

## Preface

*All they want to talk about is the Internet*

This is actually a comment made by one of us. At the time of writing this book we are working on a project with the University of South Australia and the University of Queensland, funded by the Australian Collaborative Research Centre for Sustainable Tourism, where we are developing a toolkit to be used by small tourism businesses to help them to use information and communications technologies (ICTs) effectively. The first phases of the project involve us running focus groups and conducting interviews with small tourism business to see how they are currently using ICTs – and this is where the quote emanated from. Although we are asking the owner/managers of these businesses about their use of *all* ICTs, it is when we move to talking about the Internet and Websites in particular that they really start to get interested and involved in the discussion – if they haven't already raised it themselves beforehand. It is almost as if the other technologies that they use, including hardware (such as personal computers [PCs], printers and scanners) and software (such as word processing and accounting packages) are things that they *have to have* to improve efficiencies in their businesses. However, they see the Internet and Websites as technologies that they can use to *engage* their customers – and we have noticed the increased enthusiasm towards these technologies as we have conducted research into their use of ICTs over the years.

This book is predominantly a research book, although it does contain some insights gained by the authors in their interactions with small businesses and, in some cases, during careers as information systems academics. We believe a major contribution of the book is that it is a comprehensive attempt to draw together, in one publication, the issues faced by small business practitioners in setting up and maintaining their Web presence. Although there is a great deal of wonderful research being conducted in this arena, there has, to date, been no real attempt to consolidate the issues that are being raised in a manner that may be translated to a comprehensive

set of guidelines for small businesses. Thus, we have concentrated as much on the links between the various issues we have raised as much as the discussion about the issues themselves. As such, the book is not meant to be a literature review of all leading research in the field – rather it is a compendium of those sources, research projects and experiences that have led us to this point in time. We hope, in this way, that this book acts as a starting point and the issues raised and the links between them will evolve over time. We also believe that small business researchers may find the book to be useful as a means by which they can frame their own research. Although the book is not intended to be read directly by small business practitioners (it is a bit too long and *heavy* in some content to fill that purpose), we have put together a set of lessons or tenets that may be applied by consultants or researchers to small businesses when advising them of their Web presence practices.

This book is *not* about virtual businesses – those small businesses that rely entirely on their Internet presence. It is for those small businesses that have a ‘physical’ presence (even if it is at home) and are looking to supplement this with a Web presence. Some of the concepts in this book can be applied to virtual businesses, but for a more complete coverage of the issues associated with virtual businesses, readers could do worse than take a look at Burn et al (2001). What types of online activities are we targeting in the book? Chaffey et al (2003) provides some useful classifications for the different types of commercial online activities that can occur. Our book is predominantly aimed at those businesses that are looking to support their *business-to-consumer* (or B2C) activities with their online presence. We are not concerned with *business-to-business* (B2B) activities (which mainly relate to the use of the Internet for supply side transactions, such as purchases of raw materials). Also, we are not concerned about *consumer-to-consumer* (C2C) activities (such as online auction sites that allows consumers to sell personal items to each other) – except where these have implications and possibilities for B2C activities in small businesses.

The interest in small business use of the Internet is not just restricted to small businesses themselves. It is becoming increasingly difficult to find literature related to the general ICTs in small businesses. In a literature review related to the use of ICTs by rural businesses, Galloway and Mochrie (2005) suggested that studies related to the use of Internet-based and ‘other’ networked technologies in small businesses are more prevalent than those involving other ICTs.

It is generally accepted that the rate of adoption of ICTs in small businesses is lower than that of larger businesses (Deakins et al 2004). Although it has also been recognised that higher proportions of larger businesses adopt the Internet than their smaller counterparts, the gap is narrowing. In fact, Internet penetration rates for medium sized businesses almost match those of larger businesses in most OECD countries (well over 90%). However, small businesses generally have a slightly lower penetration rate (Barba-Sánchez et al 2007).

The comparison between large and small businesses can be directly related to the human and financial resources that they have available to devote to the use of ICTs. Often there is a greater need for small businesses to search for ICT expertise from outside the business – as the resources are often not available internally. Historically, small business applications of ICTs have tended to be targeted at administrative or operational processes rather than longer-term strategic applications. Also, delays in the adoption of ICT generally have been related to a lack of appreciation by small businesses of the benefits that they can offer (Corso et al 2001).

