

This multi-media presentation features examples of current Web site technology.

Move over Silicon Valley, Alley and Prairie. Its time for the reign of Silicon Dairy!

Under the radar of the media and state policy makers, Wisconsin business owners have sowed the seeds of success online since 1995. Wisconsin businesses have long combined their mid-western work ethic and an entrepreneurial spirit for success on many scales. Learn how four businesses have plotted their course for success on the information superhighway.

Use these lessons along with the “six steps for e-commerce success” to plot your own course for your Wisconsin online business venture.

Wisconsin E-commerce Success: Notes from the Trenches

Presented by Barbara Luhring, Owner, 3W Design, Inc., Sister Bay, WI

Intro

“The Internet industry may be taking a beating, but the Internet economy thrives”. So stated the headline in an October 6, 2000 story by Jonathan Weber in the online version of the *The Industry Standard*, <www.thestandard.com>. Transforming the way people communicate, the Internet has allowed sweeping changes in the way business owners view their products and services. Why restrict yourself to offering your product or service to just one geographical region, when you can offer it to the world?

Another article appearing in the September 21, 2000 issue of the *New York Times*, offered a story on the success small town, main street retailers are having online. The headline, “The Opposite of Amazon.com; Small Stores Plug Chinks in the Mortar with the Web”, speaks volumes as to how the Internet has assisted existing business in broadening their customer base. Can this happen in Wisconsin? It already has.

In Wisconsin, away from the hype of Silicon Valley or Silicon Alley, resourceful business owners have been active participants in the online revolution for many years. How have they done it? Their approaches are as individual as the businesses they own.

In the past, the success of Wisconsin’s largest manufacturers and retailers is part of the fabric of our state history: Harley Davidson, Miller Brewing, Lands’ End. However, according to the 1999 edition of the national report by the Corporation for Enterprise Development, Wisconsin received a “C” grade in ‘business vitality, based on entrepreneurial energy and the improving diversity of the economy’. Yet today, under the

radar of the media and the policy makers, Wisconsin business owners are flexing their entrepreneurial muscles online. They are using the Internet and the vast audiences it serves, to enhance their existing businesses or to start new businesses. People are finally taking notice.

What qualifies me to tell the story?

In 1995, Gregg Luhring and I founded 3W Design Group as a branch of my advertising and marketing business I had been operating in Sister Bay, since 1990. 3W Design Group offers web development for our existing advertising clients along with the rest of the greater Door County community. Long a tourism destination, the Door Peninsula was a perfect candidate for online marketing. Business is brisk and to date we have created more than 150 Web sites, of which almost 95% are small business owners. We have witnessed success, some expected, some unexpected. Can these small-scale successes be applied to Wisconsin businesses of any size? Absolutely. Let me tell you how.

The niche market (web site comes up)

Dick and Gretchen Regnery were corporate/government management refugees who fled the city and opened their Door County bed and breakfast in 1991. Whitefish Bay Farm Bed and Breakfast, a renovated 1908 farmhouse, offers 4 guest rooms, an artist gallery and a flock of Corriedale sheep that produce fine wool for spinning. In 1995, following a strong gut feeling, they decided to go online with their business. They were correct in assuming the lodging end of their business would be immediately enhanced by a Web site, resulting in new guests who had previously been unaware of their bed and breakfast. But their biggest surprise was what the Internet did for their fiber sales business, a true niche product sought out by spinning enthusiasts.

Corriedale sheep produce a natural colored or white coat or fleece, suitable for hand spinning or felting. Every spring the Regnerys placed their 90 or so fleeces up for sale, hoping they would sell out by the end of the year. 1996 was the first season their fiber products were sold on the Web. The inventory was put online in April and by September they had sold out of product. Today, most of the fleece is spoken for by early June. In addition, the past 2 years have brought international sales, customers from Canada, France and England who are also reserving product for the following year! In all, over 100 fleeces sell out by midyear, thanks to their online effort. In addition, occupancy at the bed and breakfast has increased each year since their Whitefish Bay Farms site went live. The different facets of their business feed each other. Spinning enthusiasts view their Door County bed and breakfast as a singularly unique experience. The spinning community, very loyal and tight knit, has given their business positive "online word-of-mouth" in the spinning chat rooms. Dick says they receive a noticeable amount of inquiries after their fiber products are mentioned in the chat rooms. As a result of their marketing efforts, 2000 will go down in the books as their best season yet. Impressive in what has been called an overall flat Door County tourism season.

