

# E-Commerce Challenges for Professional Services SMEs

by

Dr Dorothy Riddle, CMC

Service-Growth Consultant Inc.  
Vancouver, Canada

In 1998, predictions were that there would be at least 150 million Internet subscribers by 2002. In fact, we have already passed the 350 million subscriber mark! The rapid growth of e-business, supported by the launch of global satellite communication networks, is creating rapid changes in the global trading environment.

Most of the e-commerce literature has focused on consumer services or on the business service that facilitate goods purchases (e.g., logistic and distribution services). While it is widely recognized that 80 percent of e-commerce is "business-to-business", little attention has been paid to the changes occurring in the professional business-to-business services.

Professional services share certain characteristics that must be taken into account in designing an e-commerce strategy:

- a) Many professionals are not trained in marketing their services and, in fact, avoid the marketing function; however, potential clients want to meet the professional who would design the service (rather than a marketing representative).
- b) Professional services are not created until an agreement to purchase has been reached; therefore, the decision to purchase has to be made without being able to inspect what is being purchased.
- c) Typically a professional service begins with an assessment or evaluation phase, for which the client pays, in order to determine precisely what is needed.
- d) In many professional services, the client's role is a relatively passive one as the professional assumes the role of expert.
- e) Professionals who have been in business for over five years would not have received training in how to incorporate information and communication technologies into the design and delivery of their services.

## The Internet as a Marketing Vehicle

The greatest barrier to service export success, especially for services providers from developing countries, is the difficulty new exporters face in gaining credibility in international markets. The Internet can overcome this barrier by making the size of a

firm invisible (even a small business can develop a polished and sophisticated web presence) and overcoming customer concerns about accessibility.

The second largest barrier to service exports is physical access to foreign markets, both in terms of the costs of travel and problems with gaining temporary entry for business purposes. Air transportation costs and difficulty in obtaining visas have traditionally made some geographic markets inaccessible to developing country service exporters. Services delivery over the Internet virtually eliminates these trade barriers.

For professional services providers the Internet also offers an interactive medium with potential clients that does not involve professionals in direct marketing activities. Potential clients can interact with the firm through a well-designed website, supported by real-time staff response, and view professionally prepared marketing materials. In order for this to be effective, though, services firms must resist simply putting promotional text on the Internet. The websites has to offer value to the visitor.

## Website as Proxy Measure for Service Quality

One of the most interesting phenomenon is the change in expectations that is occurring with regard to the Internet. Only a year ago people were glad to have any access at all. Now site visitor's attention span is estimated at eight seconds before they move on to a different site (or a different part of a given site).

While a relatively small portion of clients expect professional services to be delivered over the Internet. Instead of being asked to send hardcopy information about one's firm and its services, one is hearing more and more, "I'll go onto your website and take a look".

In designing one's website, on has to remember that it will be sending potential clients messages about how responsive the firm is to client needs, how efficient the firm is likely to be in delivering the services, and what the quality of the service is likely to be. Here are some of the current benchmarks:

- the website's first page load in under 3 seconds
- subsequent pages load in under 1 second
- the opening page contains some information of value to the visitor (i.e. not simply contact information for the firm)
- any information desired is no more than 2 clicks away
- explanatory text is displayed when the mouse points to a header
- requires no extra technology
- any sounds or graphics used do not delay the loading time

One of the particular challenging aspects of website design is that the Internet is global. Visitors may be from any culture and may speak any language. Thought needs to be given to creating an ambience that respects cultural diversity and that, if appropriate, offers a choice of languages.

## Expectations of Free Self-Assessment Tools

One of the challenging shifts for professional service providers is the growing expectation that the assessment phase, as well as other forms of professional advice, will be free of charge. Professional service firms will need to be prepared to provide at least one of the following on their website in order to be considered seriously:

- self-assessment tool, with analytical feedback to the user
- instructions on "how to"
- strategic tips for success
- guidelines for selecting a professional service provider
- framework for comparing and assessing service options

## Expanding Use of Extranets

The role played by client is expanding in keeping with the interactive and transparent nature of the Internet. Using extranets, or secure networks in which clients can be included, leading professional service providers are engaging their clients in designing and shaping the services they receive. For example, architectural firms can place on an extranet the capability for a client to "play" with a different design features in order to provide feedback to the firm's architects. By adding in virtual reality technology, clients can "walk around in" a particular design and thus determine ahead of time what they would like.

## Integration on On-Line and Off-line Service Delivery

One of the challenges over the next few years will be balancing technology-enhanced and technology-neutral service delivery models (the "click-n-bricks" phenomenon). Not all clients will have or will use the enabling technologies. Others will want some aspects of service delivery automated and others delivered more traditionally face-to-face. Successful professional service firms will be those that have integrated the Internet and related technologies as one of the modes of delivery.