Building brand value online

A website can add real brand value to your business. But unless you follow through with a great user experience, the cost to your business could be very high indeed, warns Archie Roboostoff.

THERE IS no denying the value and importance of a company's online presence, especially in today's economic climate. Take retail as an example; the UK high street in steady decline and the list of troubled retail brands continues to grow as household names including Habitat, Focus DIY and Mobens struggle to pull consumers in off the street. This is taking retailers into a new battleground online where website design and functionality drives fierce competition amongst the different brands and offers a great opportunity for brand differentiation.

The reputation of a brand should not solely be the interest of a marketing team. Brand value has a huge impact on the business as a whole and can translate into revenue loss or gain. Adding brand value is a great incentive for companies to build innovative websites, but for those that rely on their website as a revenue generator, the cost of a poor online experience could be very high indeed.

In fact, the total cost to UK businesses could be as high as £36.7bn, according to a recent CEBR report. When Amazon's servers experienced technical difficulties earlier this year, it took down many commercial sites housed on the servers including Foursquare, whose business model relies upon targeted advertising and discount vouchers.

Costs could escalate beyond the £36bn mark as the online market becomes more competitive. If a company's website doesn't perform to user expectations it's far easier for customers to look elsewhere and vote with their feet online than it is on the high street. Companies need to make sure that their websites are able to withstand high amounts of traffic at peak periods, as well as being able to work to a standard the customer now expects online - a new minimum standard is being set.

There are several questions a finance director should ask of their CIO when a website project and investment is outlined. Without acknowledging these specific areas, the FD risks wasting budget on a project that won't fit the business need and losing revenue as customers turn to more reliable websites.

Creating the best user experience

Companies need to make sure their websites are able to withstand high amounts of traffic at peak periods, as well as being able to work to the new standard the customer now expects online. On a technical level, a finance

director must demand that any website development will be guaranteed to fulfil the requirements of the business and its customers. It must also perform efficiently, even at its busiest times.

Performance: Testing

Testing should form a comprehensive part of any proposal received by the financial director. Performance is a vital part of ensuring a business is a success online and this should not be left to chance.
It seems obvious that the test quality should reflect the true environment. For example, if you have a website with complex rules, those rules need to be exactly simulated at the point of testing. Many do not invest enough in the testing phase; testing measures that are put in place have too simple a set of instructions and don't reflect what will be required in situ. This is an expensive error businesses in the UK already incur almost £100m of e-commerce revenue losses every year as a result of website failures.
If businesses don't ensure their websites can handle the extra loads experienced during peak times through accurate testing the cost could reach tens of billions of pounds. For example, online ticket retailers are particularly susceptible to fluctuations in demand, as demonstrated by recent website failures for the London 2012 Olympics and Ticketmaster.co.uk.
Traditional approaches to website and software testing required a large investment in infrastructure to replicate the peak volumes. Now, new software packages that allow for testing in the cloud enable teams to rapidly launch any size peak-load performance test without having to set up and manage complex infrastructures. Instead of investing in hardware that is not used for a large portion of the time, businesses can schedule the testing time for their required user volume on demand - only paying for what they use, when they need it. Also, the 200,000 virtual users created through cloud-based simulation don't get upset when they overload the web site and reputations aren't damaged. Adopting these 'pay as you go' performance testing methods mean the IT department has no reason not to deliver a website that does what is intended to do.

Online success
Having a slick, robust website is vitally important for businesses today. Companies must not only protect against any potential loss of revenue in the short term caused by website outages but also protect their brand and reputation in the longer term by ensuring a better customer experience. This can only be guaranteed through comprehensive testing for the highest volume of anticipated users. These must be key considerations for any finance director when a proposal for website development is received.
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