Abstract
More than half of small businesses in Australia (57%) use a website to promote their business. Having an effective website is an important step for small business owners moving towards e-commerce. The research suggests that once a business has a clear online strategy through a website they are more likely to move to e-commerce. While many small business owners have a business strategy, it is often the case that this strategy does not include their Web presence. This paper describes the results of interviews with small business owners and assessment of their websites. We identify elements that are important for small business owners developing a business–Web strategy. The research indicates that many owners see their websites as little more than an advertising medium and few are ready for the move to e-commerce. Identifying the level of maturity of a small business owner’s business–Web strategy however can help us understand how prepared a small business owner is to move to e-commerce.

Keywords: e-commerce, SME, Web presence, business strategy

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Moving from a Web Presence to e-Commerce:
The Importance of a Business–Web Strategy for Small-Business Owners

JULIE FISHER, ANNEMIEKE CRAIG AND JOHN BENTLEY

INTRODUCTION
The Small and Medium sized Enterprise (SME) sector is significant economically for most developed western economies (Beaver and Prince 2004, Meckel et al. 2004). In Australia a number of Government reports have focused specifically on SMEs demonstrating the importance of this sector economically (DCITA 2000, NOIE 2003, Yellow Pages Report 2003). The Yellow Pages Report (2003: 30) suggests that among SMEs in Australia, there is evidence of an evolving ‘internet strategy from basic internet connectivity to a comprehensive e-commerce strategy’.

Recent data indicates that 57% of small businesses (those employing less than 20 people) use a website to promote their business (Sensis 2006: 11). A DCITA report (2000: 5) focusing on small business attitudes to electronic commerce (e-commerce), in its recommendations argued that ‘initiatives to encourage SMEs to adopt e-commerce should focus on the design and construction of a dedicated website.’

For this paper e-commerce is defined as ‘the buying and selling of goods and services over computer networks, including the Internet’ (McKay and Marshall 2004: 1). E-business is considered to be the use more broadly of the Internet for business but excluding electronic transaction or payments.

SMES AND E-COMMERCE STRATEGY

Many have argued that the Internet renders strategy obsolete. In reality, the opposite is true. Because the Internet tends to weaken industry profitability without providing proprietary operational advantages, it is more important than ever for companies to distinguish themselves through strategy. (Porter 2001: 63)

There is a substantial literature stressing the importance of IT alignment and business strategy in large organizations (Chan et al. 1997, Reich and Benbasat 2000). Beaver and Prince (2004) argue that strategic awareness and planning is particularly important for small businesses and a small firm’s success is likely to be constrained where there is limited ‘strategic awareness’. Small business use of the Internet is a key element of that strategy.

It is argued that SMEs cannot simply be regarded as a scaled down large business, as theories designed...
for large organizations cannot always be applied to small business (Thong et al. 1996). ‘By their very nature, small firms are different and have special characteristics, operating contexts, objectives and qualities’ (Beaver and Prince 2004: 34). Few studies however have looked specifically at small business and IT strategy/alignment (Hussin et al. 2002). Even fewer studies have examined strategy from the perspective of the alignment between small business owners and their Web presence. ‘Failure to appreciate the strategic role of a website, and an inability to understand its business benefits and concerns about upfront costs and maintenance procedures, underlie most SME resistance to establishing a dedicated Web presence’ (DCITA 2000: 4).

Maturity models that describe how businesses move to e-commerce have appeared regularly in the literature (Prananto et al. 2004, Rao et al. 2003). Having a simple Web presence is usually the first stage that is, a Web page with one-way flow of information, principally for advertising. There is usually no integration with any other external business processes (Rao et al. 2003). The second stage invites consumers to interact more with the website, for example, by providing catalogues (Hart 2000). The third stage is e-commerce. These models assume that businesses progress towards e-commerce in a linear fashion, moving from one stage to the next. The models however, do not suggest how a small business might achieve this. Further, while this might be the case for large organizations, Alonso and Fitzgerald (2005) suggest it may not be so for small businesses.

