and Matlay (2003) found, from a small and therefore unrepresentative sample of SMEs which are using the Internet, that the Internet is being used as a marketing tool, to develop stronger links with customers and suppliers, to change customers' perception of the firm and its products and to promote knowledge management within the firm.

The aim of this research is to classify tactics and describe common strategiesfor selling online that are important to SMEs

2   SMALL BUSINESSES AND THE INTERNET

Porter (2001) stresses the dangers of adopting the Internet without considering how it will support the firm's strategy. He claims that many firms rushed in without examining the fundamentals of strategy

and paid for this when technology stock crashed. In fact, many SMEs were cautious and did not rush in to adopt the Internet. The body of work examining Internet adoption in SMEs is growing. Much of this investigates the determinants of adoption. Studies have been performed in the UK (Daniel *et al.*, 2002), Brunei (Seyal & Rahman, 2003), Thailand (Lertwongsatien & Wongpinunwatana, 2003), Greece (Chai & Pavlov, 2004), the US (Grandon & Pearson, 2004; Chai & Pavlov, 2004; Karakaya & Kahil, 2004), South Africa (Molla & Licker, 2005; Moodley, 2003), Hong Kong (Lee & Cheung, 2004) and New Zealand (Yao, 2004). Typically these studies use the Theory of Planned Behaviour (Ajzen, 1991), the Technology Acceptance Model (Davis, 1989) and/or Innovation Diffusion Theory (Rogers, 1995) to examine the factors that have an impact on adoption of the Internet as a marketing tool (website) and selling tool (e-commerce). The findings of these studies are similar. Mehrtens *et al.* (2001) suggest that there are three factors that influence SMEs decision about what to do with the Internet: the perceived benefit it might bring, their organisational readiness, which is related to how entrepreneurial the SME is (Poon and Swatman, 1999), and external pressure from the environment. Cragg and King (1998) claim the enthusiasm of the owner/manager is the major factor in deciding IT investments. Levy and Powell (2003) find that owners' recognition of the business value of the Internet combined with their attitude to business growth are the key factors in determining Internet adoption strategies. Lee and Cheung (2004) suggest that organisational readiness, perceived benefits of Internet retailing and environmental factors are the key factors driving Internet adoption. Ching & Ellis (2004) found various decision maker, innovation and environmental characteristics to affect adoption of online marketing.

Often, research in this area treats Internet adoption as a dichotomous variable, ignoring the Internet's extent of use in an organisation, or views it as a series of stages of maturity (for example Thelwell, 2000; Willcocks *et al.*, 2000) through which a business must progress to achieve whatever level of sophistication is required. Daniel *et al.* (2002) examined e-commerce (using a very wide definition of this term) adoption and propose one such stages of growth model. Theirs has four stages: the first is those organisations which are developing their web strategy. The second is those using web technologies to communicate with customers and suppliers. The third have websites providing information about their company and its products and services. The forth have implemented e-commerce i.e. they are taking orders online. There is however, little evidence that such a stages of growth model is appropriate (Levy and Powell, 2003).

Rather than look at if and how small business are using the Internet, this project considers what UK SMEs are using, or want to use, the Internet for and attempts to identify common strategies from these. Numerous books and articles have been written advising businesses how to set up a successful e-commerce[3] website (see for instance Smith *et al.*, 2000; Amor, 2000; Evans, 2001). Many of these are relevant to small businesses. The research reported here aims to examine these to get a list of tactics and then attempt to group the tactics into strategies which describe how small businesses are using, or want to use, the Internet. (Briefly, tactics are the moves that are performed to implement a strategy. A strategy is the 'bigger picture', the vision of what is to be achieved. The tactics are the things that are done to achieve this vision.) This extends the existing literature. Sandy and Burgess (2003) propose a flow chart that small businesses can use to determine features they can put on their website. Starting with product/service characteristics such as whether the product can be downloaded (as would be the case if the product is or could be electronic in nature such as information, pictures, music etc.) and whether the product is perishable, the flow chart suggests incorporating web features such as 'implement full electronic ordering and payment' or 'implement buyer incentives'. The approach taken here is slightly different, examining a wider range of tactics available to firms not just based on product features. In similar work, Shin (2001) identified strategies that a business selling online could implement by examining the effect the Internet could have on the business's environment in terms of Porter's five forces model (Porter, 1980) and McCarthy's marketing mix model (McCarthy, 1960). Spiller and Lohse (1998) classified online retail stores into five distinct types differing mainly on size, service offerings and interface quality. The current research will benefit small businesses by making the choices and options available to them clear so they can analyse them and develop a sound strategy.