Custom manufacturer (show web site)

With 10,000 plus manufacturers in Wisconsin, the market is competitive. One of these manufacturers vying for a piece of the construction materials market is Extrutech Plastics, Inc. of Manitowoc. Extrutech Plastics can take a client's idea, from initial design

through tooling production, to full-scale profile production. A large part of Extrutech's business is close tolerance, cellular PVC extrusion. These products include paneling, molding, flooring and other building material. These materials can be provided with a variety of finishes including wood grain, where the wood grain is actually embedded into the plastic.

Much of Extrutech's marketing efforts are focused on educating their customer about the uses of their products. Extrutech products have been used to build commercial buildings, such as, the dairy buildings and milking parlors in the state of Michigan that were finished in plastic profiles manufactured by Extrutech. With education of the building industry in mind, Extrutech's vice president, Christopher Dusette, commissioned a Web site in late summer of 1999.

Their Web site highlights their building materials, custom products and includes a page on the benefits of using plastic as a building material. Dusette claims the Web site has saved time for customer service representatives by listing specifications and focusing on the customization facet itself. It has proven to be a positive addition to their advertising and marketing efforts and has built awareness with architects, contractors and dealers.

In the future, Dusette plans to include building product dealer information and an e-commerce component to their site.

If I could only show them (show web site)

Resort owners know if they can get a prospective guest to tour their facilities and grounds, they will turn the prospect into a customer. So it is with Jerry Zaug, marketing and financial director for his family owned business, Country House Resort of Sister Bay. Jerry, along with his wife Joan, who manages the back office, and daughter Cheryl Zaug Casey, resort manager, purchased the northern Door County resort in 1989. Zaug has always been a firm believer in marketing and saw the web as a chance to give the online viewer a virtual tour of his resort increasing the chance that they would become eventual guests of the Country House.

In November of 1996, Zaug took the plunge and developed a site that includes five Quicktime Virtual Realty Panorama movies. These movies highlight the variety of accommodations, luxury suites, penthouse suite, bluff and gardens, and the pool and spa area. Additional still photos show viewers the stunning bluff location, nature trail and the sunset view overlooking Green Bay. Rates, seasonal packages and other resort information are also available on the Web site, making the case for a Door County getaway unlike any other. Zaug has capitalized on his location, followed his instincts and has found success online.

Zaug says his biggest surprise concerning his Web site was the amount of traffic and visitor sessions the site generated in its first year. It still surprises him today. Activity on his Web site has doubled every year. In 1997, the site was his fourth best source of new business behind traditional print advertising. Today it is number one. But Zaug has not abandoned traditional methods of marketing. Instead, he has incorporated his Web site address into everything he prints. The Country House Resort Web address is as large as his phone number in all his ads and print material. He is also attuned to reading the statistics he receives from his site, and has found that 70% of his visitors have typed in the address itself, meaning they have either read the address on a printed piece or have been given the address to look at via "word-of-mouth". This hybrid form of marketing,

utilizing print and online opportunities has served him well. Though he is careful about jumping on board every time someone approaches him with a paid link opportunity, Zaug does try to exploit links and search engine registration. His diligence has paid off. He knows every time someone new finds his site, chances are good that the Country House Resort will soon have a new guest.

Ice cream king looks to conquer the world (show web site)

Jay Blossom is an ice cream evangelist. He loves ice cream, vanilla being his favorite flavor. He once owned a business that made ice cream from scratch, the Door County Ice Cream Factory restaurant in Sister Bay. There are plenty of Internet start-ups that would be memorable by being based in Wisconsin. But not too many would be as memorable as Blossom's newest business, IceCreamSource.com. IceCreamSource.com is a virtual ice cream store where viewers can choose from more than 200 flavors of ice cream, gelato and sorbets from 12 manufacturers. Among the brands to choose from are UW Madison's own Babcock Hall, Starbucks, Edy's Dreamery, Godiva, Seattle Sorbet and Ciao Bella Gelati. Blossom also sells ice cream paraphernalia including dishes, scoops and books. Most of his orders are sent as gifts and customers have come back to order again since the site went live in 1999.

