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## *A Decision Chart for Small Business Web Site Content*

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# A Decision Chart for Small Business Web Site Content

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# **A Decision Chart for Small Business Web Site Content**

## **Abstract**

*This paper describes some research that is designed to help businesses to maximise the application of Internet technology to add value to their product or service. It uses the type of Consumer Good as a basis to develop a decision chart to help organisations to identify ways of adding value to a Consumer Good using Internet technology. The initial decision chart is based upon the inherent properties of consumer goods. The chart also incorporates characteristics identified as being important when implementing a web site. It provides a classification scheme that businesses can examine in relation to their goods. The path that they follow leads to the suggested Internet features that provide added value for the consumer. A study involving small business consultants found that the initial chart had its limitations, and needed to be simplified so that it could be understood by small businesses and versatile enough to be applicable to firms with a number of different goods. Their suggestions have been incorporated in the updated decision chart. It is anticipated that the chart can be used to provide organisations with a structured approach to determining suitable web site features.*

**Keywords: Internet; content; added value; model; decision chart; small business**

**Word Count: 5836**

## **INTRODUCTION**

The application of Internet technology (IT) in commerce, government, education and homes is claimed to be undergoing extraordinary growth in Australia and throughout the world. The World Wide Web is said to be revolutionising the way we conduct commerce, deliver services, educational programs, and in undertaking the “business” of daily life. However, is this perception in accordance with reality? Is this the case for Electronic Commerce (E-Commerce)?

This paper describes some research that is designed to help organisations to maximise the application of Internet technology to add value to their goods. It incorporates the proposition that the type of Consumer Good can be used as an important determinant of the successful application of Internet technology. The main purpose of the research is the development of a decision chart to help organisations to identify ways of adding value to a Consumer Good using Internet technology. The chart can be used to provide organisations with an easy and structured approach to determining

suitable web site features to interact with consumers at a time when use of the technology is typically haphazard and unstructured. This paper describes the development of the decision chart.

## **ADDING VALUE USING IT**

It has been recognised for a number of decades that the use of computers can provide cost savings and improvements in efficiencies in many organisations. Porter and Millar (1985) have generally been credited with recognising that the capabilities of information technology can extend further to providing organisations with the opportunity to add value to their goods. Value is measured by the amount that buyers are willing to pay for a product or service. Porter and Millar (1985) identify three ways that organisations can add value to their commodities or services (known as *generic strategies for improving competitiveness*). The first way is to be the lowest cost producer (an organisation produces a product or service of similar quality to competitors, but at a lower cost). The next way is to produce a unique or differentiated good (providing value in a product or service that a competitor cannot provide or match, at least for a period of time). If an organisation is the first to introduce a particular feature it may gain a competitive advantage over its rivals for a period of time. When another organisation matches that particular feature, it may not gain a competitive advantage but it will still be adding value, in the consumers' eyes, to its own products (by the authors' definition). IT can be used to differentiate to goods in a number of ways (Sandy and Burgess, 1999).

- Quality
- Product Support.
- Time taken to deliver the product:
- Level of customisation or tailoring of a product or service to the buyer.
- Other incentives, such as buyer loyalty ('reward') programs.

The third generic strategy involves providing a good that meets the requirements of a specialised market. With this strategy, an organisation identifies a particular niche market for its product. The advantage of targeting such a market is that there may be less competition than the organisation would currently experience in a more general market. The specific characteristics used to target the niche market could be regarded as another type of differentiation.

## ADDING VALUE USING THE INTERNET

Web site development is often incremental. Many businesses, especially small ones, do not start with a complex web site. They typically develop their web presence from the basic 'brochureware' site (electronic brochure) to something approaching a fully interactive site. Previous research of the authors (Sandy and Burgess, 1999) has linked the types of value added described in the previous section with some typical features found on these different types of web sites.

Table I summarises the link between levels of web sites, web site features (as listed by Burgess and Schauder, 1999) and types of added value.

**Table I: Levels of Facilitation of Web Sites and Types of Added Value**

Facilitation of Web Sites	Internet Feature	Added Value	Example of benefits to Consumer
<b>Electronic Brochure</b>	Product details	Cost	Lower price
	Information about the business	Differentiation	Increased assurance about quality and reliability
	FAQ/ Product Usage Directions	Differentiation	Extra product support
<b>EB + Order</b>	Ordering Capability	Possible Cost Differentiation	Lower price More convenient ordering
<b>EB + Order Plus Payment</b>	Payment Capability	Differentiation	Faster delivery
<b>Interactive Publishing</b>	Direct goods download	Cost Differentiation	Lower price Faster delivery
	Personalisation	Differentiation	Individually customised products
	Frequent Purchaser incentive schemes	Differentiation	Extra (loyalty) benefits

## CLASSIFICATIONS OF CONSUMER GOODS AND THE INTERNET

Having established the link between Internet features and added value, this section examines the concept of matching consumer good properties with Internet features.