It will also benefit the research community by providing a framework from which further research into selling online can be conducted.

3 METHOD

Appendix A shows the list of tactics. This came from a review of e-commerce literature and an interview with the managing director of a software house that specialises in developing e-commerce software. The list is intended to capture the advice that e-commerce experts are giving to SMEs. The 41 items were generated from an initial list which was pruned by the authors to remove any that were identical or very similar. 556 small businesses located in four geographical regions throughout the UK were contacted and asked to state how important each tactic was to their web strategies. The instructions given to respondents if they did not currently have a website or web strategy, was to state how important they felt each tactic would be to them if they were selling online. The four regions were Scotland, North England, South England and Northern Ireland. Details of the number of questionnaires sent and response rates from each region are shown in Table 1. The questionnaire was piloted on 5 research staff prior to being sent out.

Region	Number of questionnaires sent	Number of questionnaires completed	Response rate
North England	153	10	7%
Northern Ireland	61	19	31%
Scotland	129	33	26%
South England	213	15	7%
Total	556	77 (66 usable)	14% (12% usable)

TABLE 1.   *Response rates from each region*

The sample of businesses to contact was found online in business directories and randomly selected from each of the four areas. All had fewer than 50 employees. Most had an established web presence (this should be seen as a result of the sampling method and not as a finding). The questionnaire was either posted out to the business with a stamped addressed envelop in which to return it, or the business was contacted by email and offered three choices for completing it: online, by post or by having a MS Word version emailed out to them. The questionnaire consisted of a 7 point Likert scale ranging from very important to very unimportant.

4 RESULTS

In total, 13 individual answers were missing as respondents had left them blank. This represents 0.5% of the collected data. Expectation maximisation (EM) was used to estimate these values. EM is a class of iterative algorithms for maximum likelihood estimation in problems with incomplete data (Dempster *et al.*, 1977). The EM algorithm in SPSS was used. It estimates the missing values based on the assumption that the data is normally distributed, then iteratively re-estimates them using all the

data which includes the estimated values from the previous iteration. A maximum of 25 iterations was used.

Factor analysis, specifically principle component analysis (PCA), was used to examine the results. An examination of the scree plot of the eigenvalues (not presented here) of the covariance matrix of the data suggests that there are somewhere between 7 and 12 major components at work. In fact, 5 components explain almost 50% of the variance found. The tactics which were found to be most important to these 5 components are shown in Table 2.

Component	Important tactics
1	34,26,28,30,24
2	27,38,(32)
3	14,17
4	7,35
5	12,4,3

TABLE 2.   *Principal components (moves in brackets had a negative impact on components)*

The first component has been labelled 'estimate consumer reaction'. The tactics in this component relate to testing how customers will react to the website and thus trying to ensure a positive customer experience. The moves are:

34. Analyse customer behaviour by trying to determine customer responses to different variables such as the colour of the web site or product price.

30. When making changes to the web site, test the changes on a copy of the site with a sample of customers before making the changes to the actual web site.

28. Make online shopping as convenient (easy) as possible – here the estimation is what users will find 'easy'.

24. Allow customers to easily compare your prices with your competitor's prices – here the estimation is how customer's will react to the firm's prices and competitor's prices.

