

You will learn...

This segment, *How the Web Adds Value*, will help you to:

- Identify the two types of business models used by retail and service businesses today.
- Understand how e-business helps both you as a merchant and your customer as a consumer.
- Assess the impact of instant and delayed customer service models on customer retention management.
- Identify eight core business processes that can add value to a business when transferred to the web.

Today's Business – Merging Business Models

There are two kinds of businesses today – traditional businesses and “online” businesses. As an HVACR contractor, you are considered to be a “bricks and mortar” business – a traditional service-oriented business involving in-person contact between customers and product and service providers. Even though you may have a web component or Internet presence, you will not be considered a “virtual” business. That describes a business created with the sole purpose of doing business online, usually using e-commerce technologies.

Bricks and mortar businesses are increasingly finding it necessary to “go online” by establishing an Internet presence. Some traditional companies identify an immediate benefit for creating an Internet presence, whether it is to sell products to a potential worldwide audience, offer potential customers information about these products, or offer improved and more convenient customer service. Others are establishing themselves on the Internet now, because business operators understand that being among the Internet “in-crowd” will soon be critical, and they want to be prepared.

You should not be intimidated by the thought of expanding into the “virtual” world of the Internet. There is no need to abandon your existing business model. Your online presence can be used to complement your existing marketing, sales, information distribution, and customer service efforts. Adding an online component to your traditional business can be done over time, with a relatively low financial investment, and without having to reorganize your existing business. For a few hundred dollars, a basic web site, capable of communicating information about your company and its products, can be created in a matter of hours or days, depending on the level of expertise you have available to your project and the amount of planning and preparation you have done.

The biggest challenge you are likely to face is seamlessly integrating your new online presence with the rest of your business, without compromising your existing business's reputation and or brand.

E-Business Solutions and Core Business Processes

E-business solutions involve helping companies translate what they are already doing onto the Web.

International Business Machines (IBM) promotes their e-business solution by saying: “E-business isn’t about reinventing your business. It’s about streamlining your current business process to improve operating efficiencies, which in turn will strengthen the value you provide to your customers – value that cannot be generated by any other means, and value that will give you a serious advantage over your competition.”

Most e-business solution vendors recommend you start your quest to go online by first identifying which of your core business processes are most suitable for, or most in need of, conversion to e-business. This means identifying how you can enhance your business relationships with your existing customers by offering services or products online via the Web.

CRM and Customer Service – Enhanced by the Web

One part of site design is planning content that provides exactly what visitors to your site will be looking for. Many designers and e-solution vendors feel a particularly good place to start is CRM – customer relationship management.

Be careful to distinguish between customer service management and customer service. Contrary to popular belief, CRM has not replaced the need for customer service. CRM is sexy; customer service is not. Customer relationship managers tend to reside in posh office spaces. Customer service staffs frequently labor in vast open floors where exposed cables hang from the paneled ceilings. Without customer service, there are no customers with whom to form relationships.

Many brick and mortar companies today have added value to their company through online services that let customers shop or order supplies and parts 24 hours a day, obtain information about products or support or repair services, and get questions answered that help turn browsers into buyers. Offering top-notch online customer service will help build customer loyalty and make it easier for customers to have their concerns addressed in a timely manner.

Customer service systems fall into two categories: instant and delayed. Instant is better, but there are circumstances where delayed service is acceptable. There are also two categories of instant service: self-service and assisted service. You can add value to your company and build loyal and lasting customer relationships by implementing some combination of these types of instant service. E-business solution vendors recommend choosing at least one from each category.

Instant Service Options

Self-Service	Assisted Service
<ul style="list-style-type: none">• FAQ – Frequently Asked Questions• Knowledgebase• Online public forum with customers and reps posting responses• Natural language site-specific search engine	<ul style="list-style-type: none">• Phone Support• Real-time chat• Online moderated forum with reps editing posts and posting responses• Web-based forms

E-mail is not acceptable as a stand-alone solution unless you can guarantee instant or near-instant responses. Even then, you may lose customers who need an answer *at that moment*, either regarding a purchase they are about to make or about a purchase they have just made.