Blossom also offers customers the option of joining the Ice Cream Club, which includes a different six-pack every month, like "Chocolate Lover's Six Pack", featuring the most indulgent flavors from manufacturers like Godiva, Edy's and Ben and Jerry's, which are sent to your gift recipient or to you.

The pure surprise and shock of receiving ice cream in the mail, makes quite an impression and Blossom plans on making that point as he markets the IceCreamSource.com solution to corporations for holiday gift giving. In addition to running print ads in *Food and Wine* and *Gourmet Magazine*, Blossom is engaging in permission email marketing with customers that have already ordered from his site. His site was also mentioned in *People Magazine* this past summer. How does this innovative service work?

When an order is placed, the six pints packed in dry ice are placed inside a Styrofoam container and sent UPS via two-day service. The product arrives frozen solid. IceCreamSource.com incorporates a database of products that allows the pages to be created "on the fly". This allows flavors to be added quickly and eliminates the need to create individual pages each time the product list changes.

Blossom is the only virtual ice cream store on the web that features a multitude of flavors. Some manufacturers such as Edy's and Godiva sell gift certificates online, but they have to be redeemed at a grocery store, adding to inconvenience. In order to redeem a certificate, the recipient must go to a nearby grocery store and choose from their selection. The selection of ice cream flavors available is different from store to store and region-to-region, so you are never sure what flavors the recipient of the gift certificate will end up with. IceCreamSource.com takes the guessing out of the giving.

In the future, Blossom wants to offer ice cream manufacturers the opportunity to have their own store within a store. For example, if Babcock Hall wanted a microsite affiliated with IceCreamSource.com, the address could be www.icecreamsource.com/babcockhall. He is confident people will continue to give the gift of ice cream. As long as they do, IceCreamSource.com will be there to assist them.

If your web site were an employee, would it be fired?

The business owners I have mentioned have three things in common. First, they all believed in the Internet as a form of contact with current and potential customers. Second, they had the vision and the persistence to set basic goals and monitor those goals. Third, they are all Wisconsin businesses succeeding online in their particular field of expertise. What can you learn from these examples?

If you currently have a company Web site that you would like to fire, here are the steps that will help you turn around that interactive underachiever.

1) Evaluate

If you already have or are seeking to add a Web site to enhance your product or service, start by evaluating your online needs. If you have a site, how productive is it for you? Did it produce sales leads? How many visitor sessions did your site produce or did you only get hits on your top page? Begin to set real goals for your Web site, just as you would for any human employee. If you want to add e-commerce, what are your sales goals? If you want to promote inquiries only, how many do you want each month of the first year? Setting a measurable goal will give you the information you will need later to evaluate the decisions you make today. Once your goals are set, they will serve as the blueprint that will guide you through the project.

2) Allocate

The allocation of financial resources is obvious to any business owner when considering a Web site. What many business owners don't consider are the human resources that need to be allocated as well. By human resources, I am referring to the key employees on the receiving end of the email contacts that are sent to your company. I also refer to the decision for a company to bring the Web site in-house once a professional web development firm has created it. If you decide to go in this direction, be sure you have two and not just one key employee that deals with maintaining the site, in the event of a job change by one of them. Nothing is worse for the viewer than the web site that sits idle for a year because the key employee that created or is maintaining it, left for a better paying job and no one else understands its inner workings.

In reference to financial allocation, what I am about to say will confuse you even more. No rules exist for pricing the development of Web sites. I repeat, NO RULES. Everyone has a nephew, a niece or a cousin that knows how to make a web page and will do it for you for only \$500.00. A professional web development firm with years of experience (be skeptical of anyone who says they have been creating web sites for more than 10 years) may charge you anywhere from \$3,500.00 to \$25,000.00 for the development of a simple five page site with an interactive contact form. Some business owners will profess they will get the same professional looking Web site from the relative for \$500.00, as they will from the professional Web developer. My advice - buyer beware.