26. Gather information on past sales (to determine what customers want).

The second component refers to how easy it is to find information about the company and its products:

27. Provide as much information in your web site as you can about the product and its use

38. Advertise the site online – this is how the site appears in search results.

The following move had a negative impact on this cluster:

32. Have a different front page (the page customers go to first) to the web site for each target market segment (this tactic refers to customising the site for groups of customers or individual customers)

The third component is listening to customers:

14. Offer customers the opportunity to give feedback by email.

17. Offer customers the opportunity to give feedback by telephone.

The forth component is to do with getting and processing sales:

7. Provide customers with access to an expert sales force through the web site

35. Use the web site to reduce the costs of order processing

The fifth component relates to the image presented on the website:

12. Build brand identification (try to get customers to think of your web site when they want a certain product)

4. Maintain a consistent image on each web page

3. Use the Internet to improve information exchange with customers

5   DISCUSSION

In the description above an attempt was made to form coherent strategies from the tactics. In actual fact, none of these would be considered a strategy on its own but rather would be one part of a strategy. The data does give some interesting results. They appear to suggest that SMEs are very customer oriented, even when dealing online. Small businesses have traditionally always been customer focused, many know their customers individually, and it is interesting to see that use of the Internet has not eroded this as Porter (2001) warned it might. This may be due to the caution many SMEs showed by being slow to adopt the Internet or it may be the cause of this caution. Small businesses appear to be concerned most with how they will be perceived by visitors to their site – how easy it will be for them to use, how much they will like the site, how competitive their prices will be perceived. This is seen in the tactics that make up the first strategy: estimate customer reaction. The second is related to this - how easy it is for potential customers to find information about the company and how easy it is to find the site itself. The amount of information available on a web site is an area that is more complex than it first appears. It may seem like common sense to provide as much information as possible about the product, the company and its service and many writers do suggest this be done, always ensuring that navigation of the site does not become unmanageable (Saloner and Spence, 2002; Smith *et al.*, 2000). There is however a suggestion in the literature (Lowengart and Tractinsky, 2001) that, for certain products, the amount of information provided is inversely related to the decision to buy, as additional information requires customers to spend more time wading through it. Chau *et al.* (2000) studied how textual and pictorial information about a product impacted on the decision to purchase. How the information was presented had no impact when the product was familiar to the shopper but shoppers buying unfamiliar products did better when the product information was pictorial. In fact evidence suggests the amount and nature of information that must be provided to potential customers depends on the product: whether it is considered a high or low risk purchase, and the background of the customer: whether they are an experienced Internet shopper and have high or low knowledge of the product (Lopez Trueba and Chesney, 2003).

The third strategy, listen to customers, underlines how customer focused SMEs are. The Internet's major advantage as a medium through which to conduct business is that it allows very personalised interaction with customers and potential customers at every stage of the buying process (Chesney, 2002) and SMEs should exploit this to build up relationships with their customers and get feedback from them. The forth strategy shows the importance of using the website to facilitate sales (which does not necessarily mean e-commerce). The fifth demonstrates the importance of image on the Internet. The importance of image when selling online cannot be overstated. Due to security concerns, web shoppers tend to be loyal to web sites they have had a positive experience of (Kung *et al.*, 2002). Customer loyalty is even more important online than for traditional retailers (Reicheld and Schefter, 2000). Loyalty brings with it repeat sales and customer referrals. Customer loyalty has been found to increase with perceived service quality and increased trust (Gefen, 2002). Perceived service quality comes from the firm's image: a seller's reputation is used as an indication of their quality when the good itself cannot be examined prior to purchase (Melnik and Alm, 2002). Increasing public trust appears to be the main barrier to increasing e-commerce growth (Belanger *et al.*, 2002). In one study, Smith and Brynjolfesson (2001) found Internet buyers preferred heavily branded retailers and that such retailers command premimum prices. These writers explain their results by saying that customers

see the brand name as synonymous with reliable, quality service. Businesses should try to improve their branding to reassure their customers and promote a secure image to deal with persistent security fears (Teo, 2002).

The results summarised in Table 2 suggest that small businesses find it important to use the Internet to apply traditional business tenets. Selling at a good price, providing support for customers, providing information about the product and getting to know customers, promoting an image and having a range of products are all sensible ways of doing business. The things that can only be accomplished on the Internet such as customisation and getting customers involved in electronic communities, are not seen as important or are seen as unimportant. It may be that small businesses do not realise the Internet's potential in these areas or if they do realise it, they do not see them as being useful.

