USING THE INTERNET FOR SERVICE EXPORTING
Tips for Service Firms

The Internet is a technological support that is rapidly accelerating the export success of service firms in developing and transitional economies by addressing the two greatest barriers: (a) gaining credibility in international markets, and (b) the costs and restrictions of travel for export market development. Regarding credibility, the Internet helps service firms in the following ways:

- Even little-known firms can become instantly "visible"
- Potential customers become less concerned about the service provider's geographic location if they feel the firm will be electronically accessible.
- The size of the service firm is invisible as even a small firm can develop a polished and sophisticated web presence.

Regarding travel, on-line visibility can elicit invitations to visit as well as eliminate the need for travel once customers are comfortable with service delivery over the Internet. An increasing number of service providers have never met their foreign customers except "virtually" on-line.

Using the Internet

There are five main ways in which your firm can use the Internet for export success (see Box):

Basic Communications

Promoting Capabilities Gathering Market Information

Generating Sales

Delivering Services

Basic Communications

The Internet can facilitate "location neutral" communication with customers, suppliers, strategic partners, and travelling staff. Applications such as e-mail, telephony (telephone service over the Internet), and video conferencing support real-time interactive communications world-wide. Communications use of the Internet can result in significant savings and is rapidly becoming the primary mode of communication in the global business world. Internet service providers (ISPs) are supporting easy use of the Internet through a range of tools such as automated mail responders (mailbots), which act like a fax-back system and allow automatic distribution of electronic versions of promotional material, samples of work, and brochures upon request.
Electronic mail is the most frequent use of the Internet infrastructure. While it can be viewed as impersonal by first-time users, this reaction has decreased as users become more comfortable with the medium and grow to appreciate its speed and convenience. It is now possible to transmit not only text but also data, graphics, sound, and video.

The initial concern about e-mail was connectivity (i.e., did the other party have e-mail). Now the challenge is being "heard" in an environment where users are deluged with 50-100 e-mail messages each day. Here are some tips for effective use of e-mail features:

- Make your Subject Line clear so that it gets read.
- Keep the message short and stay on one topic.
- Personalize your message to the receiver.
- Reply promptly (within 24 hours) to messages.
- Use customized signature (sig.) files, which include name, title, contact information, and a short tag line if desired and is automatically added to the bottom of your e-mail messages.
- Use the automatic response feature when you plan to be away so that senders know when to expect you back or whom to contact in the interim.

It is also important to observe "netiquette," the unwritten "rules of the road" for Internet communication (see Box). As well, it is important not to abuse customers' goodwill through inappropriate use of bulk mail features.

Telephony:
The transition towards packet switching now supports the provision of long distance telephone service at the cost of a local call (unit rather than distance pricing) over the Internet. Be sure to investigate what telephony services might be available from your ISP.

Videoconferencing:
The cost of videoconferencing technology is now quite affordable for many businesses. Small cameras can be attached to office computers, allowing real-time videoconferences to replace expensive travel for in-person meetings. Alternatively, commercial video conferencing facilities are available in many major centres, to use on a fee-for-service basis.

### Netiquette

**Regarding general communications:**
- Don't use CAPITALS (upper case letters) as this is the equivalent of shouting on the Internet.
- Be courteous and avoid sarcasm.
- Use good grammar and spell check your message.
- Don't send attachments or complex graphics without permission as they can take a long time to download.

**Regarding promotional or group messages:**
- For mass mailings, use the "blind copy" feature.
- Only post ads where they are welcome.
- Avoid spamming (equivalent of "junk mail").
Promoting Your Capabilities

The Internet offers many ways to promote your capabilities and build the reputation of your firm. Because the culture of the Internet is based on the free exchange of information, you can readily participate in news groups and online conferences, launch inexpensive mass marketing initiatives, or develop a website as vehicles for heightening your credibility. This has to be done carefully, however, as blatant advertising or self-promotion will not be appreciated by the online community — including your potential customers.

