

Real World Bangs For Your Online Bucks



Case Studies

By Stephanie Ann Cota

Can a website really make money for your business? A carefully-planned and targeted website for a good existing business can be an extremely profitable tool. For a small investment into a website, a small business can see substantial return fairly quickly.

This article describes two types of web sites that apply well to the needs of small businesses along with four case studies of real businesses with real web sites that work.

Websites as an Investment

Measuring the Return On an Investment (ROI) is not always easy. ROI is usually thought of as measurable in terms of money when it actually often takes many other forms:

Hours Saved: By using the web's computer technologies to automate your business processes, you can reduce repetitious office routine and focus your skills in more productive areas.

Increased Sales: By adding nationwide or international exposure, you can increase sales beyond your local reach.

Generate Customer Leads: By collecting email addresses from website visitors, you can build a list of interested customers and send newsletters and offers to them to increase your sales.

Enhanced Competitive Image: A website helps level the playing field for your company allowing it to compete with larger companies.

Leveraging Offline Efforts: If you're already using newspaper ads, Yellow Pages ads, or radio, you can add the website to your offline advertising. Customers can learn more about your product or service, you can collect customer e-mail addresses, and customers can contact you via the site itself.

Understanding how to make sure that the money you spend bringing your business online will quickly get back in your pockets.

The Website as a Business Strategy

Websites are not magic. You can't pour \$50 million into a web site and conquer the world. The dotcom crash proved that. Websites are just another business tool. They take their place as part of your overall business strategy. This means that it's important to examine your business strategies and goals before building a site.

The web site should support and complement your other strategies. For example, if you use print advertising, add your website's URL into your ad so customers can learn more.

Types of Websites

There are two kinds of websites that are natural fits for small businesses:

E-brochure. An e-brochure is simply a website with information about your company. Let's say you want customers to be able to look up information on the web. An e-brochure website will have contact information, investor information, company details and mission, along with products or services.

Examples of e-brochures could be websites that offer information about horseback riding, wedding photography, attorneys, or household maintenance services.

E-commerce site. An e-commerce site is a sales website and its main purpose is to induce and enable a sales transaction.

Examples of e-commerce sites that allow online transactions can be: paid reservations for small hotels, buy travel packages, buy used books, pay for professional services, and distribution to vendors.

Some websites use a blend of both approaches. Specialty retailers can tailor content for specific audiences, initiate a lead generation campaign via the web, set up an online store or product catalog, provide forms of customer support, and streamline office processes such as distribution of brochures, order forms, and other printable types of materials.



Lead Generation

When you pay for a newspaper ad or a radio spot, hundreds of people will see your ad but you'll never know who they are. But with a website and a strategy to collect email addresses, you can capture those interested viewers and quickly build up a substantial mailing list.

Even a modest site in a very small market can see 10 to 20 visitors per day. That's 300 to 600 people per month. These are interested people who are potential customers. By collecting their email addresses, you can send offers to them and eventually, convert many of them into paying customers.

There are several ways to collect email addresses: online marketing surveys, email news-letters, online subscriptions, sign-ups for free white papers, offer small prizes and drawings, free notifications or updates on products and services, and so on. People will sign up and you'll build up a customer list to which you can send a monthly newsletter with offers. Since it's basically free to send out emails, you can continue to market to those potential customers.

"You can capture those interested viewers and quickly build up a substantial mailing list."

The following case studies show different business models and how each business has obtained great return on the capital invested in developing their sites.

Case Study I: www.RamosAndCoston.com

Ramos & Coston is a law firm in Nashville, Tennessee. They specialize in immigration and visa law. They also offer general legal services, including workman's compensation, criminal matters, business law, bankruptcy, and family law.

Ramos & Coston's website is an e-brochure website. The site offers information on services, the attorneys, office location, and so on. For instance, a person with immigration law matters can go to the website and get contact information including the company address, a map and directions to the firm, emails, and phone numbers. They can also read about general categories such as Immigration, Personal Injury, Property Damage, and Wrongful Death.

Each of these categories allows the visitor to submit a case through an online form for review by one of Ramos & Coston's attorneys. Done that, the prospective client receives correspondence either by phone, mail, or email regarding his/her case.

Case Study II: www.HairClippy.com

Based in Pleasanton, California, No Slippy Hair Clippy manufactures and sells specialty clips for young children to over 20 bay area stores. No Slippy Hair Clippy plans to expand to 150-200 stores nationwide. To support the nationwide expansion, the company built a website.

In the first phase, the web site is an e-brochure site designed to reach children apparel retailers. HairClippy.com contains company details and product information, contact information and press coverage sections, where articles that have been written are posted. In a later phase, the site may transform into an e-commerce site by adding online ordering and payment. The online product catalog shows child models with seven different lines of hair clips.