NOTES

1. Small businesses can have a short life span and therefore come and go quickly, making it necessary to estimate numbers. Another problem is that many do not register with authorities and will never appear on an official statistic. Therefore all these figures are approximate.

2. These figures refer to a 1997 survey. The definition of business (referred to as a firm in the survey) used was, '[a] firm (company) is a business organization or entity consisting of one domestic establishment (location) or more under common ownership or control. All establishments of subsidiary firms are included as part of the owning or controlling firm. For the economic censuses, the terms 'firm' and 'company' are synonymous.' (U.S. Census Bureau, 2002). The high number of businesses with less than 5 employees is due in part to the fact that social benefits in the U.S. are such that people unable to find work must look for other ways of generating income, in other words start their own small business. If the UK government want to promote entrepreneurship one approach they could take is to make social benefits a less attractive option, although a culture of entrepreneurship would take many years to achieve. There have also been calls in the UK for the government to cut down the bureaucracy that small businesses must deal with as it is felt that this is stifling entrepreneurship.

3. E-Commerce can be defined as the conduct of commerce or business electronically (Ward and Peppard, 2002). There are a range of activities that a small business could implement that would fall under this definition. A 'brochure' web site giving product information and an option to email or fax orders to the business, and send a cheque through the post later, would constitute e-commerce, albeit in an unsophisticated form.

References

Ajzen, I. 1991. The theory of planned behavior. Organisation Behavior and Human Decision Processes. 50, pp. 179-211.

Amor, D., 2000. The E-Business (R)Evolution. New Jersey, Prentice Hall.

Belanger, F., Hiller, J.S., Smith, W.J., 2002. Trustworthiness in electronic commerce: the role of privacy, security and site attributes. Journal of Strategic Information Systems 11, 245-270.

Chai, L. & Pavlov, P.A. 2004. From 'ancient' to 'modern': a cross-cultural investigation of electronic commerce adoption in Greece and the United States. Journal of Enterprise Information Management 17(6) pp. 416-423.

Chau, P.Y.K., Au, G., Tam, K.Y. 2000. Impact of information presentation modes on online shopping: an empirical evaluation of a broadband interactive shopping service. Journal of Organisational Computing and Electronic Commerce 10(1), 1-22.

Chesney, T., 2003. Competitive Information in Small Businesses. Kluwer, Dordrecht, Holland.

Chesney, T., 2002. Differentiating Commodities Sold On-line. UK Academy of Information Systems Conference. Leeds, UK. 10th - 12th April 2002.

Ching, H.L. & Ellis, P. 2004. Marketing in cyberspace: what factors drive e-commerce adoption? Journal of Marketing Management 20 pp. 409-429.

Cragg, P.B. and King, M. (1993), "Small-Firm Computing: Motivators and Inhibitors", *MIS Quarterly,* Vol. 17 No. 1, pp. 47-60.

Daniel, E., Wilson, H. & Myers, A. 2002. Adoption of e-commerce by SMEs in the UK. International Small Business Journal. 20(3) pp. 253-270.

Davis, F.D. 1989. Perceived usefulness, perceived ease of use, and user acceptance of information technology. MIS Quarterly 13(3) pp. 319-340.

Dempster, A.P., Laird, N.M. & Rubin, D.B. 1977. Maximum likelihood from incomplete data via the EM algorithm. *Journal of the Royal Statistical Society*. Series B, 39 (1), pp. 1-38.

Evans, C., 2001. An E-Strategy for On-line E-Business. Information Systems Management 18(4), 8-21.

Frank, H., Landström, H., 1997. Entrepreneurship and small businesses in Europe – economic background and academic infrastructure. In: Landström, H., Frank, H., Veciana, J.M. (eds.), Entrepreneurship and Small Business Research in Europe. Avebury, Aldershort, England.

Gefen, D., 2002. Customer loyalty in e-commerce. Journal of the Association for Information Systems. 3, 27-51.