The Sensis Report (2006) found that businesses believe their website improved business effectiveness because more people were able to access information about the business. This is consistent with other research where distributing information about the business was one of the most important reasons given by small business for using a website (Levenburg et al. 2006). Fewer studies however have looked specifically at small business and IT strategy/alignment (Rao et al. 2003). The second stage invites consumers to interact more with the website, for example, by providing catalogues (Hart 2000). The third stage is e-commerce. These models assume that businesses progress towards e-commerce in a linear fashion, moving from one stage to the next. The models however, do not suggest how a small business might achieve this. Further, while this might be the case for large organizations, Alonso and Fitzgerald (2005) suggest it may not be so for small businesses.

The key questions the research sought to answer were:

- How successful are small businesses in developing a business strategy that includes e-business?
- What are the features of a small business owner’s business strategy in relation to their Web presence?
- Are there identifiable factors relating to business strategy that suggest a small business owner is ready to move from a Web presence to e-commerce?

**SME WEB STRATEGY DEVELOPMENT**

For the purposes of this research a Web strategy is defined as the strategy developed by a business owner for the use of their website for the benefit of their business. Once a business has an online strategy through a website they are more likely to move to e-commerce (DCITA 2000, Hart et al. 2000). Despite a relatively high level of website implementation among SMEs there is some disillusionment with what has been achieved. Many SMEs, particularly in rural and regional Australia, have abandoned their Web presence or reduced their website activity because their website has not achieved what they hoped it would (Fitzsimon and Dooley 2002, Marshall and McKay 2001). The opportunity to move from a Web presence to e-commerce is thus lost. Factors that are important indicators of an effective business–Web strategy follow.

**An articulated business–Web strategy**

Rao et al. (2003) argue that business owners must understand that a commitment to the Internet is a key part of their business strategy. ‘Commitment refers to strategic organizational motivation to use the Internet as a mechanism for achieving some strategic objective whether it be increasing sales, providing better service to existing customers’ (Rao et al. 2003: 16). The literature suggests that most SME owners do not understand this issue (Beckinsale and Levy 2004, Tetteh and Burn 2001). SMEs appear to neglect e-business strategies to a greater extent than general business strategies (Meckel et al. 2004).

**Quality of the website**

The extent to which a SME owner sees their website as strategic to the business will be reflected in the quality of the website (DCITA 2000). Researchers argue that the strategy or vision of an e-business should take into consideration the needs and wants of the customers, including website content (McKay and Marshall 2004;
Website features and functionality

The features implemented on a website are an indication of a small business’s readiness for e-commerce (Sandy and Burgess 2003). It is important for a business to have website features that add value and encourage return visits (Tetteh and Burn 2001). The most basic use of the Internet is ‘retail marketing’ that is, providing information about goods and services (Hart et al. 2000). This can include information and descriptions about the goods and services, promotions as well as business contact information. The next stage of development provides functionality which helps in customers’ decision-making such as the ability to order catalogues (Hart et al. 2000). Walczuch et al. (2000) argues that more sophisticated websites will include applications such as an email address, facilities to order and pay, and customer service. Other features include, a personalized page for repeat customers, taking orders, a search function and e-commerce (ABS 2006).

Website maintenance and monitoring

Regular website maintenance is critical. Changes to website content could be regarded as analogous to changing a window display in a shop front or printing a new advertising brochure. It could be argued that a business owner who regularly monitors their website and updates content has a stronger sense of how the website fits with the overall business, than a business owner who does not.

Monitoring a website in terms of visits and customer usage can be valuable to the business (Chesney and Darby 2005). Chesney and Darby’s (2005) research suggests it is important to listen to customers and seek email feedback. The use of email is an important indicator of strategy. Larger businesses are more likely to use email compared with SMEs. So, while emailing customers or suppliers is relatively common, to some extent smaller firms remain less likely to do it than larger ones’ (Burke 2005: 88).

In Australia 26% of SME owners say they continually update their website, 47% update only when they have major changes and 13% have never updated their website (Yellow Pages Report 2003). How a business changes and matures their Web presence over time provides a valuable insight into SMEs’ evolving Internet strategy (Alonso and Fitzgerald 2005).

RESEARCH METHOD AND DATA ANALYSIS

The focus of the research was the link between a small business owner’s approach to managing their website and their business–Web strategy. Other factors such as finance also form part of an owner’s strategy but these are beyond the scope of this study.

