

Failure to Launch

September 1, 2007

The Internet has leveled the commerce playing field by giving businesses of all sizes the chance to sell. As a result, more and more small companies and start-ups are eager to dive into the online world to jump-start success.

According to Thomas Harpointner, CEO of Atlanta-based Web service and marketing firm AIS Media, about 90% of these companies believe that most of their sales will either occur through the Internet or be brought in from online marketing.

However, companies that are looking to launch an e-commerce site often fall into traps that ruin their chances of success. Here are some tips on how to avoid the most commonly made mistakes:

Lack of proper planning: "We advise clients of the "5 Ps of Success": Proper Planning Prevents Poor Performance," said Harpointner, who has 15 years of experience working with companies about to launch e-commerce sites. "An e-commerce site should be thought of as a new venture. With the proper attention, it can deliver substantial results. But someone within the company should be dedicated to managing it."

Hiring the lowest bidder: Expect to get what you pay for, he said. "Internet users today are far more sophisticated than they were just a few years ago. They have raised the bar in expectation levels of professionalism, usability, functionality and interactivity." That said, retailers should hire solution partners accordingly.

Failing to market the site: "Be prepared to market your site with e-mail newsletters, on search engines, through the press and via traditional marketing techniques such as direct mailers, links within your catalog and in-store displays, if applicable," Harpointner said. "Nobody cares unless you effectively get the word out to customers."

Unrealistic or lack of expectations: Establishing expectations up front helps eliminate disappointment later, he said. What about companies that can't seem to do this on their own? Communicating these expectations to an e-commerce consultant will help companies make an effective plan and meet company goals. Simply stated, "Define your success," he said.

At some point, all retailers may have fallen into one or more of these traps. The good news is that the digital age is primed for trial and error and the ability to correct mistakes.

“It is also important to prepare for mistakes by putting policies in place,” he said. “Anticipate the most common mistakes and assign them to members of your staff in advance. This will ensure that they are resolved promptly and efficiently when they arise.”

With the proper planning in place, retailers are able to focus on the lifeline of their business—the customer. More importantly, Harpointner stressed the importance of understanding the needs of the customer. With more interactive solutions at their disposal, this task has never been easier for retailers. Through features like online reviews, consumers can openly voice their opinion to retailers—whether it involves positive or negative feedback.

Merchants should not discount negative feedback from a shopper willing to share an experience. “One customer’s isolated complaint may indicate a broader problem,” he noted. “Instead of viewing a customer complaint as a nuisance, view it as an opportunity.”

Hands down, the biggest opportunity that could come of this information is how to avoid repeating the same mistake with other shoppers.

—**Samantha Murphy** (smurphy@chainstoreage.com)