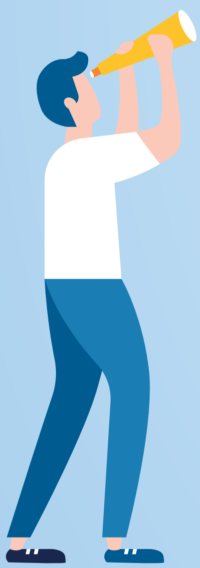
INTERNET AND VSBs/SMEs

A vital tool still under used

Results of the Réussir avec le Web study

(Sept 2017 - Aug 2018)



afnic

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FOREWORD

Supporting the digital transition of businesses in France

As manager for internet domains under the .fr TLD, Afnic has set itself the mission of supporting companies in developing their online presence. That is a major challenge: at present only 11% of French SMEs use digital tools on a daily basis*.

But the tools represent a great lever for growth and development.

The purpose of the study

In September 2017, Afnic, through its Réussir avec le Web website, launched a major survey aiming the managers of VSBs and SMEs using an online questionnaire.

In August 2018, one year after its launch, 3,249 companies had responded to our questionnaire. 11% of them did not finish answering the questions. We have taken their answers into account nonetheless because they are equally reliable.

PURPOSE OF THE SURVEY: to assess the internet maturity of French VSBs/SMEs. It is the first study on how French companies seize the different aspects of online presence.

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BUSINESSES RESPONDED TO OUR QUESTIONNAIRE

**Source : rapport Deloitte, « Économie numérique : Le digital, une opportunité pour les PME françaises », décembre 2016.*

Profiles of responding companies

Among the respondents to the questionnaire:

86% 86% of VSBs (less than 10 employees)

9% 9% of VSEs (11 to 50 employees)

5% 5% of SMEs (more than 50 employees)

These figures correspond to the target audience of the Réussir avec le Web offer.

While the breakdown by sector should be taken with caution, we found that these companies are **essentially related to the Consulting, Communication, Digital, Fashion and Tourism sectors**.

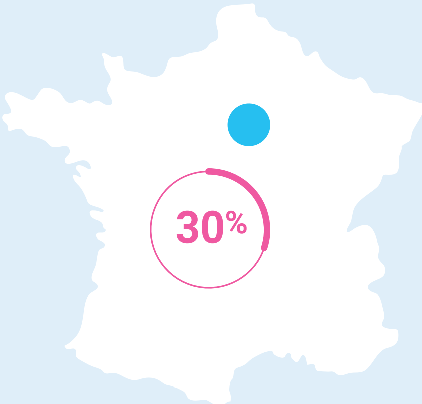
Conversely, few responses to the questionnaire were received from the Banking - Finance - Insurance, Defence and Security, Biology and Chemistry sectors. Three interpretations are possible: the Réussir avec le Web offer is of no interest to them; the sectors in question depend little on the internet; or, on the contrary, they already have an outstanding grasp of the network. Whatever the case, these sectoral data will be the subject of further studies or publications.

47% of the businesses were **three years old** or more at the time of answering the questionnaire. Quite logically, these are the largest structures in terms of personnel (VSE / SME)

21% of the companies had already been in business for **one to three years**

32% were less than **a year old**

It should be noted that VSBs are evenly distributed among these three age groups (with, however, a peak among those more than three years old). This remark is interesting for the rest of the study because a VSB created less than one year before and another more than three years before go through different development phases.



A large proportion of the respondents (more than 30%) were **logically located in Ile-de-France**, the main employment area in France.

For the rest, the results depended on the initiatives taken to raise awareness about the *Réussir avec le Web* system in the other regions of France.

For this reason, the results cannot be interpreted because they do not correspond to the real weight in terms of the economy or the number of companies in these regions.

FOR THOSE IN A HURRY...

...here is what to remember from the study.

Being present on the internet has become essential for businesses today.

The human and financial resources devoted to the internet remain globally modest. The return on investment is poorly perceived.

.FR is the undisputed leader whatever the size of the company.

The three main reasons put forward by companies for their online presence are: **to introduce themselves, to display their activity, to communicate**.

If a majority of **respondents have their domain names**, a significant proportion seem relatively unaware of how to manage their identity on the internet.