The factors of a business–Web strategy identified through the literature are:

- Articulated online business strategy—the extent to which business owners have developed a business strategy that includes their website.
- Quality of the website—quality of the website design.
- Website functionality and features: Website maturity is reflected in its functionality. Additionally using email to regularly communicate with customers and suppliers suggests an owner who considers their website part of the business.
- Website monitoring and maintenance: indicates the business owner’s level of interest in their website, and includes website maintenance.

Consistent with the European Union definition of a small business (European Commission 2003) the businesses involved in this research are defined as small, employing less than 50 people. The business–Web strategy of small business owners was investigated from the perspective of the business owner, their website and potential customers. The first phase involved usability evaluations conducted on 25 small business websites in both regional and metropolitan Victoria. Following this, interviews were conducted with 15 of the small business owners. Results of the usability evaluations conducted on websites where the owner was interviewed are reported in this paper. The pilot studies were undertaken in 1999, the usability testing between 2000 and 2004 and interviews conducted 2004–05.

Business–Web strategy characteristics and the method are summarized in Table 1.

Selection of websites

A list of possible websites was generated through a search of local council websites that list local
businesses and through an extensive online search. The focus of the study was on small business because small businesses are less likely to use their website for e-commerce (Burke 2005, Sensis 2006: 23). The businesses used in the study were selected based on the following criteria:

- website was small, that is less than 35 pages (used to help identify possible participants as website size can be an indicator of business size (Sandy and Burgess 2003));
- small business likely to employ less than 50 people; and
- business with a website and only one physical location.

An analysis of the features and functionality of each website was also undertaken.

Usability evaluation

A validated usability instrument was used for this research (Fisher et al. 2004). Factor analysis and reliability analysis using Cronbach’s alpha was conducted and demonstrated the internal consistency of the questions. The evaluation instrument used a combination of question types allowing both qualitative and quantitative data to be collected.

Tertiary students enrolled in courses in Human Computer Interaction were the evaluators. Using students is appropriate providing they are representative of Web users generally and are likely to perform the tasks on the website being investigated (Abdinnour-Helm et al. 2005). The selected websites, and the related tasks, were designed to be relevant to the participants. The evaluation questions, the use of students and the conduct of the evaluations is in line with similar studies (Aladwani 2002, Shaik and Ling 2005, Zhang and von Dran 2000). Previous research has also demonstrated that between five and eight users will generate useful results (Nielsen and Molich 1990). For this study each site was explored by at least seven evaluators. The evaluators were provided with a scenario and asked to undertake a task(s) and then complete the questionnaire.

Three design factors were identified from the literature: Information design; usability; and overall design quality. Table 2 displays the statements used to measure each of these factors. Each item was assessed on a Likert type scale of 1 (Disagree strongly) to 5 (Agree strongly).

Interviews

Fifteen small business owners whose sites had been evaluated agreed to be interviewed. Beaver and Prince (2004) note that the key individuals in a small organization are important in understanding how a business is run and how decisions are made. Each interview was audio-recorded and addressed the issues of:

- the reasons and objectives for establishing a website and future intentions;

Table 2. Usability evaluation statements/question

<table>
<thead>
<tr>
<th>Statements/question</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information design</td>
</tr>
<tr>
<td>I found all the information I wanted from the website</td>
</tr>
<tr>
<td>Generally the text was displayed in a way that was easy to read</td>
</tr>
<tr>
<td>Generally the size of the text was easy to read</td>
</tr>
<tr>
<td>Usability</td>
</tr>
<tr>
<td>Website was easy to use</td>
</tr>
<tr>
<td>It was easy to navigate through the site</td>
</tr>
<tr>
<td>The language used was easy to understand</td>
</tr>
<tr>
<td>Design quality: How would you describe your experience using this site?</td>
</tr>
<tr>
<td>The interface design is appealing</td>
</tr>
<tr>
<td>I found the graphics on the site appealing</td>
</tr>
</tbody>
</table>
success of the website from a business perspective;
• designer of the website;
• monitoring of the website;
• use of email; and
• how often the website was updated.

RESULTS

This section describes each business, their websites and presents a summary of the usability evaluation and the interviews.