Grandon, E.E. & Pearson, J.M. 2004. Electronic commerce adoption: an empirical study of small and medium US businesses. Information and Management 42 pp. 197-216.

Henry, C., Author, M.B. and Jones, A.M. 1995. Strategy through People: Adaptation and Learning in the Small-Medium Enterprise. Routledge, London.

Karakaya, F. and Khalil, O. 2004. Determinants of Internet Adoption in Small and Medium-Sized Enterprises. *International Journal of Internet and Enterprise Management* 2(4) pp. 341-365.

Kung, M., Monroe, K.B., Cox, J.L., 2002. Pricing on the Internet. Journal of Product & Brand Management 11(5), 274-287.

Lertwongsatien, C. & Wongpinunwatana, N. 2003. E-commerce adoption in Thailand: an empirical study of small and medium enterprises (SMEs).

Lee, M.K.O. and Cheung, C.M.K. 2004. Internet Retailing Adoption by Small-to-Medium Sized Enterprises (SMEs): *A Multiple-Case Study. Information Systems Frontiers* 6(4) pp. 385-397.

Levy, M. & Powell, P. 2003. Exploring SME Internet adoption: towards a contingent model. Electronic Markets. 13(2) pp. 173-181.

Lopez Trueba, A. & Chesney, T. 2003. An examination of the relationship between information provided and sales when dealing online. The International Association for Development of the Information Society conference 2003.

Lowengart, O., Tractinsky, N., 2001. Differential effects of product category on shoppers' selection of web-based stores: a probabilistic modeling approach. Journal of Electronic Research 2(4), 12-26.

Lymer, A., Nayak, A., Johnson, R., Spaul, B., 1998. UK business and the information superhighway: the impact of the internet on SMEs. ACCA Occasional Research Paper No. 23. [Available on-line from: http://www.acca.co.uk/research/summaries/50541]

McCarthy, E.J. 1960. Basic marketing: a managerial approach. Homewood, IL: Richard D. Irwin.

Martin, L.M., Matlay, H. 2003. Innovative use of the Internet in established small firms. Qualitative Market Research: An International Journal 6(1), 18-26.

Mehrtens, J. Cragg, P. and Mills, A. 2001. A Model of Internet Adoption by SMEs. *Information and Management* 39 pp. 165-176.

Melnik, M.I., Alm, J., 2002. Does a seller's economic reputation matter? Evidence from Ebay auctions. The Journal of Industrial Economics (3), 337-349.

Mintzberg, H. 1988. Generic strategies toward a comprehensive framework. Advances in Strategic Management 5, 1-67.

Molla, A. & Licker, P.S. 2005. e-commerce adoption in developing countries: a model and instrument, Information and Management. Article in Press.

Moodley, S. 2003. E-commerce and export markets: small furniture producers in South Africa. Journal of Small Business Management. 41(3) pp. 317-324.

Poon, S. 2000. Business environment and Internet commerce benefit – a small business perspective. European Journal of Information Systems. 9, 72-81.

Poon, S. and Swatman, P.M.C. 1999. An exploratory study of small business Internet

commerce issues. Information and Management, Vol 35, pp.9-18.

Porter, M.E. 2001. Strategy and the Internet. Harvard Business Review. March pp. 62-78.

Porter, M.E. 1980. Competitive Strategy. New York: Free Press.

Reicheld, F.F., Schefter, P., 2000. E-Loyalty your secret weapon on the web. Harvard Business Review. July/August, 105-113

Rogers, E. (1995), *Diffusion of Innovations*. 4th edition New York: The Free Press.

Saloner, G. and A. M. Spence 2002. Creating and Capturing Value. New York, John Wiley and Sons.

Sandy, G., Burgess, S. 2003. A decision chart for small business web site content. Logistics Information Management 16(1), 36-47.

Seyal, A.H. & Rahman, M. 2003. A preliminary investigation of e-commerce adoption in small and medium enterprises in Brunei. Journal of Global Information Technology Management. 6(2) pp. 6-26.

Shin, N., 2001. Strategies for competitive advantage in electronic commerce. Journal of Electronic Commerce Research 2(4), 34-41.