A number of models (such as Chen and Sukpanich, 1998 and Ambrose and Johnson, 1998) have examined the relative suitability of different products and/or services for purchase over the Internet as important aspects in such a relationship. Although they use different classification methods, they generally support the notion of the different levels of web site facilitation discussed earlier.

Peterson et al. (1997) have developed a means for assessing the suitability of the Internet for products and services with three different characteristics:

- *Cost and Frequency of Purchase.* Goods vary along this dimension from low cost, frequently purchased goods (such as milk) to high cost, infrequently purchased goods (such as a stereo system).
- *Value Proposition.* Goods vary along this dimension between being 'tangible and physical' and 'intangible and service related'.
- *Degree of Differentiation.* This is determined by the extent to which a seller is able to create a competitive advantage by differentiation.

Peterson et al. (1997) argue that consumers are unlikely to search for a long time amongst various alternatives for low outlay, frequently purchased goods. They are still likely to buy tangible or physical goods (such as wine or milk) in a retail store, but will be more likely to buy intangible or informational goods (such as online newspapers or stock market quotes) over the Internet. This is more likely to be because of the speed in which they can get the goods. Whether or not the product can be differentiated does not alter the choice between retail store and the Internet for purchasing.

High outlay, infrequently purchased goods provide a different set of circumstances. As the consumer is generally afforded more time to search for these types of goods, it is likely to be made in both the retail arena and on the Internet. Purchase is likely to occur in either way. There are a few exceptions. With tangible or physical products where there is a high degree of differentiation (such as with cars), the need for personal inspections may cause the consumer to purchase from a retail outlet. With intangible or informational products where there is a high degree of differentiation (such as with software packages), the swiftness of delivery by direct download may cause some consumers to purchase over the Internet (Peterson et al, 1997).

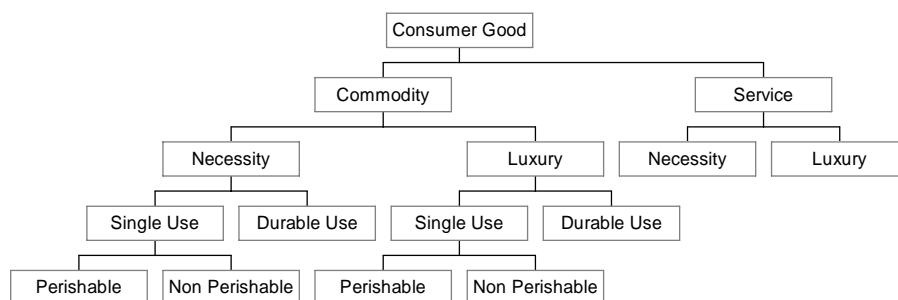
This classification of a good by its 'degree of differentiation' is not the most suitable for this type of exercise, as there are so many ways in which differentiation can occur. Another common limitation of these methods is that they focus upon the moment of purchase and do not deal with after purchase situations (such as after sales service). Whichever classification method or model has been developed, there has not yet been a direct attempt to match the inherent properties of products with specific Internet features. In the remainder of this paper the authors will attempt to achieve this.

## Consumer Goods and Types

Economic theory, as found in any introductory text (Samuelson and Nordhaus, 1989; Jackson et al, 1994; Reynolds L G, 1988) postulates a world dominated by relative scarcity. The wants of consumers are unlimited, but the production of goods to satisfy these desires is limited. A good that is relatively scarce is known as an “economic good”.

Economists make a distinction between “Consumer’s Goods” and “Producer’s Goods”. The former are goods that satisfy the consumer’s wants directly. These may also be referred to as “finished” goods. Producer’s goods satisfy the consumer’s wants indirectly, that is, they are used in the production of a finished good. This research is not concerned with these types of goods.

Economists usually identify two main types of consumer’s goods. First, are commodities (or tangible goods, material goods or ‘products’) and, secondly, are services (or intangible goods). Commodities and services are further classified as to whether they are necessities or luxuries. Commodities are also classified as to whether they are single-use or durable-use and whether they are perishable or non-perishable. Figure I depicts the usual classification of goods adopted by economists. It is based on the older, well-respected work of Hicks (1960). It is important to identify these properties as they can influence how the Internet may be used to add value to a Commodity or a Service. The most important property that distinguishes a commodity from a service is that the former is tangible whereas the latter is intangible. Motor Vehicles, spoons, VCR’s and bread are tangible or material goods. A haircut, train rides, massages and telephone calls are intangible goods.



