

Web sales – creating and developing an online presence

This month, **Stuart Jackson** begins a new series to help independent retailers appreciate the issues around online retailing while providing a guide on how to go about building, using and benefiting from a website.

The online argument

Some retailers hang on to the belief that there is no need to develop e-commerce ability. That view is supported by three main arguments: that the web contributes under 2 per cent of total UK retail sales, that revenue return on investment is meagre and that health food shops fulfil a unique role where personal contact is unusually significant, resulting in low consumer demand for web interaction.

All of these arguments are flawed. Although online trading accounts for only a small percentage of total UK retail sales, the value, according to Mintel, is around £7 billion per annum. Furthermore, the internet's percentage share is on the up and having grown 51 per cent since 2004 the UK market is predicted to continue to accelerate growth to an impressive £14 billion turnover and a 5 per cent share of all retail sales by 2010.

The UK is the largest e-commerce market in Europe, just ahead of Germany with France well behind in third.

Crucially, this growth stems from turnover stolen from bricks and mortar retailers rather than from generating new business.



There is, therefore, a very real threat to your customer base and no retailer should stumble on in denial.

Such a threat became apparent last Christmas when shopper trends strongly reflected a change in the purchasing habits of consumers.

During the first two weeks of December (when delivery was still viable from websites) high street footfall dropped by 5.1 per cent and 5.3 per cent year on year respectively. As Christmas drew closer, high

street footfall recovered but was still 2.3 per cent down for the whole of December 2006 compared to 2005.

The danger of ignoring the potential of web based sales stems from our understanding of today's teenager who will become the "thirty-something" professional target shopper of tomorrow. Teenagers think about shopping on the web as automatically as we went to the high street. These consumers are not "relearning" to use the internet, as we have had to do as adults; for today's

teen, the web is their natural environment.

Broadband and hardware technology continues to advance, speeding up change as it becomes cheaper and faster to access and use online services.

It is also increasingly difficult to evaluate web based revenue statistics as a stand-alone figure.

Mintel reports that in 2005, 30 per cent of internet shoppers bought not from the site they were browsing but from the site owner's bricks and mortar shop. So not only does a website create distance sales, it is the new form of advertising and attracting business to your shop.

To persist in arguing that our customers all prefer to shop in-store is to fly in the face of evidence to the contrary.

The type of website

Decide by preferred purpose, whether the website is to provide an information portal (on the shop or health topics), an online shop or both. Once the base format is chosen, any number of functions can be "bolted on" to satisfy the specific demands of either the retailer or consumer.

The fee for creating the website will then be influenced

by the quality and charging structure of the designer, the functionality of the site, its level of services and ongoing maintenance or development costs.

Without an understanding of the choices to be made and the potential pitfalls of website building, it is all too easy to squander vast sums while obtaining little reward. Conversely, it is possible to invest a sensible amount of money and achieve a respectable outcome.

Project intelligence

Creating a website is just another business undertaking but with one distinction; it is a venture that cannot succeed without investing a great deal of personal energy in planning and managing.

Using classic retail 'gut instinct' will not work; shifting strategy or learning as you go will negatively impact on the quality and expense of completion. Those of you that have installed an EPoS system can no doubt relate to this point.

Web designers can utilise a knowledge gap in their client's skill base to make excuses for failure or to gain agreement to move forward in a direction that is suited to them rather than best for the finished website.

A website is the friendly user interface for a computer program and programs can be written to perform any function in almost any way. An inability to provide a desired function can only be attributable to either the designer's skill or a lack of financial, time or technical resources.

Before embarking on your own website, spend some time researching others. Ask friends which sites they like and why, try them out and note down

the look and functionality that appeals.

Give your web designer a list of the ones you enjoyed so that they can get a feel for favoured style. Such guidance will make it easier for the designer to estimate the cost and time involved in completing your website. Control the spend.

Hosting and domain name

Hosting is a function where the website name (your domain), the technical resources and the expertise required to store and manage all the data that forms your website along with its ability to interact with users on the World Wide Web is provided by a third party. You effectively rent space and service for your website from them.

There are good and bad providers as well as expensive and low-cost ones who will offer facilities that you need and some that you don't need. Make sure you focus on the essentials that are required to launch your website and use a plan that permits you to add on extras as required.

With "in house" information technology expertise it is also possible but not advisable (for retailers) to purchase a server and host your own website.

A domain name is the name that your company will be represented by on the internet and must be registered with an authorised body to protect its integrity.

Core message

That the internet is only going to grow in influence and to ignore it is to guarantee sales loss in the future. There is nothing to fear just a new skill to learn or expertise to be recruited.

Next month we will begin the steps involved in building your website. [HFB](#)



If you have any questions for Talking Shop or would like further information on Stuart Jackson's consultancy service, contact him on 0131 315 0303 or email stuart@forceofnature.co.uk or visit www.forceofnature.co.uk



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