Once they have a website and/or pages on social networks, **respondents tend to wait passively for prospects to come forward**. "Active measures" are too infrequent. Either because the respondents lack knowledge, time or means, or the benefits are often poorly perceived.

Almost all of the respondents are present on social networks, Facebook, LinkedIn and Twitter in particular. On the other hand most consider that the time invested is wasted. Only one out of two respondents has linked its website to its pages on social networks.

Like visibility and e-reputation, **SEO is neglected or managed in a low-tech way**. The priority is "free" organic SEO.

The content published on websites mainly concerns presentations of the respondents and their offers, as well as their contact details. A minority uses contents such as blogs, testimonials, etc.

Most of the respondents do not have a publication schedule for the social networks. Either because there is no value-added content to publish, or because there are no resources available, news, inspiration, etc.

Visibility and e-reputation issues seem to have major potential for improvement. For example, advertising to create site traffic or online customer satisfaction ratings are well identified among the arsenal of tools available. But they remain relatively little used.

Companies equally use websites and social networks for their internet presence.

Almost three out of four respondents do not update their sites more than once a week.

The content remains equally as simple as their formats: **texts and images in almost all cases.** Videos are rarer because more costly and time-consuming.

Significant proportions of the respondents indicate that they **do not build customer databases through the internet,** nor do they check the effectiveness of their loyalty initiatives.

Contact forms and emailing (especially for SMEs) are the two main business development tools used on the internet.

RESULTS OF THE STUDY

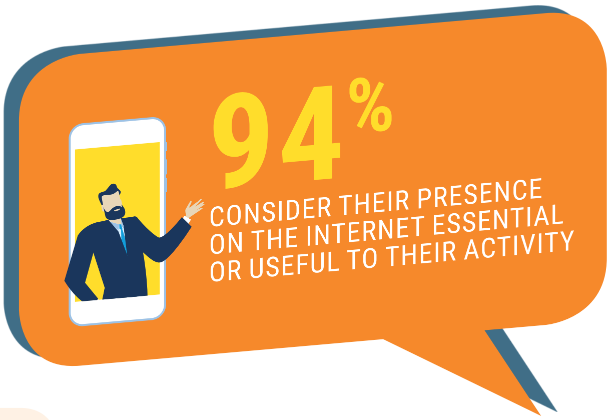
The results are presented here according to the different steps addressed in the questionnaire

They cover all the essential items of a "good" online presence.

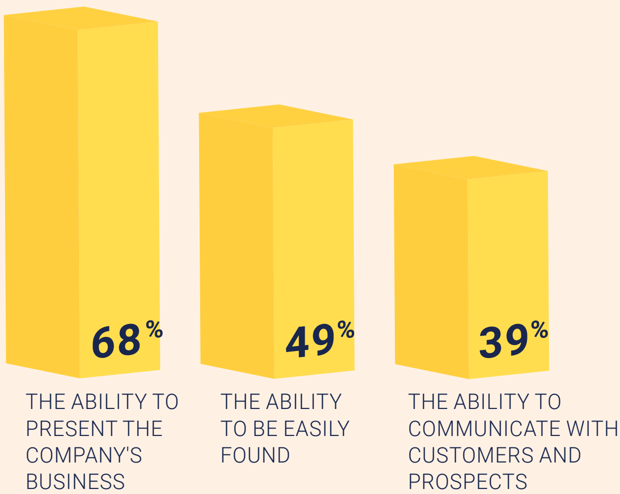
1. Online presence

Presenting the company's business on the Web: a necessity well understood

The vast majority of respondents (94%) have understood the need to be present on the internet. If they do not all consider it to be indispensable, they at least consider it to be useful for their business.



The **top three expectations** related to online presence include:



Note that among SMEs, the ability to communicate with customers and prospects comes in second place with 55%.

The possibility of selling online, is also cited by 32% of the respondents but it depends on the company's activity.

Websites and social networks equal

Presence on the internet today equally involves websites (76%) and social networks (74%). But the figures vary according to the size of the company.

SMEs tend to acquire a website more frequently (86%) and to use third-party sites for SEO purposes (33%).