**Figure I: Types of Consumer Goods**

The notion of single-use is that a commodity is used up in a single act of consumption (foodstuffs, fuel and matches are examples). A loaf of bread may be made to last days by consuming the slices at intervals. However, each piece of bread is used up as soon as it is consumed. Durable-use

commodities are those like furniture, motor vehicles and clothing can go on being “consumed” for an extended time period. The fact that they are “consumed” one day does not prevent them being “consumed” the next day and so on. The length of time they can be continually consumed however will vary. Each durable-use commodity will have a “normal” length of life before it “wears” out. A black-lead pencil is a durable-use commodity but is likely to wear out after a few months of use. Some pieces of furniture may be able to be “consumed” indefinitely.

Another distinction often made by economists in relation to commodities is to whether they are perishable or are non-perishable. The distinguishing property that is relevant here is whether the commodity can be stored for a period of time without serious deterioration. Durable-use commodities are usually non-perishable (and will be considered so for this paper).

### **Consumer Goods and the Internet**

The "traditional" classification has proved to be a sound theoretical basis upon which to classify goods. The authors wish to investigate whether such a classification can be combined with the unique nature of the Internet, for the purposes of determining suitable web site features. One problem that immediately emerges is a "blurring" between the categories that are used. The advent of the Internet and digital goods in particular has caused further "blurring". For example, one area where there is rapid change at the moment is in the area of music. When sold as a recording on a record, cassette or compact disc, music could be regarded as a durable-use and (effectively) a non-perishable commodity. A problem occurs when the same music can now be downloaded over the Internet, to be played on a personal computer or a special player. Using the traditional classification method, the good is now 'intangible' and therefore a service, but services are by definition single use! 'Downloaded' music can be played over and over again. An extended classification system is needed in these cases.

### **Classification Issues**

The Internet is seen by businesses as more suitable for their sales where the purchases are infrequent. This will generally apply more to non-perishable goods as opposed to perishable goods and to luxury goods than necessities. In the case of a non-perishable good, the consumer is afforded more time to be able to search the Internet for different options. In the case of a luxury good, the consumer is more



likely to take more time to examine the available options in deciding whether the good will even be purchased at all. Commodities that are difficult to deliver by traditional mail, or services where personal contact is critical (such as haircuts) are less suitable (or unsuitable) for delivery over the Internet.

A difficulty associated with the classification of luxury and necessity goods is that what may be a necessity item for one consumer (for instance, a student that needs a computer for studying) may be a luxury item for another consumer (who may desire a computer to play games). In order to keep the initial decision chart relatively easy to apply, the authors have ignored this classification.

Table II extends Table I to examine some practical examples regarding the levels of facilitation of web sites and the types of added value provided. It has been developed from the literature and the classification of consumer goods with a view to the unique nature of the Internet. It matches the suitability of different levels of facilitation to a good's inherent characteristics. In applying the table to its own goods, an organisation would determine the characteristics of their goods and then work down the appropriate column to see how each level of facilitation would apply.

### **Further Observations**

A number of important observations are derived from Table II.

#### **Implementation of Electronic Brochure Web Sites**

Most organisations that wish to interact with consumers can benefit in some way from introducing the basic electronic brochure web site. A quick examination of Table II (see tangible and intangible goods) and any number of retail corporate web sites reveals this.

#### **Can the Goods be Downloaded?**

In Table II, the likelihood of intangible goods being downloaded over the Internet is listed as 'possibly', because not all services can be downloaded over the Internet. The main advantage of direct goods download is that it is immediate. The authors contend that this feature should not be introduced without also having online ordering and payment. In other words, what is the advantage that is gained by consumers from being able to directly download a good if they are delayed from getting the good by the process of placing the order or making the payment?

## What is Convenient for the Consumer?

In Table II, the likelihood of Tangible, Single Use, and Perishable goods being ordered and paid for over the Internet is listed as being 'unlikely'. This is because a consumer is likely to buy the goods without conducting a major search for alternatives. Where goods are Intangible and Durable, the likelihood of consumers ordering and paying for the goods over the Internet increases. For all other categories, the following argument applies.