News groups:

More than 10 million people participate in news groups, which are generally free or low cost. Usenet news groups are hierarchical and arranged by subject. They are dedicated to the discussion of a particular topic (of which there are estimated to be more than 100,000). They can be an effective way to establish yourself as an expert by providing thoughtful, value-added comments and responses to the questions and opinions of other users. Here are some tips for successful news group participation:

- Monitor each news group initially to see if it will be worthwhile.
- "Lurk" (read without posting any messages or response) until you understand the preferences and standards of the newsgroup because they are all different.
- Use sig. files to increase your visibility, customizing your tag line to be relevant to the focus of the news group.
- Only post a message when you have true value to add to the discussion.

Be aware that monitoring news groups is time consuming so it is important to choose the newsgroup(s) carefully. As with e-mail, overt advertising is not appropriate.

Mass marketing through mailing lists:

Lists of e-mail addresses are now publicly available to send out e-mails to targeted groups online (see box). They can be used to promote your services, advertise awards or upcoming events, or solicit new customers. They are generally organized by subject matter and, when you post a message to a particular mailing list, it is sent out to everyone who has subscribed to that list. While access to a news group is open to anyone on the Internet, you must be a subscriber to a mailing list in order to receive and read its messages. News groups require the reader to dial in to them to review messages, while mailing lists use "push technology" to distribute messages to their specific sets of subscribers.

Samples of Comprehensive Lists

<table>
<thead>
<tr>
<th>Liszt</th>
<th><a href="http://www.liszt.com">http://www.liszt.com</a></th>
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<tbody>
<tr>
<td>Post Master Direct Response</td>
<td><a href="http://www.postmasterdirect.com">http://www.postmasterdirect.com</a></td>
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</table>

There are three general types of lists: moderated (screened) lists, unmoderated lists, and digests (where subscribers receive a compilation of messages rather than many individual e-mail messages). You can also generate your own mailing list by selecting e-mail addresses from your contact database, registration on your website, subscription to your electronic...
newsletter, etc. Mailing lists can be an inexpensive way to reach large numbers of target customers, especially for a mass market approach (e.g., for non-customized services). However, some receivers may perceive your message as "junk mail." If you are going to use mailing lists, here are some tips:

- Choose a list whose subscribers closely fit your target group (e.g., government procurement officers if you are selling GIS systems to municipalities).
- "Lurk" for at least two weeks to monitor the behaviour and standards of a mailing list before posting a message.
- Test any bulk e-mails on a "friendly audience" before sending them "live".
- Carefully compose the subject line to encourage readers to open your message.
- Ensure that your message is "on subject."
- Have a "call to action" in your message to encourage readers to respond or visit your site, and then have a process in place to track any responses you receive.
- Use a sig. file so that your message is easily identified.
- Observe the same netiquette rules as outlined for e-mail communication.

If you do create your own mailing list, increase your response rate by ensuring that all replies will be confidential and guarantee that you will not distribute respondents' e-mail addresses.

Visibility on industry homepages (association or government websites)
To help you promote your capabilities through a website presence on the Internet, many industry associations and government trade agencies are developing on-line directories highlighting their member firm's capabilities. Generally you have two choices: (a) create a "hotlink" to your own website, and/or (b) create a webpage on the industry homepage site. Either way you benefit by being part of a recognized site.

The benefits of simply creating a webpage, using a standard template, include low design and set-up costs, minimal maintenance responsibilities, and no technical expertise required. On the other hand, you have no control over the design and information presentation, with only a limited ability to customize your material and no capability for interactivity with customers.

Creating your own homepage:
There were over 230 million websites by the end of 1997 and more are being added by the minute. With the advent of Java and HTML programming language, building a homepage is now within the technical grasp of most companies. However, it takes significant resources to properly design and maintain an on-line presence, and the development of a website must be undertaken in the context of your firm's overall business goals in order to maximize the return on investment.