Overview of selected websites and small businesses

The businesses in this study varied in their type and size and included both regional and metropolitan businesses. Details of each website, the number of employees, number of website evaluators and if e-commerce was implemented or being considered are provided in Table 3.

All business except businesses 3, 9, 11 and 13 had their own domain name.

Summary of results

Table 4 summarizes the results. The website quality result is the simple unweighted average of the three usability evaluation items relating to each factor as described in Table 2. The success of the site is the business owner’s rating of their website using a scale of 1 Very unsuccessful to 5 Very successful.

Identified online business strategy

Less than half of the owners (43%) when asked if their website was successful in terms of their business said it was. Only one business had implemented e-commerce with five intending to do so in the future. Each owner was asked questions relating to their business–Web strategy. The business owners who had a developed business–Web strategy, that is had a clear rationale for their website and future plans, gave reasons for establishing their website such as:

To reach a different broader market. We do a lot of local stuff but had a lot of inquiries about our bikes our products, what we do, our hours, from 20–30 kms away. We thought we could reach them without using man power . . . through a website. (Business 1)

Business partners are geographically apart, email to each other and suppliers therefore we developed the site. No shop front, direct mail and is cheaper than a catalogue to contact customers. Objectives A: to provide information; B: to increasingly use it for e-commerce. (Business 2)

The comments above reflect owners who clearly had an understanding of how their website worked for their business. In contrast other owners suggested;

Thought it was necessary in this day and age. Advertising, I guess. Another form of advertising. (Business 13)

It’s the way of the world – you have NO choice, although there aren’t many hotels out there that don’t have websites. (Business 14)

We were hoping to gain a wider audience. I guess as far as the pharmacy goes we were trying to project a very professional image. (Business 10)

There is little reference in any of these comments as to how their website will benefit the business or how it links to the business.

Quality of the website

The usability evaluation provided an aggregate website quality score (see Table 4 for items assessed). A score of more than 3.5 for any item indicates users on average agreed, or strongly agreed, with the statements relating to that factor. A score over 10 indicates users found the website effective and liked the design. Two businesses (1 and 14) had websites that users regarded as excellent (scored >11). Nine websites are rated as good quality (scored >10 and <11). Four websites are rated as poor quality (scored <10).

The extent to which a business owner is prepared to invest in their website and use a Web designer is an indication of the value of the website to that business (see Table 4). It is also likely that a professional website designer will produce a better website than someone who is not a professional designer. Five business owners designed their own websites, seven used a Web designer and one business used a programmer.

Website features and functionality

Website functionality is an important indicator that a business has a considered business–Web strategy. Evidence of a strategy would be the inclusion of prices, information on specials and other mechanisms for electronically conducting business. Most of the websites provided little if any information on prices (a major complaint from users), few websites had any features or functionality apart from links to related websites. Most focused on advertising the business and assuming interested customers would telephone or email them for pricing information as
they offered little more than a window into the business. Table 5 describes the websites where features and functionality were evident.

Most of the features described in Table 5 are unique to that website and illustrate that immature websites do not provide information such as prices or have any additional functionality.

### Website maintenance and monitoring

Most owners paid little attention to maintaining or monitoring their website (see Table 4). Three websites did not provide an email address on the website. Of the 12 businesses that did, most of the owners (80%) did not read their email daily. Only one-third updated their

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Table 3. Overview of websites and small businesses