On the other hand, the presence on social networks does not **vary according to the size** of the company, any more than the wish to sell online.

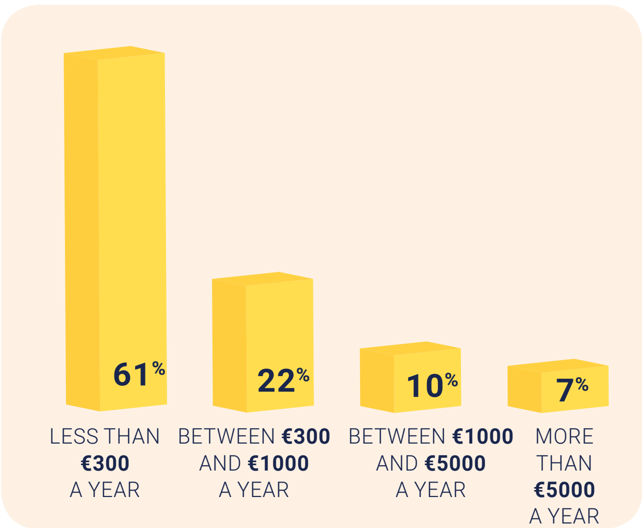
A quarter of the companies report selling products and services via their websites.

2. Investments and gains

Modest investments

For company managers, the problem often lies in finding a compromise between the financial (or human) resources to be allocated to their online presence and the expected benefits.

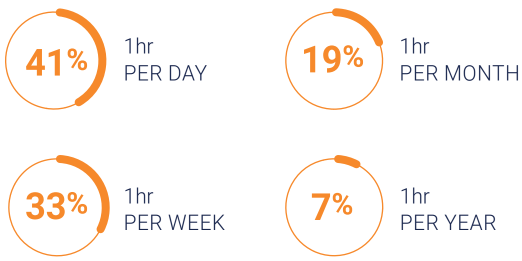
The majority of respondents, 61%, spend less than €300 a year on their online presence. 22% invest between €300 and €1000. Only 7% spend more than €5,000 on their internet presence system. Here again, the size of the company is a major factor. If only 4% of VSBs invest more than €5,000 per year, the figure increases to 28% for SMEs.



Time spent on internet presence

Regarding the time spent managing online presence, 59% of respondents say they spend less than one hour a day. 26% spend less than one hour per month.

These percentages are respectively 60% and 26% for VSBs and 40% and 22% for SMEs. Here again, the size effect is visible, especially when the company is actively involved each day on the internet.



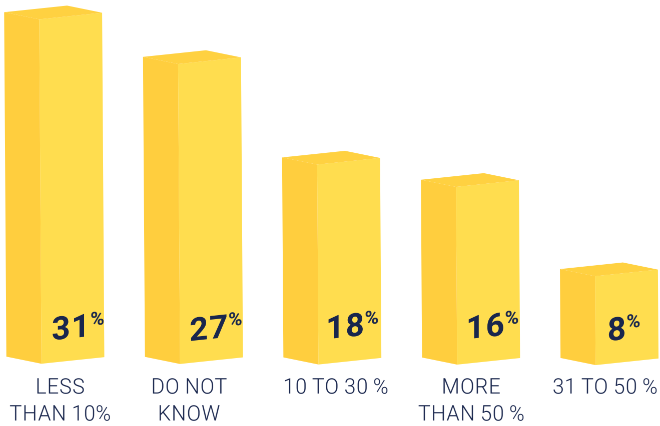
A return on investment difficult to quantify

60% of respondents do not know how much of their turnover is generated via the internet or think that it only contributes to a marginal degree.

These proportions are respectively 55% and 29% for VSBs and 76% and 37% for SMEs. Why the discrepancy?

It may be that SMEs are much less dependent on the internet in realizing their turnover. Only 10% of them make more than 30% of their turnover on the internet. Which is the case for 26% of VSBs.

Percentage of turnover achieved through the internet



3. Identity management

A majority of custom domain names

91% of respondents say they have their own domain name.