There are many web design firms, as well as ISPs, who can provide assistance in the development of your website. Many governments and associations also have subsidy programs to help offset the initial set-up costs. Whichever method you choose, it is critical to have senior management support and commitment to maintaining the site, much as you require for other strategic exporting efforts. If you are going to develop your own homepage, here are some tips:

- Develop a communication plan before site launch.
- Don't make your site too graphics rich in order to avoid downloading delays and visitor frustration.
- Register your site on the common search engines.
- Get your site listed on the "what's new" sites such as:
  - Netscape's What's New
    http://netscape.com/home/whats-new.html
  - Site Launch
    http://www.sitelaunch.net/
  - Epage Classified
    http://op.com
  - Open Market
    http://www.directory.net
  - Net-Happenings Newsletter
    http://www.mid.net.NET
  - Net Surfer Digest
    http://www.netsurfer.com/nsd/index.html

- Market the presence of your site through other promotional materials.
- Update your site regularly.
- Check your links regularly.
- Get professional design advice.
- Ensure that the site reinforces your desired corporate image.

You will also want to be sure that you leverage your website investment by taking steps to "drive" traffic to your website (see Box).

Having your own website (rather than just a webpage on someone else's site) allows you to adapt your material over time based on customer feedback, link your website to complementary sites, and can add value to the services you provide. On the other hand, websites take time and resources to develop as well as dedicated resources to maintain.
Tips for Driving Traffic to your Website

Design
- design site to support your overall business objectives
- ensure that the level of technology is appropriate for your customers and that your pages are not too graphic intensive
- ensure that it is accessible 24 hours/day
- engage your customers in a dialogue
- fine-tune your content for each visitor (by integrating a personal preference database into your site)
- keep your site updated to retain a freshness factor
- ensure that your site has some entertainment value
- keep your tone "light" and conversational in style
- evaluate your site to ensure it is meeting your expectations

Launch
- develop a communications strategy
- plan site launch, including sending out press releases, invite attendance through hosting messages on news groups, newsletters, mail lists, "What's New" sites, banner advertising, direct mail, sig. files, etc. You should also use direct mail and advertising.
- provide gifts and give-aways during launch activities

Links
- ensure that you are "well-linked" from other relevant sites
- position "outbound links" 2-3 layers down in your site to ensure that visitors don't link out without seeing all that you have to offer
- once another site has agreed to provide a link to your sites, provide them with both your icon (*.gif or *.jpg format) and HTML. Within the HTML include a tag line that entices people to click on your link.

Encourage repeat visits
- What's New page
- maintain a current calendar of events for your industry
- list employment opportunities
- maintain useful links from your site
- provide on-line chat sessions/bulletin board
- Tip of the day/week/month
- surveys and results

Maintenance
- keep your site "evergreen"
- decide whether you want to maintain your site in-house or contract it out - respond to website e-mails within 48 hours
Gathering Market Information

The Internet is a rich resource for collecting information on your markets, competitors, and customers. With training in Internet search techniques, you can design very sophisticated and targeted searches on specific topics.

Market research

While there are commercially available market research services, you can conduct a great deal of your own research using popular search engines such as:

- Alta Vista: http://altavista.digital.com
- Excite Inc.: http://www.excite.com
- Hot Bot: http://www.hotbot.com
- Infoseek: http://www.infoseek.com
- Lycos Inc.: http://www.lycos.com
- Meta-Crawler: http://www.metacrawler.com
- Northern Lights: http://www.nlsearch.com
- Webcrawler: http://webcrawler.com
- Yahoo! Inc.: http://www.yahoo.com

On-line bidding

Many governments and large organizations post their Requests for Proposals electronically, to encourage fairness and transparency in the bidding process (e.g., World Bank's http://www.worldbank.org). By establishing a regular monitoring process on bid opportunities, you can identify the ones of most interest to your firm.

Partner search

For firms interested in identifying strategic partners, there are numerous government and association sites that support searches for firms of complementary strengths (e.g., ITC's Services Exporting Homepage http://www.intracen.org/servicexport/). These can be found using search engines as well as by monitoring the web pages of associations that you have already identified. It is important to develop a capabilities profile of your own form that you can post on these electronic bulletin boards, clearly stating what you are looking for in a partner.

Customer feedback

Your website can be designed to capture valuable customer and supplier feedback on your services by ensuring that your site is interactive and has the capability to allow customers to post suggestions, complaints, etc. The use of bulletin boards, chat groups, on-line conferences, and direct e-mail links are examples of mechanisms to collect customer feedback. In addition to your website, you can also use news groups and mailing lists to post questions to your customers and solicit their responses.