Another problem with e-mail is that customers do not know you are really there – at the other end of the line – working on solving their problems. They have no way of knowing whether their message has gone to the end of a short queue or a long one. A message generated by an autoresponder assuring customers they will hear from you within a certain time window is not a substitute for real-time communication.

There are some powerful advantages to email, however. For one thing, it is silent. For people shopping from work or arranging service calls (always before or after work or on their lunch hours, of course), phone support is not a good option. It might be a better option for HVACR contractors than for other e-businesses, however, since verifying information about industrial air conditioner compressors is somehow different than checking out the in-stock status and delivery window of certain lacy, frilly things.

An additional advantage to e-mail support is that it permits your customer to include all relevant information in one place so that a service rep can address the problem. Unfortunately, most customers omit some pertinent data a service rep needs, so the service rep has to ask the customer additional questions. This leads to more correspondence and not an answer for the customer. This inadequate-information problem can largely be remedied by using Web-based forms to collect information about problems, but you must carefully design online forms so they do not appear impersonal and allow enough flexibility for your customers to fully describe the problem.

Phone support has its own problems. Most customer service centers and most businesses aim for a “reasonable” hold time for customers seeking service. The Web-related problem for many of your customers is that they most likely will have to disconnect their computers from their dial-up line to the Web before they can call you. This problem is even worse for America Online (AOL) customers, who will lose their place on your site

since AOL and some other dial-up Internet service providers close all browser windows when customers disconnect.

As you can see, when it comes to customer service, one size does not fit all. You will need to find the types of service delivery options that are most appropriate for your business plan so you will have customers with whom to build relationships. The best way to find what works on the Web is to surf around and see what other businesses in your field have done. You may also glean some good ideas from what other types of businesses have done. Also, don't forget your existing customers. Soliciting ideas from existing customers can be quite beneficial.

Additional Value-Added Features

Some other tangible features you might consider offering on an existing company's web site include:

- **Product information** – Sales brochures, technical specifications, product photos, product videos, and downloadable product demos all can be placed on your Web site. You won't need to re-invent the wheel here, either. It is ordinarily not difficult for you or a Web designer to convert your existing "hard asset" materials into a format required by the Web.
- **Online order processing** – Your Web site can become a fully functional e-commerce site instead of an interactive brochure by adding order-processing features, shopping cart modules, and/or credit card processing capabilities. It should be fairly simple to adapt your existing merchant account to allow you to process credit cards from your "digital storefront."
- **Company or investor information** – Every business Web site should offer a detailed company background, executive biographies, company press releases, investor information (when applicable), and other documents that promote the company in a positive way.
- **Online recruiting** – If your company hires employees or has job openings available, post them online. To learn about job opportunities, one of the first places job seekers look is on the Web sites of the companies for whom they wish to work. Recruiting online via your Web site could save you money in recruitment-related advertising.
- **Promotions and contests** – One way to build customer loyalty and get people to visit your Web site is to offer them an incentive. Some companies run contests offering the contest winner discounted services or products. Some companies offer discounts to online shoppers. The aim of both these marketing efforts is to get people to repeatedly visit your electronic storefront. You need to be careful, however, not to overuse this technique.

Internet Success for Contractors How the Web Adds Value

There are two intangible things you should do with a digital storefront for a bricks and mortar company. You can use your Web site to:

- **Build brand awareness** – A Web site is an excellent tool for building brand awareness for any type of company, product, or service. People feel comfortable shopping online with merchants who sell and service brands with national name recognition and known quality.
- **Capitalize on your reputation** – People feel comfortable shopping online with merchants whose reputation they know and with whom they have had positive offline experiences. If your company already has a positive reputation in the traditional business world, as most established businesses will, be sure to exploit that reputation in the online world to boost the credibility of the online aspect of your business.

A word of caution is in order here. Whether you operate a small-, medium- or large-sized traditional company, do not take a “trial and error approach” to designing, building, and managing your Web site. Develop a plan for your Web site that will make it easy to use and ensure it is integrated with your company’s corporate identity, brand, and reputation. A large part of that involves setting realistic expectations and goals for the operation of your Web site and for its ability to impact cash flow and profits.