The best way to choose a developer for your web site is the same way you choose any other professional who does your accounting, your legal work or your public relations. Check references, check their online portfolio and check your budget. Wisconsin is home to many professional Internet development firms located in both urban and rural areas. Choose a developer you would like to have a long-term relationship with, even if you

plan on bringing the site in-house. A good relationship with the original developer of your web site is a good idea. If that isn't possible, choose your next developer with that goal in mind.

Consider creating the site in phases if you would rather spread the cost of development out over a period of time. Refer to your "online blueprint" and plan your site in accordance to your desired expenditures.

3) Tend to the internal politics

Guaranteed there will be someone in your company that will offer some resistance to Web marketing. Managers will fret that resources for the Web will come out of their budgets and employees will worry their jobs will be eliminated, especially the sales force. Change is discomfoting to any organization. But, in Wisconsin we can't be afraid to "move the cheese."

The kind of person you want leading your e-initiative is young and not reared in the old-economy. According to an article in *ecompany* magazine it is critical to have your CEO mandate the ecommerce initiative; get all departments on board; and be prepared to change the organizational chart of your company. Profitable Web sites break down departmental and geographical territorial walls long revered by successful companies. Managing resistance within the company should not be overlooked.

4) Re-create

In order to keep your online re-design on budget and on time, provide all content materials by the deadlines provided. Developers may want all material before starting a job in order to create the site within the budget quoted. Creating a site in a "start-stop-change-start" fashion will balloon charges unless such a schedule is accounted for in the quote.

At the beginning of the job it is always a good idea for the client to establish a clear chain of command in the approval process. In other words, all key personnel involved in the approval process should be involved from the beginning to the end. If there are two people that need to approve the design or the look of the site, they can give the developer their input from in the beginning by referring the designer to sites they particularly like, just one or two examples. It is then the job of the developer to combine the design preferences along with the current logo or design elements the client is already using in their marketing materials. If, at this point, the client suddenly throws a new personality into the design approval stage after the developer has finished the work on the overall "look" of the site, changes are inevitable and changes mean additional costs. It is best to fight the urge to change the chain of command while trying to stay on budget.

5) Penetrate

Hurray! Your site re-design has been completed and you are ready to re-introduce yourself to the online world. It is now time for penetration of the search engines. Search engine ranking is an in-exact science and was created to confuse anyone who believes in consistency. Some search engines are categorized by human beings (Yahoo) that look for relevance. Some are categorized by robotic spiders (Metacrawler) that look for keywords but don't care about relevance. Some search engines are bought out by other search

engines and they morph into something else after you think you have figured them out (hotbot.com is now hotbot.lycos.com). It is best to consult a professional when dealing with ranking in search engines. If the firm that created your site does not provide search engine positioning as a service, ask them for a reference. It is truly an art unto itself, but it is only one piece of the marketing puzzle.

Now that your Web site is up and running, you can now engage in hybrid marketing techniques. To quote the VP of go.com, "Being on the Web is like being listed in the phone book. Just because you're there doesn't mean someone's going to call you." Hybrid marketing means you begin to combine all your marketing efforts to support one another. Let me give you the "microsite" example.

A microsite is a mini-Web site created with the intent of spotlighting a specific service or product your company offers or an award your company was proud to receive. The microsite not only promotes your company, but also serves to increase the "footprint" or size of your site on the Internet, thereby boosting your ranking in search engines.

Utilizing a microsite as part of your hybrid marketing is a good idea. Here is one way to approach marketing via a microsite. You are placing a print ad in a national manufacturing magazine. In that print ad you highlight one aspect of your business that would most appeal to the audience of that magazine's readership. In the ad itself, you place a special web site address. If your company site address is <www.acme.com>, the address you place in your print ad could be <www.acme.com/magazinead>. You can now create a special page that will stay up for the duration of the ad, at which you further expound on the virtues of your company and provide a link to <www.acme.com> - your business Web site. The special address allows you to measure the effectiveness of your print ad in much the way multiple "800" numbers allowed you to track advertising efforts in the past. But since toll free numbers are currently "877", you avoid that messy confusion as to whether the number is really toll-free or not. Your Web site statistics, available from your web host, will tell you how well the ad worked and how long each viewer's visit to your site lasted. If you would like to avoid the expenditure of a microsite to track your advertising or direct mail, at least make sure your Web site address is on all company printed material from business cards and stationery to brochures and company baseball hats. Tattooing employees is not suggested unless you are Harley Davidson and have people lining up to do so.

