

Going Online Isn't A 'Must' Move For All Entrepreneurs

Firms Flourishing Without a Site Say Work Isn't Worth It

By ELIZABETH HOLMES

Pat Brenchley, the 62-year-old owner of Heart to Heart Fabrics & More in Winter Haven, Fla., advertises her seven-year-old business in many places: the senior section of the local paper, the vinyl cover of the city phone book, even the tabletop at a nearby restaurant.

But not on the Internet. Between selling sewing machines and running a slew of quilting classes, Mrs. Brenchley doesn't see the need, have the time or want to spend the money on a Web site.

"It seems like an overwhelming amount of work to do when I'm already worked to the max right now," she says. Upon request, Mrs. Brenchley will email class schedules to her customers, but that's the extent of her online endeavors.

More Hassle Than Help

Many small businesses are bucking conventional wisdom and holding off on jumping online. The Internet, largely seen as a "must" for entrepreneurs, can be a competitive, fast-changing and costly environment that some view as more of a hassle than a help. While no one disputes that online marketing has leveled the playing field for small players looking to compete against larger deep-pocketed rivals, plenty of small businesses without Web sites also are flourishing -- suggesting that being online isn't always a prerequisite for success.

Indeed, the rate of small firms rushing onto the Web is slowing, suggesting some entrepreneurial caution in this medium. In a survey of 500 businesses in varying industries released today, the National Small Business Association reports that 40% of them don't have a Web site. What's more, the growth rate of businesses opting to be online has slowed. From 1997 to 2000, the percentage of small businesses with a Web site jumped to 53% from 31%, yet rose to only 60% this year. Nearly two-thirds of the small businesses surveyed don't use e-commerce.

The results surprised Rob Yunich, director of communications for the NSBA. "I would think in today's day and age you would have to have a Web site," he says.

Paper and Pencil

Across the U.S., there are examples of the contrary -- like Gregory Giesche, the 52-year-old owner of Giesche Shoe Store in Geneva, Ill. Mr. Giesche says he recognizes that shoe sales on the Internet are strong but adds that he hasn't heard of any profit margins that make tackling the challenge worth the bother. He doesn't computerize his inventory, either, opting instead for paper-and-pencil bookkeeping.

His tried-and-true system, if not the most up-to-date, has worked for more than a century. His family has been in the retail shoe business since 1890 and now has two stores in the Chicago suburbs -- one in Geneva, and one in Glen Ellyn, run by his two brothers). None of them has an interest in being online. "Everybody in my family is computer-illiterate," he says. "We have a difficult time understanding the Internet."

They advertise in local papers, but Mr. Giesche says their loyal customer following stems from the family's interactions with local churches and schools. "We give generously to the community," he

says.

That strategy is common among small businesses, says Mr. Yunich. Advertising in shoppers, coupons or other forms of print media continues to reach customers effectively. "Just plain old word-of-mouth," he says. "That works wonders, too."

Retail businesses, especially those with constantly changing inventory and a variety of products, are among the most likely to shy away from an online presence.

Often it's the price of designing, maintaining and advertising an e-commerce Web site, from a few hundred dollars to several thousand, that keeps small-business owners off the Internet.

John Jantsch, a small-business marketing coach, suggests that cost-conscious small-business owners might want to look to a local college or university for a tech-oriented student who can design a Web site. Entrepreneurs can have a simple site and a year's worth of hosting for less than \$2,500, Mr. Jantsch says.

Time and Money

Lois Riske, president of General Cleaning Inc., has explored the possibility of an online presence. Her commercial contract cleaning firm in Homestead, Pa., is nearly 75 years old, has around 100 employees and gets most of its business through its sales team and by word-of-mouth.

Ms. Riske asked designers to come up with examples of what a Web site for her company might look like. The mock-ups she saw, however, were disappointing -- in part because of what she was comparing them to. Ms. Riske knows many of her customers and competitors have elaborate Web sites funded by franchises or parent corporations. "You don't want to put something out there that's not top drawer," she says.

Certainly, there are plenty of services that let small businesses throw up a bare-bones Web site for less than \$10 a month. But helping consumers find a site in today's crowded online marketplace is another ballgame, and businesses typically must spend more to make sure they pop up regularly in search engines. Since that requires weeding through a myriad of solutions, some time-pressed small business owners feel making the move is more trouble, and cost, than it's worth.

Ms. Riske figured it would cost at least \$1,000 a month to have the kind of site she wanted. That cost, compared with other expenses, seemed too high for the amount of business it would bring in. "It's hard to justify that much of an expense," she says.

Then there's the price of advertising the site, says Martin Lehman, a marketing director for the New York chapter of Score, a national nonprofit that encourages and educates small-business owners. "You've still got to let the world know that you have a Web site," says Mr. Lehman, who adds that entrepreneurs should take a close look at their target customer before investing in a site.

Inevitable Move?

Some entrepreneurs continue to get along fine offline for now, but acknowledge it's time for a change. Pat Bardo went three years without having a Web site for her arts-and-apparel boutique, Outside the Box, in Lexington, Ky. Ms. Bardo, a 55-year-old retired rehabilitation counselor, is an avid computer user and says her customers are, too. She tried, unsuccessfully, several times to find the right Web-site designer. They made big promises, she said, but weren't able to deliver.

Earlier this month, however, Ms. Bardo met Scott Clark from WebSiteAdvice.com. He didn't intimidate her with confusing language or make grandiose promises. Instead, Ms. Bardo says, Mr. Clark offered up a comprehensive plan to design and market the Web site within her budget. "I felt like, golly, that's what I really need," says Ms. Bardo. "Someone who can really do this thing."