**Table II: Levels of Sites, Internet Features and the Classification of Consumer Goods**

Classification of Goods:		Tangible Goods			Intangible Goods		
		Single Use		Durable Use	Single Use		Durable Use
		Perishable	Non Perishable		Perishable	Non Perishable	
Example:	Milk, Petrol	Disposable camera, Matches	Car, Cutlery	Share Price, Weather Reports	Gift Certificate	Software, Haircut	
Comment:	Consumer likely to purchase regularly as needed - time is vital	Consumer more likely to 'surf' for various options	Consumer even more likely to 'surf' for various options	Consumer likely to purchase regularly - time vital, possibility for download	Consumer more likely to 'surf' for various options, possibility for download	Consumer more likely to 'surf' for various options, possibility for download	
Level of Site	Internet Feature						
Elect. Brochure	Product details	<i>Possibly</i>	<i>Likely</i>	<i>Likely</i>	<i>Likely</i>	<i>Likely</i>	
	Information about the business	<i>Possibly</i>	<i>Likely</i>	<i>Likely</i>	<i>Likely</i>	<i>Likely</i>	
	FAQ, product directions	<i>Possibly</i>	<i>Likely</i>	<i>Likely</i>	<i>Likely</i>	<i>Likely</i>	
EB, Order	Ordering Capability	<i>Unlikely</i>	<i>Possibly</i>	<i>Possibly</i>	<i>Possibly</i>	<i>Likely</i>	
EB, Order, Pay	Payment Capability	<i>Unlikely</i>	<i>Possibly</i>	<i>Possibly</i>	<i>Possibly</i>	<i>Likely</i>	
Interactive Pub	Direct goods download	<i>No</i>	<i>No</i>	<i>No</i>	<i>Possibly</i>	<i>Possibly</i>	
	Gathering personal data	<i>Possibly</i>	<i>Possibly</i>	<i>Possibly</i>	<i>Possibly</i>	<i>Possibly</i>	
	Frequent Purchaser Incentives	<i>Possibly</i>	<i>Unlikely</i>	<i>Unlikely</i>	<i>Possibly</i>	<i>Unlikely</i>	

The attractiveness of ordering and paying over the Internet is differentiation by time. If a consumer needs to be present (at a retail store or otherwise) to receive and/or use the good, the attractiveness of immediate payment is significantly reduced. For instance, is there any advantage to a consumer wishing to have a haircut to pay for it over the Internet? Perhaps the consumer may be able to make an appointment (place an order) and even determine what sort of haircut is desired, but will still have to either go somewhere (time and cost) or wait for someone to come to them (time) to have the haircut. Payment can be made at the time of having the haircut. This means that there may be situations where an ordering facility may be offered without a payment facility. Alternatively, when booking a holiday over the Internet there may be significant advantages to consumers by being able to order and pay for the holiday over the Internet, as they do not have to go to a travel agent. Tickets can be sent out or allocated electronically.

### **Can the Good be Individually Customised?**

There are many ways in which a good can be customised to an individual. The level that a good can be personalised would influence whether an organisation would incorporate the (somewhat expensive) feature of gathering personal data about consumers on its web site. For instance, a small retail store selling milk to ad hoc customers may not see much need to use such a feature. An online supermarket that sold milk as one of its goods could incorporate significant added value from such a feature. It could store away regular customers' standard orders, making it easier for those customers to order, pay for and receive their weekly groceries. The gathering of personal data enables an organisation to build up a profile of the consumer, which increases its ability to customise the product to individual consumers and generate repeat business.

### **Will Consumers be Purchasing Frequently?**

'Frequent purchaser incentives' are mainly targeted towards generating customers who will purchase from the organisation on a regular basis. The provision of frequent purchaser incentives is to provide consumers with the motivation to repeat their purchases. This is usually more effective where a consumer is likely to make regular purchases in a short time (more likely with single use items). It is unlikely that there will be much benefit to the firm for introducing a frequent purchaser incentive scheme for non-perishable goods.

## **DEVELOPING THE INITIAL DECISION CHART**

An important component of the initial decision chart (refer Figure II) is the decision process to be followed when organisations decide upon an appropriate level of web site facilitation. The chart has been built from the observations that have been presented in the previous section and is based upon some of the inherent properties of consumer goods (single use versus durable use and perishable versus non perishable). The chart has been extended with characteristics identified as being important when implementing a web site (method of ordering and delivery of the goods and the level of personalisation).