<table>
<thead>
<tr>
<th>Business</th>
<th>Website purpose</th>
<th>Users</th>
<th>Employees</th>
<th>Considering e-commerce</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bicycle shop</td>
<td>Advertises bicycles, parts and repairs. Purpose: extend the business's market.</td>
<td>37</td>
<td>3</td>
<td>Yes</td>
</tr>
<tr>
<td>Disabled aids</td>
<td>E-commerce site offering a range of products for the disabled. Purpose: No 'shop front', all business conducted electronically.</td>
<td>38</td>
<td>2</td>
<td>Enabled</td>
</tr>
<tr>
<td>Reception centre 1</td>
<td>Displays pictures of the reception centre rooms. Purpose: advertising only</td>
<td>7</td>
<td>16</td>
<td>No</td>
</tr>
<tr>
<td>Reception centre 2</td>
<td>Displays detailed information and pictures of the centre. Purpose: describe the setting with pictures.</td>
<td>8</td>
<td>17</td>
<td>No</td>
</tr>
<tr>
<td>Bus company</td>
<td>Provides details about the bus company, timetables and bus routes. Purpose: advertise bus times.</td>
<td>29</td>
<td>7</td>
<td>Yes</td>
</tr>
<tr>
<td>Audio sales</td>
<td>A site designed to sell audio equipment. Purpose: advertising only.</td>
<td>42</td>
<td>40</td>
<td>No</td>
</tr>
<tr>
<td>Electrical repair shop</td>
<td>Information provided on the business and what equipment could be repaired. Purpose: advertising only</td>
<td>7</td>
<td>5</td>
<td>No</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>Information provided on the business, products and a page on medical problems. Purpose: owners were exploring the Web.</td>
<td>8</td>
<td>7</td>
<td>Yes</td>
</tr>
<tr>
<td>Juke box</td>
<td>Website describes music selections listed in decades. Purpose: provide a service no one else provided.</td>
<td>26</td>
<td>1</td>
<td>No</td>
</tr>
<tr>
<td>Regional museum</td>
<td>Provides cultural details on the local Chinese. Purpose: reach a larger target audience and provide information.</td>
<td>26</td>
<td>9</td>
<td>Yes</td>
</tr>
<tr>
<td>Cottages</td>
<td>Website features pictures and details of holiday cottages in central Victoria. Purpose: advertising only</td>
<td>23</td>
<td>1</td>
<td>No</td>
</tr>
<tr>
<td>City hotel</td>
<td>Major hotel with a website describing the facilities and specials. Purpose: provide Web-based information in line with other hotels.</td>
<td>23</td>
<td>50</td>
<td>Yes</td>
</tr>
<tr>
<td>Private club</td>
<td>A city-based club, website describes the facilities, restaurant and events. Purpose: raise the club's profile and for advertising.</td>
<td>27</td>
<td>14</td>
<td>No</td>
</tr>
</tbody>
</table>
The owners were asked ‘Do you monitor the number of people who visit the site?’ and ‘What changes have you made to the website as a result of any feedback?’. Examples of the different responses business owners gave to the question of maintaining and monitoring their website include:

Yes 600–700 [hits]. We have made changes, when we first started we had very few links and that was something people wanted a few more links so we put them in. We are in the process of changing the home page again. I think you have to change it regularly to get people involved. We know through the email that users are returning to the site. We get a lot of email. (Business 1)

It's great [the website] because we can interact with people on the phone, we can actually guide them through the website while we are on the phone with them. It's a great selling tool because they might be enquiring about somewhere they've seen and you can go on the website and you can guide them somewhere else and show them all the other possibilities. (Business 14)

I don’t know if anyone ever looks at it [the website]. I need to alter the site. I could talk to Mr. M. who handles this thing and he could probably alter it, but I really don’t know what to alter it to. Probably putting specials on it all the time but I don’t know if anyone would even see it. I will look into it again when I get a couple of hours to spare. (Business 7)

I haven’t visited it for a little while. At first we did but I guess the buzz has gone out of it. (Business 8)

I think that is what our downfall was. We set up the site and then everyone was just too busy to look after it. We haven’t monitored the site as such. I couldn’t tell you. I am embarrassed. We have made a decision to probably close down that site until we look into getting somebody who can maintain it for us. (Business 10)

A CLASSIFICATION MODEL OF BUSINESS–WEB STRATEGY MATURITY

The research results suggest a simple classification model (as shown in Figure 1) illustrating the level of maturity of a business’s business–Web strategy.