Lockett et al (2006) suggest that basic applications like email and Internet access are now ubiquitous in small businesses. In a study of small businesses in the Northern region of the UK, Maguire et al (2007) discovered that there were more networked PCs than standalone PCs. In fact, an increasing number of small businesses are connecting their computers into networks, which allows them to improve their communication and information sharing capabilities, in addition to their raw computing power (Barba-Sánchez et al 2007).

Whilst *cost reduction* was the primary reason given for employing ICTs in Maguire et al's study (2007), it was also recognised that ICTs could be used to *improve products and services*. There was also some evidence of strategic ICTs applications, predominantly in the areas of forecasting sales and customer analysis. The traditional barriers to ICT use were identified (lack of time, lack of skills and shortage of skilled staff). Back in 2002, one of the authors (Burgess 2002) edited a book targeting the use of ICTs by small business. A theme throughout that book was that the same barriers to the use of ICTs that are listed existed then (and in previous years) and that these translated to small business use of electronic commerce.

In Australia, a study by Sensis (2007) revealed that a much higher proportion of medium-sized businesses (87%) possessed a Website than small businesses (51%). Metropolitan businesses (57%) also had a higher proportion of Websites than rural businesses (43%). Nearly two-thirds of SMEs suggested that their Website had increased business effectiveness, with small businesses (66%) representing a slightly higher proportion than medium sized businesses here (58%). The most popular reasons given for increased business effectiveness were that the Website:

- Generated more business (16%)
- Provided more exposure (13%)
- Resulted in more enquiries (13%)
- Allowed people to get information (12%)
- Provided easy access to information (11%).

The reader will note that one of the things that we repeatedly mention in the book is the need for small businesses to take a systematic approach to their presence on

the Internet and to take the time out to understand the possibilities that are offered and match these to their business objectives and strategy.

The bottom line is that we feel the time is right for a book like this. The Internet and the Web presence, in particular, are becoming key aspects of small business operations. There is enough evidence to tell us that not many small businesses get it completely right, and that some do not get it right at all.

In the next section we each talk individually about what led us to write this book and a little about the experience of writing it.

## **SPECIFIC VIEWS**

### **Stephen Burgess**

I have been conducting research into small business use of ICTs for almost 13 years now and on their use of the Internet for about a decade. I suppose it still amazes me that with the increased attention by governments and communities worldwide on the importance of small businesses to their economies that a set of standards for small business use of ICTs has not emerged. We know the importance of small business – making up over 90% of all businesses (depending upon how you define them) and around half of the private workforce employees around the world. When we think about the importance that is placed on the ICT resource in larger businesses – with accepted practices in systems design, database design, network integration, ICT infrastructure and information architecture having been around for a long time – it seems amazing to me that very little of this has been translated down into the small business arena. Of course, not all of the practices employed in large businesses can be applied to small businesses – but some can be and we try to look at some of these in this book.

Of course, the book is specifically devoted to the small business Web presence, but that Web presence often relies on a small business having already adopted some ICTs (to access the online environment). This is where we were able to draw a parallel with larger businesses – which are used to having ICT infrastructure in place that can be used to support other business projects that use those ICTs. We also draw on some large business expertise when we refer to areas such as governance, business continuity and security.

In fact, one of things that surprised me when compiling this book was how much I had to rely on areas I had come across during my career that *were not* associated with small business and ICT research. My seven years as a cost accountant helped to form part of the content of the Web presence evaluation chapter. My years as an information systems lecturer helped to inform the content in other areas of the book.

What I expected when we initially decided to put this book together was that we would collaborate by drawing together the lessons we had learned during our (many) combined years of small business research. This has occurred, but what also happened was that as we went along we found a number of gaps that needed to be filled – where there was not a lot of research or that logically had to be included. A classic example of this is the chapter on governance. Initially, this was going to be a chapter on security and privacy issues that related to small business use of the Internet. As we were developing it (as a matter of fact, when I was writing about something as simple as backup procedures), it struck me that we cannot talk about those issues without mentioning the idea of business continuity. I had already co-authored a contribution to Standards Australia that had discussed business continuity in small businesses, so it seemed a natural to include business continuity as an area for small businesses to consider. After that, it was also a natural inclusion to talk about all of these topics under the general banner of business governance.

