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Click-and-Mortar SMEs: Attracting customers to your website

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Abstract Businesses have traditionally operated under a brick-and-mortar strategy, paying little attention to the electronic retail channel. Now, though, increasing competitive pressures and Web technologies as an information source necessitate that managers adopt an integrated click-and-mortar strategy. With differing levels of success, small and medium-sized enterprises (SMEs) have invested in their own websites to promote their online presence. However, the recent power of information intermediaries makes it difficult for companies to attract consumers solely through their own webpages. As a result, companies are being forced to adapt their online strategies to increase customer attraction; a proper use of backlinks and infomediaries can accomplish this at relatively low cost. This article traces the emergence of infomediaries and backlinks and the mechanics of their operation, offering managers and practitioners guidance regarding how best to improve the impact of their online visibility.

1. The search for information

> *"In today's information age of Marketing and Web 2.0, a company's website is the key to [its] entire business."*
>
> — Marcus Sheridan (n.d.)

Traditional brick-and-mortar small and medium-sized enterprises (SMEs) are finding it difficult to compete in today's fast-paced electronic markets (Dominici & Palumbo, 2013). As such, many of these SMEs seek to integrate new Web-based strategies toward attracting prospective customers, reducing costs, and leveraging the firm's assets. To service this need, a number of intermediaries have carved out niches in the electronic commerce industry, specializing in services such as multi-sided market comparison and user-generated content platforms. These intermediaries and the services they provide are well established in the minds of online consumers, especially as regards homogeneous products/services such as plane tickets, hotel bookings, and

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software purchases. Because the technical attributes of these products and services are similar, consumers can utilize intermediary firms' services to search for a more suitable price. This can be done through vehicles such as search engines, which are fundamental to the modern Internet (see Laffey, 2007) and help consumers evaluate their options before visiting the store. The increasing use of search engines makes it almost impossible for a shopper to avoid ending up at a shopping comparison site. When those pages offer the exact same good at a different price, consumers will have to evaluate whether price disparities are due to additional services that drive the deviation or simple variances in retailer pricing (Passyn, Diriker, & Settle, 2013).

Every company possesses unique features that demand different kinds of online offerings. For experience goods—those whose qualities cannot be determined before purchase (Nelson, 1970)—it is particularly important that consumers can gather sufficient information from diverse sources before making a purchase. In response, a new kind of intermediary has appeared on the market that connects the information requirements of consumers with information provided by companies. These intermediaries help create trust among participants in the market, which is vital for successful Internet transactions in unstructured markets (Wenjing, 2010). In addition to these intermediaries, other techniques—such as backlinks—help increase consumer attention and improve the attractiveness and accessibility of one's website. Backlinks, or incoming links to a website, may increase the visibility of a firm's webpage (Thelwall, 2001). Hence, we explore a firm's investment in intermediaries and backlinks to increase market attraction.

In this article, we report on a study designed to demonstrate the benefits and challenges of investing in intermediaries and backlinks to used-car dealership sites. First, we discuss the current state of technology and its impact on brick-and-mortar models versus click-and-mortar models. Then, we present background information about backlinks and intermediaries. Finally, we conclude with a list of guidelines for firms to implement in order to increase their consumer attraction. The research study we conducted is described in the Appendix at the end of this article.

2. The ROPO (research online, purchase offline) era

It is well known that the introduction of the Internet changed the way firms do business, especially how they compete for customer attention. Consumers searching for experience goods on the Web normally spend more time per page and consult a greater number of pages before making a decision (Huang, Lurie, & Mitra, 2009). The lower cost of investigating these goods online, comparing attributes, and sharing the information with others leads consumers to search more extensively regarding potential purchases. In theory, consumers are able to continue searching until the marginal cost of doing so equals the marginal benefit. This extensive search enables consumers to learn from past experiences of other consumers, reducing the perceived risk associated with purchases.

Consumers also gain negotiation power because they have more control over the information. With this new power in hand, consumers have become multichannel shoppers, navigating alternative channels through different phases of the purchase process. These multichannel consumers tend to buy more items, buy more often, and spend more time at a physical store (Kushwaha & Venkatesh, 2005). Consumers' perceptions, previous experiences, and predilections will lead them to choose a preferred channel and company, so the decision-making process becomes bi-dimensional (Neslin et al., 2006).

Consumers may sense that a number of benefits will be obtained when purchasing products; for example, many consumers think they are likely to receive better after-sales service if they buy directly from an offline store (Molesworth & Suortti, 2002). In asymmetric markets the information available on product characteristics and future performance is incomplete. Therefore, consumers rely on the sales team of an offline store more than they trust a website. This means consumers are not only looking for the utilitarian value of a purchase, but also for the hedonic one (Pauwels, Leeflang, Teerling, & Eelko Huizingh, 2011). Further, some consumers are accustomed to bargaining as the final 'ritual' of the purchasing process. Thus, online shopping does not fully replace the brick-and-mortar or offline shopping experience.

Online purchasing is not available via informational websites. It is therefore expected that an informational website will be easier to implement, especially in areas where consumers still prefer to buy from offline stores (Steinfield, Mahler, & Bauer, 1999). The greater availability of information and ability to compare prices and other attributes gives consumers access to a wider range of products and services that might satisfy their needs, even if they must travel a significant distance to purchase their final choice; for example, consumers are willing to travel to procure the exact make and model of car they desire. The strategy of using an informational website integrated with the physical store also