### **Premises**

The initial decision chart is based on the following premises:

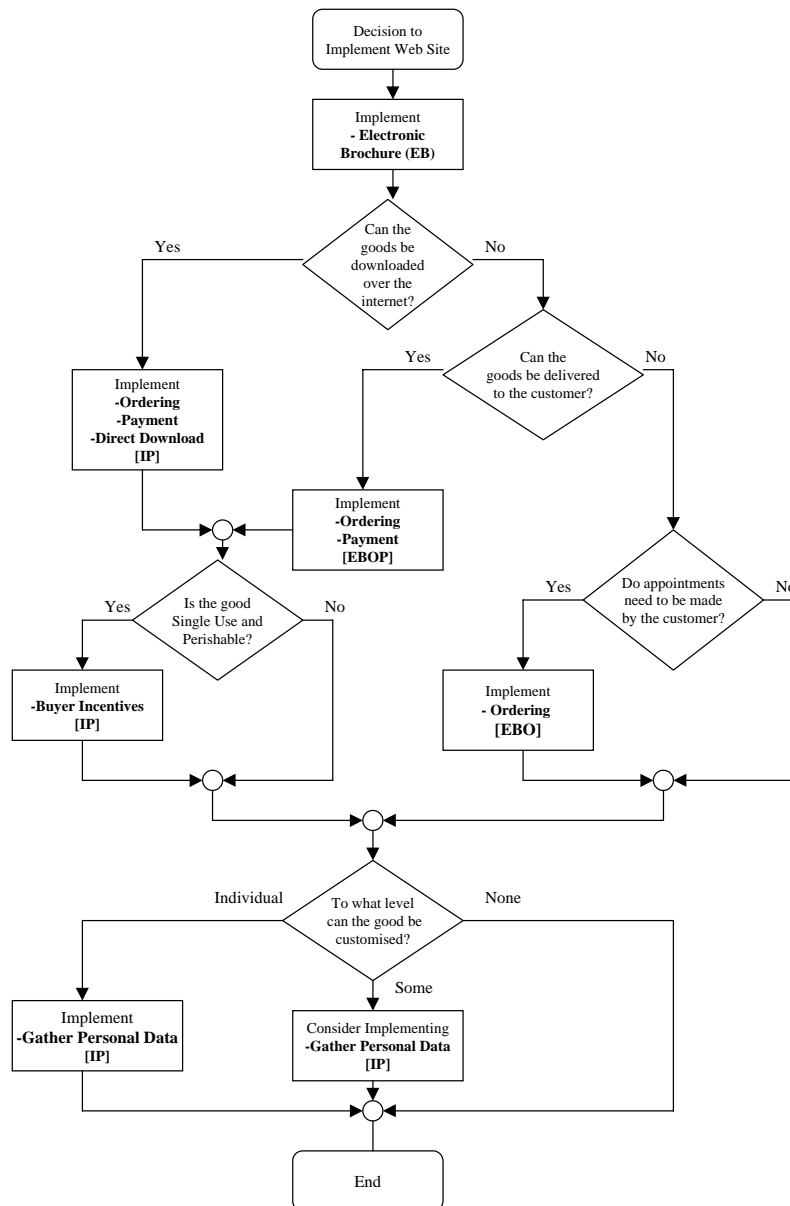
- An extended version of economic theory concerning the properties of a consumer good is a sound basis upon which to commence the process.
- Most organisations that wish to establish a web site would benefit from at least establishing a site with electronic brochure features as a minimum.
- It is best to implement ordering and payment facilities where the good can be sent by mail, delivered or directly downloaded over the Internet.
- There are some situations (for instance, where customers need to make appointments) where it may be useful to implement an ordering facility without payment facility.
- It is best to implement the feature of gathering personal data where the good can be customised in some way towards the individual, but may be useful where the good is available in a number of varieties.
- It is best to implement a frequent purchaser incentive scheme with single use goods where the consumer is likely to order and purchase frequently over the Internet.

### **Features of the Initial Decision Chart**

In the chart, the electronic brochure (EB) option is automatically included, as it would be adopted by most organisations that create a web site. The method of delivery is considered, as well as the extent to which the good can be 'personalised' to the individual consumer. The extent to which the good can be customised to the individual consumer is described at three levels: None, Some and Individual.

With 'Some', some customisation is possible or a limited number of varieties are available - for instance, different types of milk can be purchased: normal, low fat, extra cream and so forth. With

'Individual', customisation can occur to the level of individual customers: such as with clothing. The chart also takes into account situations where an organisation may implement an ordering facility without a payment facility.