What I have found whilst putting together this book was that it not only gave me an avenue to bring together various disparate research studies involving small businesses that I have been involved with over the years (which I *was* expecting), it has also enabled me to place each of these in context with each other. In short, I have been able to achieve some idea of how the research that I have already conducted *fits in* to the overall picture of where I would like it to be and what I would eventually like my research to contribute.

I have previously been involved in editing and co-editing a few books in the area of small business and ICT research and also involved in co-authoring a few local textbooks (used predominantly in Australia). Thus, I thought that I had some idea of the requirements of this book and the effort that would be involved. In reality, this entire process has been more challenging, more time consuming and infinitely more enjoyable than I could ever have imagined. The cooperation of my co-authors, with whom I had worked quite a bit in the past, has made this task much easier.

## **Stan Karanasios**

I have been conducting research into small business for four years. My main area of interest has been the adoption and use of ICT by small businesses in the context of developing countries. Recently, I have completed a PhD that set out to understand ICT adoption from the perspective of small businesses in the developing world. This involved interacting with small business owners in South East Asia and South America and provided a number of insightful experiences that have contributed to this book. Researching small businesses and ICTs from the perspective of the developing world is largely an under researched area but one that still provides a number of general lessons for small business owners worldwide. When investigat-

ing small businesses in countries where there is unreliable and inadequate telecommunications infrastructure, the cost of technology is high and an unstable political environment exists; a characteristic of many small business owners is that they manage to overcome these limitations and still make use of ICTs. Having said this, one conclusion from studying ICTs and small businesses in the context of countries such as Malaysia and Ecuador is that there are significant benefits to be potentially attained by small businesses. Just some of these are enhanced access to markets, increased sales/booking and cost savings on marketing and communication. One such example that stands out is the story of a small business in a remote mountainous region that set up a satellite dish to access the Internet and engage customers.

Further experience with small businesses and the use of ICTs came from studies within Australia that examined small business in the outer suburbs of a major city and tourism enterprises across various states. These studies showed that most small businesses have a long way to go before they can claim to operate a truly successful Web presence. One recurrent theme in these studies is that small business owners lack the necessary know-how to plan, develop and market a successful Web presence. Indeed, even though statistics suggest that roughly half of all small businesses in Australia have developed a Website and even more have adopted ICTs in the business in the same shape or form, there are large numbers of small businesses that have tried and failed to develop a Web presence and others may have a Web presence but have not enjoyed any benefit from it. From this standpoint, this book is useful for both small businesses without a Website but also for many small businesses that need adopt a holistic approach to working through the creation of a successful Web presence. Even without a crystal ball, one can predict that the Web will continue to grow in its dominance in business across the globe and that businesses without a successful Web presence will be amongst those that are likely to suffer.

In my contributions to this book, I have attempted to express much of the knowledge that I have gained from these studies in the hope of providing a somewhat global perspective. Examples from the authors in this study crisscross much of the world, and by doing so provide a relevant and extensive overview of developing a Web presence.

My view is that there are a number of different ways that a small business may approach the development of a Web presence. This is dependant on a number of decisive factors such as what the business wishes to achieve, its products and its customers. This book is useful because it merges the different elements of creating a Web presence and provides rigorous, yet flexible, guidelines for small businesses to plan the development of a Web presence.

## **Carmine Sellitto**

My exposure to the small business area has predominately occurred in the last eight years. The first study that allowed me to develop a familiarity and understanding of small business entities was an examination of the workings of the Australian wine industry and their use of Internet technology. The Australian wine industry has been a global success story, having undergone a renaissance over the last twenty years – success that is typically linked to the leadership and innovative characteristics of the high number of small business operators that compose the industry. Much of the findings of this study that related to Internet technology were premised on how the early adopters of the technology were able to provide exemplary examples of best practice in the use of e-mail marketing, Web presence and e-business.

