Internet Options

Growing Wisely Using The Internet

By Ian Lurie
President, Portent Interactive
www.portent.biz

Even in the post-bubble age, it's clear that the Internet has a lot to offer manufacturers, distributors and the retailers to whom they sell. After all, getting your message out on the Internet is both cheap and fast, compared to other media, and you can reach an enormous audience.

What, no video? You'll notice that, while this article talks about Internet technology, I leave out video and animation. That's not because they aren't legitimate techniques. It's because they are not, in and of themselves, tools. Rather, they're a component, like graphics or text, that may be part of a tool. Use video, animation and other techniques to enhance your marketing strategy, but don't expect them to carry it.

But how do you capitalize on the tools the Internet offers? Even more important, how do you select the right tools at all? Do you need an online store? A basic web site? Should you be using e-mail marketing? It's easy to get lost in a sea of clamoring vendors, all trying to sell you the latest e-widgets and i-gadgets. How do you know which tools to use?

The answer lies in cutting through the techno babble and clutter, and instead focusing on the **purpose** of your Internet strategy. If your product eventually finds its way into the hands of retail customers — and if you're reading this, then chances are that's the case — then the Internet is first and foremost a relationship marketing tool. Once you understand that, picking the right tools for the job is easy.

Building Relationships: The Internet's Real Purpose

The Internet has been given so many grand titles and missions that I've lost count. Some include:

- The next wave in retail
- The best way to do B2B
- The future of banking
- The future of investing

- The future of <insert term here>

The truth is, the Internet's real purpose has always been crystal clear: **Relationship Marketing**.

"Relationship marketing" means keeping in touch with potential and existing customers and clients by providing useful information, thereby increasing the chance that they'll buy from you again later. You provide value and maintain customer awareness at the same time. It's one of the most established ways to market, and it's the most reliable by far.

With its combination of fast communications and low cost, the Internet is the ultimate relationship marketing tool. The best use of your money, time and strategic efforts is to build a site that helps you build and grow relationships with each client. Period.

So how do you do that? With the Big Three.

The Big Three

What about?... Obviously, there are many other tools you can use to build customer relationships — discussion boards and chat rooms, to name two. But most of these technologies will play a smaller part in a larger web site, e-mail campaign or e-commerce site. I'm going to focus on the primary tools here.

The big three are, to me, the primary models for Internet-based communications. They are:

- A standard web site: No e-commerce, just good, old-fashioned information.
- E-mail: Still the most-used, most-understood medium on the Internet.
- E-Commerce: Problematic, but a real cash cow if you can make it work.

Any one of these three tools, or all three in cooperation, can help you build relationships with your customers.

STANDARD WEB SITE

Sometimes the oldest method is the best. Even without any interactive features, a simple web site that delivers timely, useful content to your customers can do a lot to build a relationship with your customers. Add something as simple as an e-mail link and news-letter signup, and you provide the means for a direct conversation with your customers, with no fancy gadgets.

Standard sites are inexpensive, easy to maintain, and easy to grow later on. You can start with something really, really simple — company name, a map, directions to your store/warehouse, and a few tips for using your products — and add more later. Or, if you have a bigger budget, you can include online newsletter or catalog signup, a Q & A section, and a host of other features that let you show your customers why you're better than your competitors.

Just look out for the cheese factor — if you build a standard site, keep it professional, cleanly designed and fast-loading. Remember, if your eventual audience is retail consumers, then 90% of that audience is still using phone modems. And keep your site up to date. Nothing kills a site faster than dated, inaccurate information — especially when you're trying to build trust and communications with buyers.

And measure results — even the cheapest hosting package will provide you with basic web site traffic statistics. Those stats are a gold mine of information about what peaks

your audience's interest. Even better, get in touch with your users: Put a simple survey form on your site and ask them what they like, don't like, or would like to see added to your web site. Nothing strengthens customer loyalty faster than letting them know that you listen.

You can build a standard site for anything from a few hundred dollars to great gobs of cash. Just remember to keep your expectations within your budget - if you have $1000, keep your site simple and elegant, and you'll get a lot more response from customers than if you overextend and go for more features at cut-rate prices.

Standard Site Example: A small retailer. One of our customers had a small budget — $1500 — to spend on their site. They sell food dehydrators via mail order, and wanted to let potential customers buy online. We built them a simple, 15-page site that included an Order Request Form. Instead of entering credit card information online, customers enter their contact information, select the products they want, and send the order directly to the retailer's e-mail box. The retailer then calls them back. To keep customers coming back, we included a recipes section. The result? Orders within a week of the site's launch, and steadily rising traffic. Even better, they're getting more inquiries about their product than ever. Their site doesn't just sell product — it's a resource for customers and potential customers, so people keep coming back.

Standard Site Example: Manufacturer with a retail distribution channel. Another of our customers produces athletic footwear and clothing. They had a larger budget ($15,000) and wanted to get both retail consumers and their distributors excited about their product. By creating a site that lets them add, delete and edit items without learning HTML, we helped them deliver completely up-to-date content to their customers and the public. And we included a retailer search tool, so that the public can find a store that carries products in their area, and record the searches performed. The public gets up-to-the-minute product listings and prices, plus an easy way to find retailers in their area. The retailers, on the other hand, get precise statistics about which products customers in their neighborhood look for the most. And all of this had a surprise benefit, too: Our client discovered that Atlanta, Georgia was one of the top search areas. They don't have any retailers there, but can use their search statistics to make a strong case to retailers that they should carry their product. By providing useful geographic data, the site helps our client build a relationship with their retailers, and get consumers excited about their product at the same time.