**Figure II: Initial Decision Chart on the Use of the Internet to Add Value to Goods**

The chart provides guidelines for an organisation to consider, serving the purpose of identifying that the feature **may** be useful. The organisation will need to decide if the particular feature is desirable. The organisation should also be aware that consumers may have different requirements. Some may wish to purchase a pair of jeans in person, whereas others may be happy to order over the Internet. The organisation should also consider the blurring of classification boundaries previously mentioned, realising that that all goods cannot be easily classified into their separate areas. It could perhaps resolve this by examining how they deliver their goods. For instance, the organisation that sells music compact discs would use the chart on the basis of selling a non-downloadable, deliverable commodity. The organisation that sells music to be downloaded over the Internet would use the decision chart for that occurrence.

The chart operates by providing a classification scheme that firms can examine in relation to their goods. The 'classification path' that they follow leads to the suggested Internet features. The Internet features provide added value for the customer as explained in the examples that follow the decision chart.

### **THE DECISION CHART AND SMALL BUSINESSES: A STUDY**

Many of the examples in the previous section were typical of small businesses. It was considered important that small business practitioners, particularly those that have dealt with many small businesses in a range of areas (business planning, marketing, and so forth), should review the decision chart. The small business consultants were all from the Small Business Counselling Service (SBCS). This is a service provided by a section of the Victorian State Government, Small Business Victoria, Australia. The majority of the counsellors are aged 50 or over and have had vast experience in the counselling areas identified.

#### **Focus Groups**

A focus group involves an organised discussion with a selected group of individuals to gain information about their views and explore their experiences of a topic area. Focus groups are a subset of group interviews, which involves interviewing a number of people at the same time. The emphasis in a group interview is on the **questions and responses between the researcher and the participants**. A focus group differs as it relies on the insight and data produced by the **interaction**

**between participants.** The interaction allows participants to ask questions of each other and to re-evaluate and reconsider their own views (Gibbs, 2000).

The advantages of using the focus group approach are many. They can allow members to react to and build upon responses of other group members. They are able to produce data on the precise topic of interest because they are under the control of the researcher. Focus groups may elicit information in a way to determine why an issue is important, and what is important about it. They may provide benefits to participants. There is an opportunity to be involved in a decision making process, to be valued as an expert, and to be given the chance to work collaboratively with researchers. If the group functions well, trust develops and the group may explore solutions to a particular problem as a unit. Focus groups are easy to organise, cheap and efficient in gathering large amounts of data (Gibbs, 2000; Zikmund, 2000).

Focus groups also have some disadvantages. Some participants may be dominated by others in a group situation. The facilitator of the group may influence the group's actions and therefore create a bias. Careful phrasing of questions and interpretation of results will ensure minimal chance of this occurring. Views of the focus group may differ from those of the entire population of small business consultants. It is felt that the vast experience of the contributors (they have all dealt with hundreds of small businesses in their consulting role) would go some way to overcoming this. The researcher has less control over the data produced than in quantitative studies or one-to-one interviews. The facilitator must allow participants to talk to each other, ask questions and express doubts, while having little control over the interaction other than attempting to keep a general control on the topic area being discussed. By its nature, a focus group is open ended and cannot be entirely predetermined (Gibbs, 2000).

### **Organising the Micro Focus Groups**

One of the major difficulties associated with organising focus groups is to arrange for participants to be at the same place at the same time, especially if the participants have a busy schedule. This is particularly the case for counsellors in the SBCS, who often find themselves travelling to meet with their clients at a time that suits the clients. This was a factor in the number of responses received after the initial request for participation email was sent out. The number of participants in a focus group are

usually six to ten, with as high as fifteen and as low as four (Gibbs, 2000). If a group is too small, there is a chance that one or two group members may intimidate the group. Given the age and experience of the SBCS counsellors, it was felt that the interaction provided (even in groups of three) would be so valuable that the sessions should continue, even with the low numbers of participants. As the two groups arranged both had three participants, they have been dubbed 'micro focus groups'. Homogeneous groups seem to work best, where participants have similar employment types, experiences and communication skills (Zikmund, 2000). This was certainly the case with the SBCS counsellors.

Small Business Victoria provided a list of the SBCS counsellors and their email addresses to the researcher. From the list of **40** Counsellors, **33** had email addresses. An email message was sent out on November 2000 to all counsellors with email addresses to participate in the focus groups, with a choice of three possible attendance dates. Of the 33 messages that were sent out, **six** were returned as invalid email addresses. Of the **27 remaining**, **13** responses were received in total. **Six** counsellors responded that they were unable to attend. Responses were received from **seven** counsellors willing to attend. In the final analysis, three counsellors agreed to attend on Saturday 25 November (the first 'micro' focus group) and four agreed to attend on Saturday 9 December. One counsellor did not attend on 9 December (leaving three in the second 'micro' focus group). Each counsellor was made aware that the sessions would be taped (audio) and that his or her contributions would be anonymous. Many of the typical characteristics of the focus group have emerged during these sessions.