Further understanding of small business characteristics occurred through a study that examined the adoption of ICTs by a group of small rural medical practitioners. This study was made possible through an Australian Research Council (ARC) grant and explored Internet and ICT use by doctors from a socio-technical perspective. One of the interesting approaches of the study was to consider medical practices and their operators (the doctors) to be analogous to small business entities – a classification position that is not commonly encountered in the health literature. Indeed, medical practices do not like to be referred to as businesses, but consider themselves as health providers, with business activities having little to do with patient treatment. Consequently, the study had an unusual, but justifiable approach to investigating this group. The study postulated that many ICT applications and products, although having been developed to support doctors in various aspects of their work, were being reluctantly used. Seemingly, many of the typical challenges associated with ICT adoption that had been highlighted in the mainstream small business literature appeared to also be applicable in the small medical practice environment.

My experience and familiarity with small business entities was further strengthened through another government-sponsored study that was associated with home-based business activity. Indeed, the home-based business sector constitutes a significant proportion of the overall small business population – a population group that is prevalent in many countries. Indeed, the recent growth in home-based business activity has been fuelled by a number of factors, including rapid improvements in communication and information technology, downsizing in public and private organizations and a tendency by larger organizations to outsource non-core activities. Arguably, operating a small business from home offers lower overheads and start-up costs and the opportunity to balance work and family life more congenially. Moreover, at all levels of governments there is an increasing level of recognition of the important contribution that home-based businesses make to the economic and social development of an area – albeit urban, regional or rural.



Another set of studies that has also reinforced my understanding of the small business area has been the investigation of small to medium sized tourism enterprises (SMTEs) and their adoption of Internet technology. SMTEs are a set of important operators that can contribute significantly to a country's overall export income and prosperity. One of these tourism studies examined Web-based e-commerce with respect to SMTE business-to-business and business-to-consumer activities in both urban and regional localities. The study documented the relationship between small tourist-oriented businesses and their Website development practices. More precisely, various Website adoption and implementation processes, as well as the technical constraints to the uptake of Websites by managers of SMTEs, was recorded. An important finding showed that Website progression was not linear but typically proceeded in a stop-start manner, such that SMTEs developed different trajectories towards their Web presences.

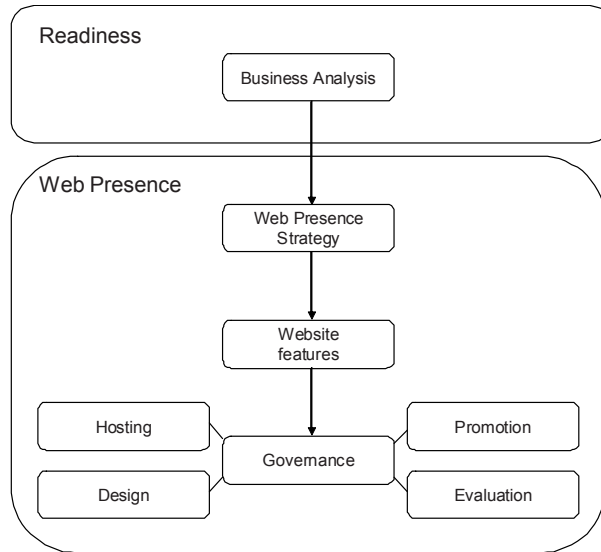
My collective experience and involvement in these studies has confirmed to me that small businesses entities have their own peculiar needs and characteristics when it comes to ICT adoption, technology use and ongoing skills acquisition. This is even more pertinent in the Internet environment where the easy implementation of Website sales and marketing features can greatly assist all small operators with increasing their profitability. In contributing to this book, I have attempted to convey much of the knowledge that I have gained from the numerous studies I have been associated with that have exposed me to the small business environment. Invariably, many of the examples or passages I have contributed have tried to reflect some of the good or best practices activities associated with Web presence – activities that tend to reflect adaptable, efficient and strategic options that have been previously used. I am a great admirer of the capacity, resilience and innovative thinking of many small business operators and believe that these values assist many smaller operators to navigate the complexity of the ICT area – an area that is rapidly evolving and impacting on business activities.

## **ORGANISATION OF THE BOOK**

We have specifically divided this book into a number of different sections. Figure 1 represents the basic structure of the book, with most chapters being represented there. The diagram will be discussed at length in Chapter II, but for now it will suffice to say that a small business needs to understand how ready it is to adopt a Web presence ('readiness') and then perform a business analysis to see how it is situated. After this it can consider the various aspects of its activities that relate to establishing and maintaining a Web presence.