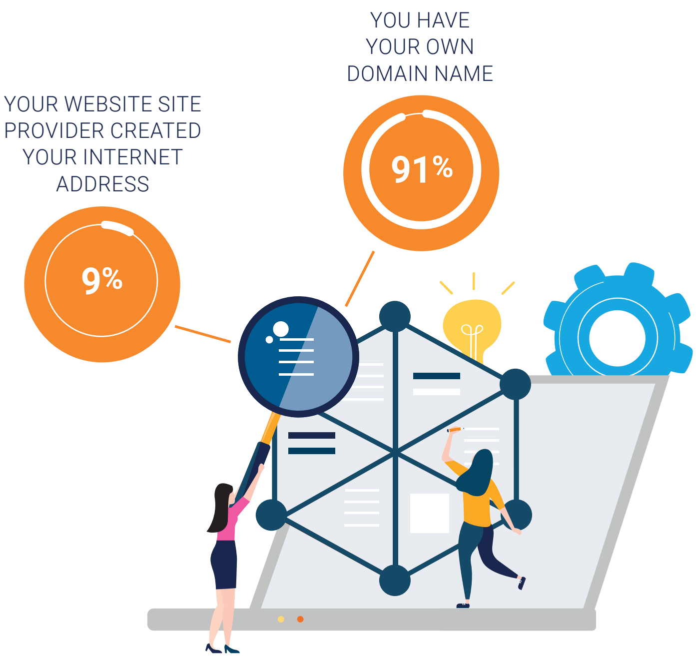
9% of companies use their provider's domain name for their website (i.e: www.mycompany.myprovider.fr)

The proportions are 98% and 2% for SMEs and 09% and 10% for VSBs.

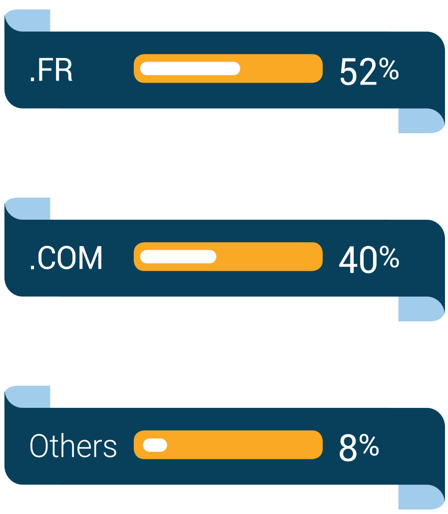
Among the TLD suffixes chosen for their websites, **the .FR (52%) and the .COM (40%) are the two undisputed leaders.** The other suffixes (.net, .org, etc.) are highly marginal.

.FR is the undisputed leader whatever the size of the company.