### **What was presented to Participants**

The questions presented to participants are shown below. They were derived from Figure Two.

Possible responses provided for each question are shown in parenthesis after the question.

- Are your products/services downloadable over the Internet? (Yes/Some/No/Unsure)
- Can your products/services be delivered by mail/freight? (Yes/Some/No/Unsure)
- Do appointments need to be made by customers? (Yes/Some/No/Unsure)
- Are your goods single use and perishable? (Yes/Some/No/Unsure)
- To what level can your goods be customised? (Individual/ Some/ None).



The manual accompanying the software provided further explanations of each question. The addition of the 'Some' and 'Unsure' options were provided in order to cater for those firms that have different products and services and participants that were unsure of what response to put.

## **Results**

Participants in the first micro focus group contributed quite a bit of discussion. There was a lot of confusion as to the use of the terms 'Products' and 'Services'. The question 'Are your products/ services downloadable over the Internet?' caused some concern. One participant asked how a product could be downloaded over the Internet, to which another participant replied, "It can't".

In relation to 'Can your products/ services be delivered by mail/freight?', it was generally felt that it was more likely to be products that would be delivered in such a way.

There was a concern that the questions were being asked on too general a level, and that there should be provision for firms with multiple types of products and services to be able to classify these separately. One participant pointed out that even a small business such as a landscape gardener provides products (rocks, grass, flowers and so forth) and a service (the design process).

In discussing the resolution to this, participants noted that many of the questions (including the two mentioned above) allowed for one of four responses: 'Yes', 'Some', 'No' or 'Unsure'. One participant decided that he would probably put 'Unsure' because he did not know what the question meant! After some further discussion it was decided that if a firm's different classes of products and services could be classified **separately**, there would only be a need for two responses: 'Yes' or 'No'. As one participant put it, "You either do or you don't".

Another area of discussion revolved around the question 'To what level can your goods be customised?' There was some confusion about the meaning of the term 'customised'. After reading the definition in the manual there was still some confusion, some about the term and some about the responses on offer (again): 'Individual', 'Some' or 'none'. It was suggested that a better method would be to use the word '**individualised**' instead of 'customised' and, as suggested earlier, ask the question for each class of product or service. This would enable a response of 'Yes' or 'No'. Again, as one participant noted, "You either can or you can't".

One participant raised the topic of deciding when a good can be classified as being individualised, citing the example of a firm that sells stories over the Internet. It was decided that these were NOT individualised, as each separate story was the same when ordered by separate customers. The same participant asked if each story was a separate good (although the word 'product' was used). The answer was that it was a separate good (and would have to be for marketing purposes), but all of them may fall into the same class of good for this exercise.

#### *Changes:*

There was a limited amount of time between the first and second micro focus groups to alter some of the wording of the questions based on the results of discussion in the first micro focus group. The following alterations were made to the questions.