E-MAIL

E-mail gets a bad rap these days, mostly because 'spammers' flood our mailboxes with deceptive junk. But used right, e-mail is an incredibly effective tool that your customers will look forward to receiving.

A regular e-mail newsletter or other message is even cheaper to manage than a web site. It lets you bring customers back to your web site or your store with timely information that's 'pushed' to them — if you have a big announcement, e-mail means you don't have to wait for someone to happen by your web site to see the news. And everyone who uses the Internet uses e-mail.

If you deal with your customers on a daily basis, just ask them if they'd like to receive an e-mail newsletter regularly. If you have a web site, let them sign up there. As long as you're honest, verify that they really want to receive the newsletter, and provide an easy way to 'opt out', you won't offend anyone.

Other tips? Keep your messages simple and short — no more than a few paragraphs. And keep graphics to a minimum — a 150k e-mail that clogs servers will have ISPs and consumers alike cursing you under their breath.

Measurement's important here, too. Even if you're using the simplest tools — Outlook and a dictionary — to conduct e-mail campaigns, you can check the traffic statistics on your site immediately before and after you send your e-mail. If traffic jumps, the e-mail was effective. If it doesn't, try changing the message, the 'look', or the content next time. Effective e-mail campaigning is a constant cycle of transmission, measurement and revision, so don't be afraid to experiment a bit.

E-mail Example: Manufacturer with retail customers. A client of ours sells bridesmaid gowns. Their web site is very busy, but they didn't get many repeat visitors. In the bridal industry, customer loyalty is critical, because the sales cycle can be quite long: Someone might browse a web site, find a style they like, then forget about it and buy a different dress six months later. We added a simple newsletter sign-up form on their site, and set up an e-mail newsletter for them. Every month, customers who opt in receive a short newsletter with links back to relevant pages on the manufacturer's site. And we measure e-mail-related traffic continuously, to see which newsletters generate the best results. The result? Steadily increasing repeat visitors and doubled online sales of their swatch and style book. Potential customers keep our client's brand in mind as they pick the dress they want.

E-COMMERCE

E-commerce means a lot of things: Selling products to retail consumers, selling to distributors, or auctioning off overstock items are all forms of online commerce. You can process credit cards in real-time and ship automatically, ala Amazon.com, or accept orders manually, verify credit cards by hand and ship one-at-a-time. Regardless, e-commerce can help you sell when your customers are far away, your product is unusual, or you just want to provide another purchasing option.

Done right, e-commerce can make selling cheaper, make life easier for your customers, and help you sell more. Done wrong, it can suck the money out of your company faster than a black hole, make your distributors angry, and have your customers calling angrily at three AM.

How do you do it right? First, don't just jump into it. E-commerce is not software you install. It's a business process that requires a good web site and database back end, founded on a solid strategy. It should always be the last thing you do, after a standard web site and e-mail.

When you're planning, make sure that you've considered:

- Your customers: Will they really buy online?
- Projected volume: If you're not going to move thousands of units a month, a simple e-commerce system will do fine. If you're going to be the Walmart of online sales, get ready to spend some serious cash on consulting and software.
- Your distributors: If you're a manufacturer, remember that an online store makes your retailers feel like they're about to be squashed. Instead of doing and end-run around them, set up your online store to help them — sell products your retailers don't carry, or let retailers link to your store and give them a percentage. No matter

what anyone says, there will always be more people who buy in person than online — retailers are your bread and butter.

Measurement, again. I know I sound like a broken record, but measurement is critical in e-commerce, too. Make sure that any package you use tells you which products get 'clicked' most often, and track your sales. That way you can maximize the value of your store to your customers.

Don't forget the purpose of your site, either: You're still trying to build a relationship. If you sell products online, that's great, but be sure that you give customers something more. If you're whole sales strategy focuses on selling to every customer who happens by your site the first time they see it, you'll fail.

Finally, if you don't have your own web programmers, don't do it alone. E-commerce is very complex, and requires careful attention to programming, security and strategy — if the only person you can afford to pay is your cousin's brother's friend's son, you're better off waiting a while. That being said, you can set up an online store for as little as $2500, so e-commerce is never out of reach.

E-Commerce Example: Manufacturer with a retail distribution chain. Another client of ours wanted to start selling online. But they knew that their retailers would be justifiably angry if they started carrying the same products on their web site. The solution? We built an online outlet store that sells their older products at cut-rate prices. The retailers send those products back at year's end, anyway, so there's no competition. And consumers all over North America were happy to get a crack at last year's styles at a lower cost. The result? The client sells out of their overstock goods regularly, and they get a growing audience of happy customers who might not have otherwise purchased their products. Their e-commerce site builds relationships with new customers, without jeopardizing their relationship with their retailers.

New Medium, Same Mission

It's easy to get lost when trying to decide on a direction for your web site. Instead of focusing on tools, focus on your purpose: As a retailer or manufacturer, the Internet is here to help you build relationships with your customers, whether they are consumers or distributors.

Once you keep that in mind, selecting the right tools is easy.