TYPES OF INTERNET ADDRESS



TYPES OF EXTENSION

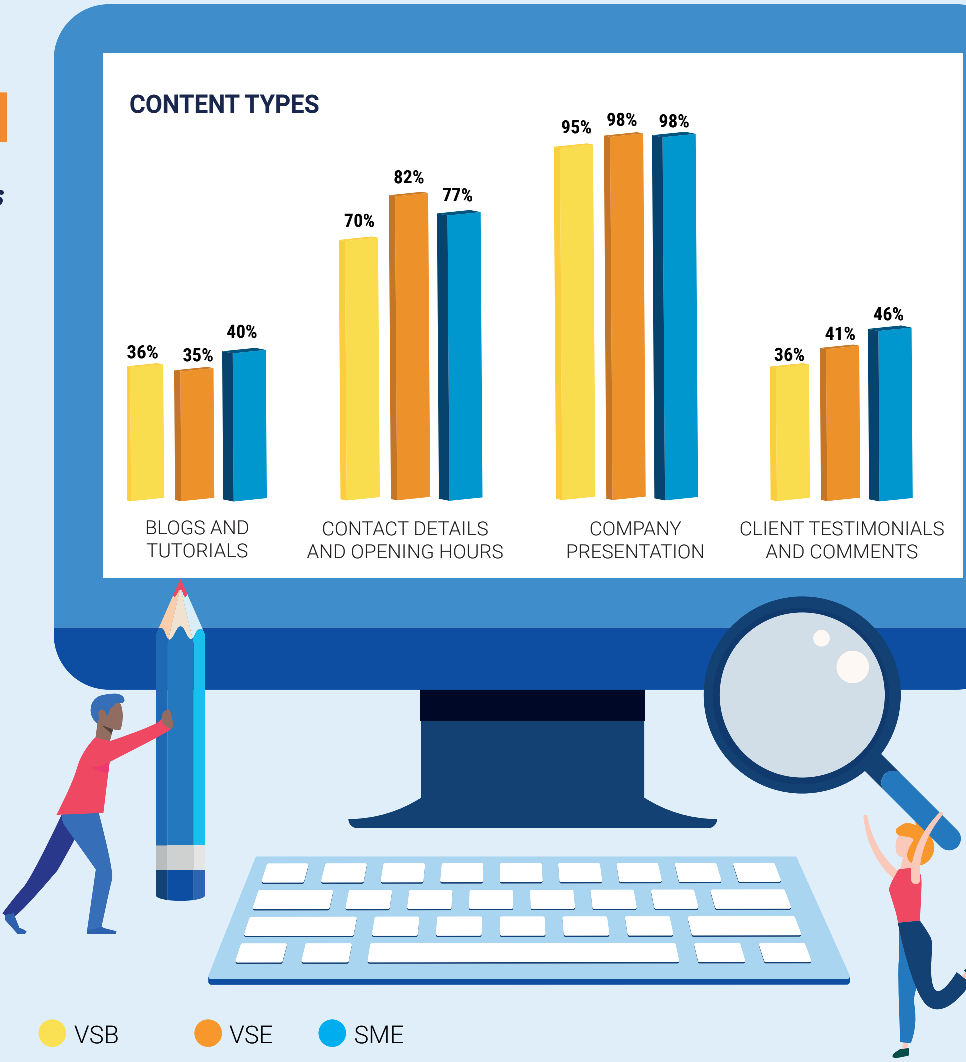


4. Original content production

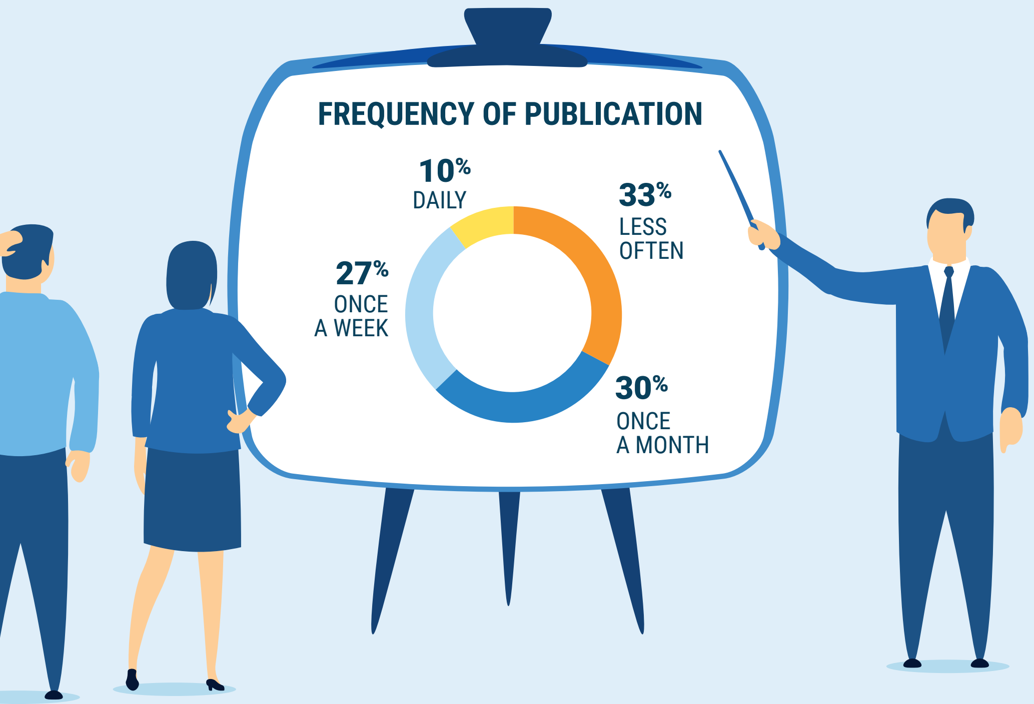
A minority use testimonials and blog posts

Almost all (96%) of the respondents provide a presentation of their company on their website, with products, services, etc. Next are contact details and opening times (71%). Only a minority (37%) use "value-added" content such as blog posts or testimonials.