Figure 1 describes four levels of maturity of a business–Web strategy. Those business owners regarded as lagging have a very limited understanding of the role of their website in the business and are unlikely to have well-developed or maintained websites. However, a business described as mature will have a well-designed and maintained website and understand the role the website plays in the business. Figure 1 also shows what is

<table>
<thead>
<tr>
<th>Site</th>
<th>Website quality</th>
<th>Site designer</th>
<th>Site Success</th>
<th>Website monitored</th>
<th>Email address</th>
<th>Read Email</th>
<th>Website last updated</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>11.66</td>
<td>Web designer</td>
<td>5</td>
<td>Yes</td>
<td>Yes</td>
<td>Twice weekly</td>
<td>&lt;6 months</td>
</tr>
<tr>
<td>2</td>
<td>10.29</td>
<td>Owner</td>
<td>5</td>
<td>Yes</td>
<td>Yes</td>
<td>&gt;Twice weekly</td>
<td>&lt;2 weeks</td>
</tr>
<tr>
<td>3</td>
<td>10.86</td>
<td>Package</td>
<td>3</td>
<td>No</td>
<td>No</td>
<td>NA</td>
<td>Never</td>
</tr>
<tr>
<td>4</td>
<td>10.40</td>
<td>Owner</td>
<td>3</td>
<td>Yes</td>
<td>No</td>
<td>NA</td>
<td>Never</td>
</tr>
<tr>
<td>5</td>
<td>8.93</td>
<td>Programmer</td>
<td>3</td>
<td>Yes</td>
<td>Yes</td>
<td>Weekly</td>
<td>Never</td>
</tr>
<tr>
<td>6</td>
<td>10.89</td>
<td>Owner</td>
<td>5</td>
<td>No</td>
<td>Yes</td>
<td>Twice weekly</td>
<td>&lt;1 month</td>
</tr>
<tr>
<td>7</td>
<td>10.35</td>
<td>Web designer</td>
<td>4</td>
<td>Yes</td>
<td>Yes</td>
<td>Twice weekly</td>
<td>&lt;6 months</td>
</tr>
<tr>
<td>8</td>
<td>10.77</td>
<td>Web designer</td>
<td>2</td>
<td>No</td>
<td>Yes</td>
<td>Daily</td>
<td>&lt;12 months</td>
</tr>
<tr>
<td>9</td>
<td>9.76</td>
<td>Unknown</td>
<td>1</td>
<td>No</td>
<td>No</td>
<td>NA</td>
<td>Never</td>
</tr>
<tr>
<td>10</td>
<td>8.13</td>
<td>Owner</td>
<td>3</td>
<td>No</td>
<td>Yes</td>
<td>Monthly</td>
<td>Never</td>
</tr>
<tr>
<td>11</td>
<td>10.88</td>
<td>Owner</td>
<td>4</td>
<td>No</td>
<td>Yes</td>
<td>Twice weekly</td>
<td>&lt;2 weeks</td>
</tr>
<tr>
<td>12</td>
<td>10.23</td>
<td>Web designer</td>
<td>5</td>
<td>No</td>
<td>Yes</td>
<td>&gt;Twice weekly</td>
<td>&lt;12 months</td>
</tr>
<tr>
<td>13</td>
<td>9.39</td>
<td>Web designer</td>
<td>2</td>
<td>No</td>
<td>Yes</td>
<td>Daily</td>
<td>&lt;2 months</td>
</tr>
<tr>
<td>14</td>
<td>11.72</td>
<td>Web designer</td>
<td>5</td>
<td>No</td>
<td>Yes</td>
<td>Daily</td>
<td>&lt;2 weeks</td>
</tr>
<tr>
<td>15</td>
<td>10.96</td>
<td>Web designer</td>
<td>3</td>
<td>No</td>
<td>Yes</td>
<td>&gt;Twice weekly</td>
<td>&lt;2 weeks</td>
</tr>
</tbody>
</table>
required by a business owner in terms of strategy, to become e-commerce ready.

Assessment of the small business owners’ strategy development

Based on the results of the usability evaluations, the website analysis and the interviews each business was given a rating for the elements described in Table 1. The items are weighted in line with the literature: an articulated online business strategy and a mature website as reflected in the functionality are areas the literature stress as important. Website design and maintenance are less emphasized. The rating was made according to the following:

- **Online business strategy**: future plans for e-commerce (0–No, 1–Yes), purpose and reason for the Website (0–No clearly articulated rationale, 1–some identified rationale, 2–clearly articulated rationale). Success of the website (1–Very Unsuccessful – 5–Very Successful).
- **Quality of the Website: usability** evaluation (1–score <9, 2–score 9–10, 3–score 10.1–11, 4–score 11+).
- **Website features and functionality**: evidence of features/functionality (0–No features/functionality, 1–some features/functionality, 2–mature features/functionality present). Email available (0–no email, 1–email address). Frequency email is read, (1–read less than once a week, 2–read once a week, 3–read more than once a week, 4–read daily).
- **Web maintenance and monitoring**: frequency of website updating (0–Never, 1–more than a year, 2–within the past 6 months, 3–within the past month), website monitoring (0–No, 1–Yes).