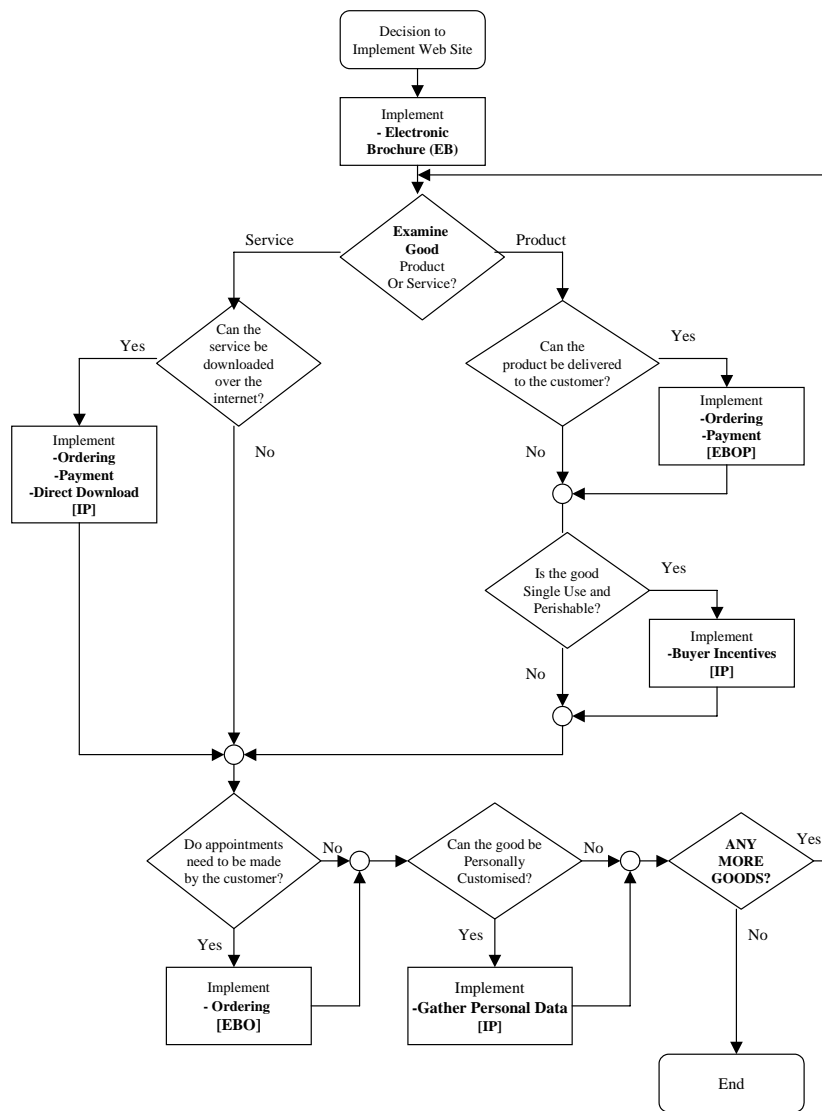
- Do you have services (eg information) that can be downloaded? (Yes/Some/No/Unsure)
- Do you have products that are delivered by mail/freight? (Yes/Some/No/Unsure)
- Are appointments made to receive services or view products? (Yes/Some/No/Unsure)
- Do you have products that are single use and perishable? (Yes/Some/No/Unsure)
- To what level can your goods be customised? (Individual/ Some/ None).

As with the first group, there was a concern that the questions were being asked on too simplistic a level. One participant commented, "the model makes the old assumption that businesses offer one product or service, like a doctor. This view is not contemporary enough to handle industries, such as service industries, that are much broader". The resulting discussion observed that this narrow view was quite common amongst small businesses themselves. It was suggested that the same questions be asked for a number of categories of products and services that the small business could identify (based around, say, business activities).

### **SUMMARY AND REVISED MODEL**

Both groups commented on the need for the products and services section to cover the possibilities that small firms may market a range of products and services. It was suggested that the section be based around categories of products and services (for instance, business activities). On the basis of this, the updated decision chart has been produced (refer Figure III).

Note that the chart has been expanded to include different types of goods on the advice of the counsellors, as well as introducing the different questions that need to be posed for products and services. The decision relating to personalisation of goods has been simplified. A good can now either



**Figure III: Updated Decision Chart on the Use of the Internet to Add Value to Goods**

be customised to the individual or not. Also, the questions are now simplified in relation to the initial chart (for instance, refer personalisation).

In applying the decision chart, an organisation with multiple goods would work through the chart for each good. If a particular web site feature is recommended, even for only one good, the organisation should consider introducing it onto their web site.

## **FUTURE RESEARCH**

The next phase of the study involves an investigation of how the decision chart matches current web site implementations. This will be done by comparing the web sites of a number of businesses *within*

industry groups. Further extensions to the chart will be considered in the light of this. At the final stage, the chart will be field tested with actual businesses to determine its usefulness.

## **CONCLUSION**

The updated decision chart presented in this paper should prove useful in assisting firms that wish to add value to their goods by using the Internet. The investigation accepts economic theory regarding the properties of consumer goods and the recognition of Commodity and Service as the main types of consumer good. It is important to identify these properties as they can influence how the Internet may be used to add value. This was used as the starting point to design the initial decision chart, based upon some of the inherent properties of consumer goods (single use versus durable use and perishable versus non perishable) and extended with characteristics identified as being important when implementing a web site (method of ordering and delivery of the goods and the level of personalisation). It operates by providing a classification scheme that firms can examine in relation to their goods. The 'classification path' that they follow leads to the **suggested Internet features** which provide added value for the consumer. In addition to this, members of the Small Business Counselling Service reviewed the model. They found that the chart needed to be simplified and to be versatile enough to be applicable to firms with different types of goods.

The updated decision chart should prove useful because it identifies and links together a number of important determinants of how, and to what degree, the Internet can be used to add value to a consumer good.

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