

Firms can clean up using online tools

Businesses should embrace the web as the high street feels the pinch

Andrew Stone

Rent hikes and a disruptive town-centre renovation threatened the future of Nathan Wood's Derby-based electrical retail business in 2002.

Interested in the idea of selling goods online, Wood set up a website, Dustbag.co.uk, selling vacuum-cleaner bags. It soon took off and two years after its launch he closed the shop to concentrate on the new business.

Wood now sells vacuum dust bags of all makes throughout the UK and Europe and business is brisk, he said. "We've been growing at 40% year on year, which is much faster than we originally expected. Without the internet we would not have survived."

His venture is just one example of how small firms are using the internet to transform their businesses. While the high street suffered, online sales — often through small specialist retailers — continued to grow, said Cameron McLean at the payment website PayPal.

"The internet does give you the chance to get up and running very quickly and we're seeing very strong growth in e-commerce in the UK. It's a good leveller of the playing field. It's interesting to see how small retailers are faring now compared to the 1990s when it was very hard to compete with established high-street chains."

However, small retailers are not the only ones who can benefit, said Dan Copley at Google UK.

"If you don't have a website it's no longer expensive or difficult to set one up. In 10 minutes, without technical skills, you can create a basic one. You don't need any coding and what would have cost you hundreds or thousands of pounds a few years ago can be completely free now."

Despite this, many firms had been slow to capitalise on the internet, said Copley. "A quarter of UK businesses, up to 1m, don't have a website and, anecdotally, about half of those that do have a website don't do anything with it."

A common mistake many firms make is creating a website and expecting visitors to come to it, said web-marketing expert Nikki Pilkington. "A lot of people still expect visitors just to find their website. Making your site visible to search engines is vital if you want to attract traffic."

Before you spend money paying search-engine-optimisation (SEO) experts to get your site high on search-engine listings, there are simple things you can do yourself, free of charge, said Pilkington.

"Make sure you have the right key phrases on the title of each page and in the text of the website. If you are a plumber in Wigan, for example, you need search engines to find your business by using those terms in your website in the text and the titles of the pages.

"If a designer is building your site ensure that they also include these phrases in the meta description tags \."

Simply using the right words in this way on a website can be enough for a local business to get to the top of appropriate searches, but optimising your website may not always be enough.

Used wisely, online advertising can drive traffic and sales in a way you can measure precisely. Carefully targeted online advertising using Google's AdWords service made a dramatic difference to Dustbag.co.uk, said Wood.

"For the first 12 months nothing really happened on the website and I realised that unless I promoted the website nothing would happen. When I started using AdWords, that made the single biggest difference. After that the growth was phenomenal."

There are other ways to attract customers without spending any money, said Pilkington. "A lot of businesses ignore the importance of local search, but it has huge benefits, particularly for small local businesses such as florists or plumbers. People's search habits are changing and they increasingly know how to search locally.

"Registering your site on Google Maps is free and takes two minutes to do. It's also worth registering on local directory sites such as Touch Local, City Local and Go Britain.

"They are a free way to piggy-back your site on to sites that attract a lot of traffic, so make the most of them."

Service professionals and firms that primarily serve other companies can do the same by joining online business networks, such as BT Tradespace, said Pilkington.

To succeed online you need to think carefully about your business and how the internet can help you to play to its strengths, said PayPal's McLean.

"Those businesses that succeed online are the ones that know their customers very well or those which have a unique offering."

Wood agreed that offering something unique or finding a good niche was often the best way to compete online.

"The secret for small businesses in particular is specialising in something," he said.

"Supermarkets might stock the top 20 vacuum bags but not the rest, which is where we come in. We can also reach far more people than if we traded from the high street."