Table 6 presents the results for each business and indicates how ready the business is to move to e-commerce.

Businesses with a score of 20 or above are classified as having a mature e-commerce strategy. Businesses 1, 2 and 14 understand the role of their website in their overall business and have future plans for e-commerce. The equal second-highest score, business 2, is e-commerce enabled. The owners have well-defined online strategies, experts have designed the website, a variety of features and functionality are provided and the website is regularly maintained and monitored. These businesses (highlighted in Table 6) are ready or have implemented e-commerce.

A score of 16 to 19 suggests an evolving e-commerce strategy. For Businesses 6, 12 and 15 the owners...
understand their website’s role, are more likely to have used a Web designer, regularly monitor and maintain their websites and are moving it beyond a marketing tool. These businesses are well-placed to move to e-commerce in the future.

Businesses 7, 8, 11 and 13 have some way to go scoring between 11 and 15 and are rated as considering an e-commerce strategy. These owners were less able to identify why they have a website apart from marketing and do not regularly monitor or update their site. The websites display features that help underpin a move towards e-commerce however the owners need a more developed strategy.

Businesses 3, 4, 5, 9 and 10 all scored below 10 and are described as having a lagging e-commerce strategy even though business 5 has e-commerce plans. These websites had limited to no functionality and are poorly maintained and not monitored. The owners are yet to see how their website is part of their business and are unlikely to have any strategy. They are unlikely to implement e-commerce as their websites are of poor quality, designed only to market the business and not maintained or monitored. None used a Web designer.

DISCUSSION

The development of an online business strategy is regarded as important for small businesses considering e-commerce (DICTA 2000). Our research found it is possible to understand a small business owner’s business–Web strategy through the approach they take to their website. The literature suggests small business websites are often poor quality and not effective (Thelwall 2000). Our research although limited in the number of participants, found design quality is an issue and using a Web designer may improve website quality. The functionality and features implemented on a website are important indicators of e-commerce readiness (Sandy and Burgess 2003). Our review of small business websites indicates that many small business owners are not taking full advantage of the Internet, hence hindering their move to e-commerce. The level of website maintenance and monitoring provides information on how serious a business owner is about their website. Monitoring website activity and seeking customer feedback are important activities suggesting a developed business–Web strategy (Chesney and Darby 2005). However, the majority of small business owners have yet to really understand the role of their website in the context of their overall business apart from advertising.

Where a small business owner has not seen the value of their website and has yet to develop a business–Web strategy then our research suggests there is a strong possibility that they will abandon their Web presence. Since the first stage of the research was conducted those businesses with a score of above 15 have continued their Web presence. Only one business, Business 4, described as lagging continues to have a website that has been updated and maintained. Businesses 3, 8, 9 and 10 no longer have websites. The website for Business 5 has not been updated since 1997.

LIMITATIONS AND FUTURE RESEARCH

The major limitation of the research is the number of small business owners interviewed. Future research is needed to explore in more detail each of the four areas identified as important indicators of a business–Web strategy.

CONCLUSION

For governments to adequately support and encourage small businesses towards e-commerce, a greater understanding is needed of how business owners see their website strategically and how they can be encouraged to move to e-commerce. Much has been written on e-commerce maturity models but as yet there has been limited discussion on how business owners manage their websites, develop a business strategy encompassing their website and the implications of this for moving to e-commerce.

The SME sector is a very important sector and for many business owners the effective use of the Internet is critical for their survival. For governments and policy makers understanding the obstacles small business owners face is important for framing policy and developing initiatives to assist and support them further. This research has identified some of the factors that are important in preparing a small business to implement e-commerce. For a small business owner to successfully exploit their Web presence and move to e-commerce an investment has to be made in their website, before this however, time and effort must be invested in a business–Web strategy. If our businesses are representative of Australian small businesses then few small businesses are e-commerce ready.

References