*Figure 1. Basic structure of the book*



## Section I: Setting the Scene

**Chapter I: Introduction.** In this chapter, we discuss some definitions of small business and decide upon one that we feel is suitable for this book. We then examine a few different models and frameworks, tools and even books that have been prepared to assist small businesses set up a Website. This list is not comprehensive (that would be impossible), but we believe it does serve to highlight the gap that we are attempting to fill with this book.

An important part of this chapter is that we briefly discuss a number of different research projects – examining small business use of ICTs and the Internet – we have conducted over the years. Throughout the book we refer back to these studies as examples of the points we are trying to illustrate, illustrating ‘best practice’ examples of what we are suggesting or, perhaps more importantly, deficiencies that we have recognised in the use of the Internet by small businesses. One of the possible limitations of this approach is that although some of our studies have been international, they have mostly been based around the Australasian region. To reduce the chance of a ‘localised’ view being the only view that we present, we have selected a number of international studies that we also highlight throughout the book.

**Chapter II: Web Presence Lessons for Small Businesses.** In this chapter we present the tenets (lessons) presented in the body of the book, as well as the lessons

from earlier studies that we have conducted and others that we have reported. The idea of the chapter is to present the tenets in a manner that might be attractive to small business owner/ managers, useful to small business consultants and serve as a means for small business researchers to frame their research.

## **Section II: Readiness, Business Aims and Planning**

This section of the book is made up of two chapters and addresses what we believe to be an important part of the process that small businesses should follow when setting up a Web presence.

**Chapter III: Readiness for a Web Presence.** We begin this chapter by discussing what we mean by ‘Web presence’. At this early stage it is important to note that we believe that in these times a small business Web presence can typically involve more than just a Website. More on that in the chapter! We then look at some of the main barriers and drivers of ICT adoption. We then move on to examine the notion of the ‘readiness’ of small businesses to set up a Web presence. This is particularly important for those small businesses that have difficulty accessing the Internet. We will also examine previous studies that have examined adoption of ICTs in small businesses, for the purpose of identifying those drivers and barriers that can affect small business wishing to go down that path.

**Chapter IV: Business Strategy and Planning.** This chapter builds on the notion of ‘readiness’ identified in Chapter II to examine how a small business might prepare itself for a Web presence. We believe that small business operators/ managers should know their strategic business direction before they consider establishing a Web presence. We begin the chapter by introducing some basic business theory, discussing some well-known business strategies that have involved ICT use and how to match these to business aims. We then discuss how a business might investigate its own competitive position for the purposes of identifying a Web presence strategy.

## **Section III: Web Presence Implementation and Evaluation**

This is the section of the book that relates to how small businesses, having determined their business strategy and competitive position, can actually determine what they want from the Web presence and how they can achieve it. As such, there are quite a variety of topics in this section of the book, from more business strategy and processes (Chapters V, VIII, and X), some technical issues (Chapters VI and VII) and a chapter that bridges both (Chapter IX).

**Chapter V: Web Presence Strategy and Content.** This chapter discusses how a small business decides upon its Web presence strategy and then determines what features will make up the content of its Web presence. The Web presence strategy is considered after the overall business strategy has been determined. The chapter and its associated appendix provide a useful checklist of the typical types of features that can make up a small business Web presence and how these can be linked back to the Web presence strategy.

**Chapter VI: Web Presence Hosting.** In this chapter, we examine and elaborate on the diversity of options available to the small business operator when hosting their Web presence – hosting options that can impact Websites' features. Arguably, the appropriate use of Web hosting services has evolved to the point where they are an integral part of the Web presence experience for the small business operator. Topics in this chapter include the selection of Internet Service Providers; considerations for hosting, building and maintaining a Website; and hosting content externally from the small business Websites (such as on Web portals – or, as we call it, 'the extended Web').

**Chapter VII: Website Design.** This is the most technical of the chapters in this book. It is centered on Website design and is the only chapter in the book where we refer solely to the small business *Website* rather than *Web presence*. In the previous chapter we discussed how a small business, once it decides to have a Website, needs to decide where it will be hosted, how it will be built and how its content will be initially loaded and then maintained. Website design is considered at the time of building the Website and then again at any major redesign of the Website.