The catalog can be viewed by both consumers and retailers. Each clip can be clicked to show a close-up photo. No Slippy Hair Clippy is using the web site to collect information on potential retailers. This is supported by the free sample sign-up. This is one form of lead generation. Other efforts for ad generation include the option to join their emailing list for newsletters, product updates, and industry news. These add-ons are planned for later dates. The website also has information for consumers. There is a "Where to Buy" page with a list of stores and locations.

Existing customers (retail stores) can browse the online product catalog with product close-ups of clip styles across various lines, and send orders via the online ordering system. The system is composed by a password-protected ordering form and a unified messaging center.

With this site, ROI is measured in hours saved. The online catalog and unified messaging system reduced the amount of time for order processing by seven hours per week. By using the web to allow customers to learn on their own about the company and products or see the latest hair clip styles, another ten hours per week is saved. This fluctuates by 25-40 hours per month. The business owner has more time for her best skills: retailer acquisition and volume sales. This alone warrants the investment in the website.



Case Study III: www.Clogwild.com

Clogwild is a clog shoe store located in Palm Springs, California. Clogwild carries Swedish Bastad clogs for men, women, and children.

Clogwild's website is an e-commerce site. Clogwild posted company information, such as store location, press coverage, and contact information. They also added web pages covering the benefits of clogs, a European clog size chart, and a product catalog featuring close-ups of their men/women's series and children's Brakkies.

Although Clogwild is a small shop in a small town, the web site gives Clogwild a nationwide presence. With paid-placement at Yahoo, Clogwild is one of the top sites in the USA for clogs. Clogwild opened in September 2000. Within four months, it had become Bastad's largest reseller of clogs in the USA. Many in-store customers come to Palm Springs on holiday, for a convention, or to play golf, and they visit the store because they saw it online.

Some of them even come into the store carrying a printout of the website. The e-commerce is implemented through Clogwild's ordering system. By filling a simple order form, credit card payments can be taken online. Clogwild offers many options for ordering, including check, telephone, fax, and credit card. Clogwild collects email addresses and sends out a monthly newsletter.

The newsletter is distributed via email and costs nothing to send. For the first year, Clogwild got 10-15 new subscribers every month. In the second year, as customers told others about Clogwild, the number of subscribers increased and sales have increased as well. In the 2001 Christmas period, Clogwild signed up 150 subscribers. Clogwild sends out the newsletter on the 15th of the month. This date is significant because people get their second paycheck and thus have extra money to spend. The clogs are under \$100 and thus can be an impulse buy. Clogwild gets a strong response from the newsletter, with 2-8 sales within 2-4 days after delivery.

In terms of ROI, Clogwild spent less than \$500 to build its web site, yet the site accounts for 90% of annual sales.

Case Study IV: www.DepthHypnosis.com

Depth Hypnosis is a therapeutic counseling service in San Francisco, California. The owner offers hypnotherapy sessions, aroma therapy, and counseling. A website was added in 1997 to find more customers. The website is an e-brochure site with information about the therapist, including her credentials and education, the services, articles, and contact information. Other items include information on courses, certification, training in depth hypnosis, and tutorial programs for practitioners to discuss issues that come up in their own private practices.

Depth Hypnosis has two main services: individual client sessions and open classes. The individual client sessions are performed one-on-one in the therapist's office. The classes have 12 students. Areas for training and self-improvement include meditation, Shamanism, and channeling.

Since Depth Hypnosis is the only hypnotherapy site that uses paid-placement for keywords and category sponsorship on Yahoo!, it is also the only site that is listed at Yahoo!, and thus it gets substantial traffic. Using the web gives Depth Hypnosis a competitive advantage.

In early 2001, Depth Hypnosis added the courses. Upcoming classes are announced on the web site and in the monthly email newsletter. The online class schedule is updated every few months.

Students can look up classes, class times, and current classes. The first class was overfilled and subsequently, more classes were added, along with larger class sizes. In February 2002, Depth Hypnosis held a workshop on Maui. The class was limited to twelve people at \$1,200 per person. The class sold out. Depth Hypnosis also sends out a monthly newsletter. Visitors are asked to type their email address and this is added to the list. The newsletter has about 300 subscribers.

Depth Hypnosis's website ROI is impressive: the site was built for less than \$1,000 and yet it generates 30% of the therapist's annual income.

These case studies are real small businesses with websites that work. Each of these sites was built from the ground up in close work with the business owner and as part of each company's overall business strategy.

By understanding your business and your specific goals, you can build web sites that work as an integral element of your business.

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