Another form of marketing that springs from your online presence is "permission marketing". Permission marketing is marketing to individuals who have given you their permission to do so. When visitors fill out the contact information on your Web site, they can choose to fill out their email address, which allows you to send them email updates on your product or service. Permission marketing is not hiring a service to spam the entire free world. People who take part in spamming, which is the annoying unsolicited junk email we all receive, occupy one of the bottom rungs of hell in Dante's Inferno, in the opinion of many recipients. It only serves to make a terrible impression.

One last suggestion in announcing your web site to the world is not to forget complementary sites that can provide a link back to you in exchange for a link to them. Those may include product dealers, vendors, trade organization Web sites or hobby groups. It can also be online directories that may charge a fee for the service. If you do choose to go with a fee-based directory, be sure to ask for an online statistics report. It should indicate the amount of traffic that is being driven to the directory site.

6) Evaluate

I know you are thinking that I am repeating myself. You are right, I am. Once you have penetrated the search engines and engaged in hybrid or traditional marketing, it is time to set a deadline for the next evaluation. Maybe six months from launch, maybe twelve months. You may find things running perfectly or you may find that you'd like to do some "tweaking". Either way, keep in mind your new, re-vamped Web site is a fluid testament to your business. Tend it and it will help your business reap rewards.

In conclusion

Successful Web entrepreneurs are not an east coast-west coast phenomena. E-business can and does work in Wisconsin. It will work on any scale with careful planning, goal setting, resource allocation and frequent evaluation. Your company's Web site is online twenty-four hours a day, seven days a week projecting your image to the world. As the Internet continues to grow where else would you suggest investing your money?

Biography of Barbara Luhring

University of Wisconsin-Stout, 1980 - Bachelor of Fine Arts

Since 1980, Luhring has worked in the advertising, marketing and public relations field. In 1990, she started an advertising firm in Sister Bay, Wisconsin providing computer graphic design for the tourism and manufacturing industries. In 1995, she and Gregg Luhring founded 3W Design Group. One-hundred fifty plus Web sites later, they employ 6 people and serve clients from around the country from their Sister Bay offices.

Clients include;

Calumet Digital Solutions - An extensive site for the digital division of Calumet International, which provides sales and service representation to users of digital photography. Site features Shockwave animation as well as a "Return on Investment" calculator, which visitors can use to determine how long a camera will pay for itself, given his or her typical work flow. Site was recently updated.

<http://www.calumetdigital.com/>

Major Industries This daylighting company, one of the top three daylighting manufacturers in the United States and one of the oldest firms in the industry, wanted to be among the first to offer their products through the Internet.

<http://www.majorskylights.com>

F.K. Bemis Conference Center St. Norbert College-affiliated conference center sought to publicize their wedding and conference facilities on the same level as other resorts and facilities. Site incorporates two 360-degree QTVR graphics, which allow a user to scroll within the picture to see rooms at all angles.

<http://www.snc.edu/conference/bemis>

Redmond Research - A full-service recruitment and consulting organization providing assistance in all facets of recruitment, including candidate identification through selection and acceptance. Site includes a shockwave intro.

<http://www.redmondresearch.com/pages/main.html>

Design Group, Inc.
Proactive Planet

Location: Sister Bay, Wisconsin

Founded: 1995

Number of employees: 6 full time, 2 part time

Principals: Gregg Luhring and Barbara Luhring

Description:

3W Design Group is a boutique size interactive media design firm.

Services include:

- € Web site design and architecture
- € Web site re-design and re-launch
- € Microsite creation
- € Rich media development (Flash, Quicktime, Shockwave)
- € Shopping cart/e-commerce programming
- € Guest books/forum creation
- € Random banner click-throughs
- € Database driven page creation
- € Custom interactive projects (including CD roms)

Proactive Planet

The newly launched marketing and online development arm of 3W Design, Inc.

- € Hybrid marketing techniques (incorporation of print and multimedia)
- € Search engine placement strategy
- € Web site strategy and management
- € Internet marketing

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