**Chapter VIII: Web Presence Promotion.** In this chapter, we discuss how small businesses can approach the task of promoting their Web presence. We discuss different approaches to online promotion and how these might be linked with traditional approaches to promotion. An important tenet from this chapter is that it is usually appropriate for small businesses to select a mix of different approaches to its Web presence promotion strategy.

**Chapter IX: Web Presence Governance.** We start this chapter by discussing corporate governance – perhaps considered by some to be an unusual topic for small businesses. However, there are some aspects of governance that can be applied to small business, such as business ethics and an awareness of cultural diversity. Another issue is business continuity – how a small business might continue in existence if an unexpected event occurs. Again, the idea of business continuity planning might seem a topic reserved for larger businesses – but some of the principles

involved in business continuity planning and ‘good’ governance translate well to the small business situation. This especially the case when considering what happens to suppliers, competitors and employees if there is a problem with the Web presence, how sensitive information is kept secure over the Web presence and how the privacy of this information is maintained on the Web presence. In discussing these issues, it is necessary to talk about the use of ICTs in general in the business, not just its Web presence.

**Chapter X: Evaluating Web Presence Success.** This chapter examines the notion of how the success of a small business Web presence can be assessed. In doing so, there is initially a discussion of how a small business should classify its ICT expenses and attempt to match them with associated revenues. After this, the discussion moves to establishing the notion of ‘success’ in relation to the Web presence and considers different approaches to determining this.

## **Section IV: Epilogue**

**Chapter XI: A Look into the future.** This chapter serves to raise an awareness of some of the more cutting edge Internet innovations and applications that may become viable and useful to the small business operator in future. The chapter focuses on some of the new and emerging forms of technologies that the authors have identified as potentially affecting the Web presence.

## **Appendix: What Led us Here?**

This section tells the story of what led us to the organisation of the chapters behind the book. Throughout the book we have referred to literature from others and the results of our own research projects as we have discussed each topic.

However, one thing that we have not really discussed is how we ended up with the order of the chapters as they have emerged. The appendix provides a brief overview of each of our PhDs – all of which involved research into small business adoption and use of ICT and Internet technologies. In effect, we felt that this chapter might provide some insights into how this book has evolved and the way that the various chapters have been ordered.

*Stephen Burgess, Carmine Sellitto, Stan Karanasios*  
*August 2008*

## REFERENCES

- Barba-Sánchez, V., del Pilar Martínez-Ruiz, M., & Jiménez-Zarco, A.I. (2007). Drivers, Benefits and Challenges of ICT Adoption by Small and Medium Sized Enterprises (SMEs): A Literature Review. *Problems & Perspectives in Management*, 5(1), 103-114.
- Burgess, S. (2002). Information Technology in Small Business: Issues and Challenges. In S. Burgess (Ed.), *Information Technology in Small Business: Challenges and Solutions* (pp. 1-17). Hershey, PA, USA: Idea Group Publishing.
- Burn, J., Marshall, P., & Barnett, M. (2002). *e-Business Strategies for Virtual Organizations*. UK: Butterworth-Heinemann.
- Chaffey, D., Ellis-Chadwick, F., Johnston, K., & Mayer, R. (2006). *Internet Marketing: Strategy, Implementation and Practice* (3<sup>rd</sup> ed.). UK: Financial Times/Prentice Hall.
- Corso, M., Martini, A., Paolucci, E., & Pellegrini, L. (2001). Information and Communication Technologies in Product Innovation within SMEs – The Role of Product Complexity. *Enterprise & Innovation Management Studies*, 2(1), 35-48.
- Deakins, D., Mochrie, R. & Galloway, L. (2004). Rural business use of information and communications technologies (ICTs): A study of the relative impact of collective activity in rural Scotland. *Strategic Change*, 13(3), 139-150.
- Galloway, L. & Mochrie, R. (2005). The use of ICT in rural firms: a policy-orientated literature review. *Info*, 7(3), 33-46.
- Lockett, N., Brown, D.H., & Kaewkitipong, L. (2006). The Use of Hosted Enterprise Applications by SMEs: A Dual Market and User Perspective. *Electronic Markets*, 16(1), 85-96.
- Maguire, S., Koh, S.C.L., & Magrys, A. (2007). The adoption of e-business and knowledge management in SMEs. *Benchmarking: An International Journal*, 14(1).