Small Business Service 2002. [online] available from: http://www.sbs.gov.uk/statistics/statisticsfaq.asp. Accessed 2 May 2002.

Smith, M.D., Brynjolfesson, E., 2001. Consumer decision-making at an Internet shopbot: brand still matters. The Journal of Industrial Economics (4), 541-558.

Smith, R., Speaker, M., Thompson, M., 2000. The Complete Idiot's Guide to E-Commerce. Indianapolis, QUE.

Spiller, P. and Lohse, G.L. 1998. A classification of Internet retail stores. International Journal of Electronic Commerce 2(2), 29-56.

Teo, T.S.H., 2002. Attitudes toward online shopping and the Internet. Behaviour & Information Technology 21(4), 259-271.

Thelwall, M. (2000), "Effective Websites for Small and Medium-Sized Enterprises', *Journal of Small Business and Enterprise Development*, Vol. 7 No. 2, pp. 149-159.

U.S. Census Bureau, 2002. [online] available from: http://www.census.gov/epcd/www/smallbus.html. Accessed 2 May 2002.

Urwin, S., 2000. The Internet as an information solution for the small and medium sized business. Business Information Review 17(3), 130-137.

Willcocks, L., Sauer, C. and Associates. 2000. Moving to E-business. Random House.

Yao, J.T. 2004. E-commerce adoption of insurance companies in New Zealand. Journal of Electronic Commerce Research 5(1) pp. 54-61.

Appendix A Strategic moves

1. Treat each customer as a market segment of one

2. Give away a product sample on your web site (for example a chapter of a book, a free trial of software, a few seconds of a song etc.)

3. Use the Internet to improve information exchange with customers

4. Maintain a consistent image on each web page

5. Have as broad a range of products or services as possible

6. Suggest products to customers based on their previous purchases

7. Provide customers with access to an expert sales force through the web site

8. Deal with customer's security fears

9. Offer lists of Frequently Asked Questions / help pages on the web site

10. Allow customers to return goods at shops (as opposed to returning them by mail)

11. Demonstrate to customers that quality control procedures are being used within your company

12. Build brand identification (try to get customers to think of your web site when they want a certain product)

13. Employ personnel trained to deal with customer queries

14. Offer customers the opportunity to give feedback by email

15. Offer customers the opportunity to give feedback by visiting in person

16. Offer customers the opportunity to give feedback by post

17. Offer customers the opportunity to give feedback by telephone

18. Deliver goods as quickly as possible

19. Keep high inventory levels

20. Use the web site to build up dialogue with your customers

21. Choosing the right domain name (the domain is the first part of the web address)

22. Provide an online searchable repository of product information and availability

23. Provide services online that complement your products

24. Allow customers to easily compare your prices with your competitor's prices

25. Include as much information in your web site as possible about your products and related items/services

26. Gather information on past sales (to determine what customers want)

27. Provide as much information in your web site as you can about the product and its use

28. Make online shopping as convenient (easy) as possible

29. Personalise the web site as much as possible to individual, returning visitors

30. When making changes to the web site, test the changes on a copy of the site with a sample of customers before making the changes to the actual web site

31. Choosing the web site's colour scheme

32. Have a different front page (the page customers go to first) to the web site for each target market segment (for example have one front page for teenagers, another for people in their twenties etc; this is easier to achieve than it sounds)

33. Try to make customers as dependent as possible on the web site (for example Hallmark keeps a record of their customer's birthday lists and emails them reminders a few weeks in advance with suggested presents)

34. Analyse customer behaviour by trying to determine customer responses to different variables such as the colour of the web site or product price (as a simple example do tests to see if you get more enquiries if the background is blue or red)

35. Use the web site to reduce the costs of order processing

36. Integrate your online and offline operations

37. Use the web site to reach bigger markets

38. Advertise the site online (by registering the site with search engines or placing banners/links on other web sites)

39. Advertise the site offline in, for example, magazines, billboards, in mail shots etc.

40. Find out and store as much information as possible about each visitor to your site

41. Create online communities of customers, for example set up a systems whereby customers can communicate online with each other and discuss things related to your products