Sales Generation

The Internet is also an excellent vehicle for service delivery and sales generation. The advances in encryption technology have made financial transactions over the Internet secure for consumers. Retail, travel, and financial industries have been quick to capitalize on the benefits of electronic commerce; however, there are many other service industries who could also promote and sell their services via the Internet.

Generally speaking, the more customized the service is, the more difficult it is to sell it directly over the Internet. For example, clients purchase management consulting or legal
services based on the reputation of individual practitioners and would not make a purchase decision based solely on a Website, no matter how professionally presented. Many clients, however, are comfortable purchasing travel services electronically as this is an example of a standard service. Potential customers may comparison shop on-line, but then purchase directly. Services suited for sale over the Internet include the following:

**Services suited to direct purchase over the Internet**

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<th>Services</th>
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<td>Advertising</td>
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<td>Air transportation</td>
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<td>Back Office</td>
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<td>Commercial education and training (distributed learning)</td>
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<tr>
<td>Computer services</td>
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<td>Courier</td>
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<td>Customs brokers</td>
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<td>Financial</td>
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<td>Health (telehealth)</td>
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<td>Insurance/reinsurance</td>
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<td>Internet</td>
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<td>News/broadcasting</td>
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<td>Market research</td>
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<tr>
<td>Multimedia</td>
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<td>Retail/franchising</td>
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<td>Software</td>
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<tr>
<td>Telecommunication</td>
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<td>Travel/tourism</td>
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<tr>
<td>Translation</td>
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<tr>
<td>Web site design/management</td>
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**Services suited to marketing, but not sales, over the Internet**

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<th>Services</th>
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<td>Accounting</td>
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<td>Business services</td>
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<td>Consulting engineering</td>
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<td>Design</td>
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<td>Environmental</td>
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<td>GIS/Geomatics</td>
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<td>Maritime services</td>
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<td>Marketing/Public relations</td>
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<tr>
<td>Personnel</td>
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<tr>
<td>Quality assurance/technical inspection</td>
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<tr>
<td>Science and technology</td>
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<tr>
<td>Utilities management</td>
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Fax/phone-back options

You can design your site to trigger sales calls or the faxed response of information if requested by potential customers. You can also ask them to call or fax in orders if electronic transmission of financial information is a security concern.

Service Delivery

Some services are well suited for actual delivery over the Internet. The cycle of promotion, design, communication with the client, service delivery, and follow-up can be conducted electronically. There are significant cost savings to be realized when you do not have to travel to a client to market and deliver a service. The following services are example of those suited for delivery over the Internet:

- Distributed learning (commercial education and training)
- Health (telehealth)
- Financial services
- Internet management
- Website design/management
- Network administration
- Translation
- Market research
- Design
- Back Office
- Publishing/News/Broadcasting
- Multimedia

Getting Connected

Developing your Internet Strategy

Given the range of activities and corporate functions that can be performed through the Internet, it is critical that you (a) closely examine your primary business objectives, (b) identify the technological capabilities and preferences of your customers, and (c) analyze your service delivery process to determine which options provide the most competitive advantage.

Choosing an ISP

Given the explosion in ISPs around the world and the rationalization within the industry, it is important to choose your ISP carefully to ensure that you receive the services most important to you and your firm. There is a trend towards OSPs (On-line Service Providers) which supply value-added services including content, website design, etc. in addition to basic Internet access. The following are questions to consider when choosing an ISP:

- Do you offer flat-fee service?
- How many hours of access do I receive per month within the basic fee structure?
- How many users can I add per modem line without additional charges?
- Is a free Homepage included in your basic subscription fee?
- Do you offer 24 hour technical support? In what languages? How long is the average wait to speak to a real person?
- When I travel, will I be able to receive local dial-in access? Roaming services?
- Do you offer an executive news service?
- Do I receive free Internet browser software with my subscription?
- Do you offer/include e-mail and Internet research training?
- How often can I expect to receive a busy signal during dial-in? What are your peak usage times?
- What is your network utilization ratio?
- How fast is your e-mail delivery?