Regarding the formats, here again the contents remain simple. Text (99%) and images (95%) are commonplace but video is more rarely used (39%). Which probably remains a question of means: 67% of SMEs say they publish videos, but only 35% of VSBs do so.



Publication regularity according to human and financial resources



63% of the respondents update their websites less than once a week and 10% do so every day.

These proportions are 65% and 9% for VSBs and 43% and 26% for SMEs. Here again there is the effect of size and therefore of human and financial resources.

A majority of respondents (79%) said that their sites were mobile-friendly but 13% said they did not know.

These results can be summarized as follows: publishing original content on a regular basis requires having something to say ... and someone to say it. Which does not always correspond to the means or the culture of the companies.

5. Social networks

An investment considered unprofitable

As previously stated, social networks are close to websites as the preferred media for businesses on the internet. Yet 77% of respondents do not consider the time invested on social networks as "profitable" for their business.

Only half say they have connected their websites to their pages on social networks.

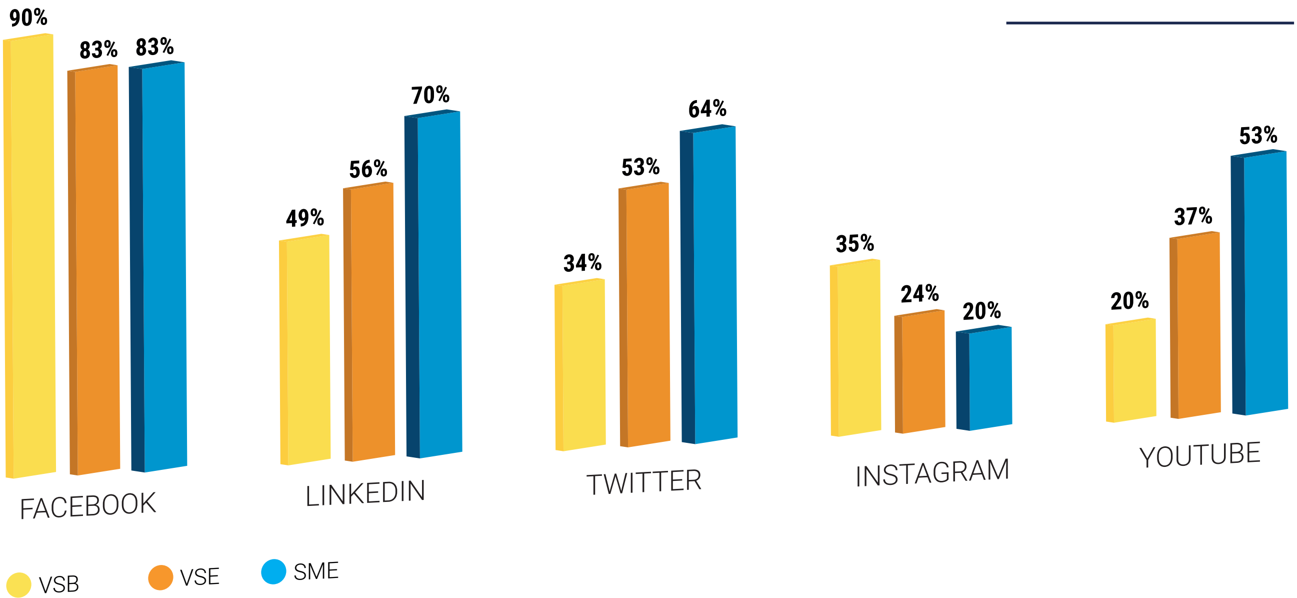
Facebook unbeatable

The social networks most used by companies are Facebook (90%) and LinkedIn (51%). Practices, however, are related to size: 90% of VSBs are on Facebook against 83% of SMEs, and 49% of VSBs are on LinkedIn against 70% of SMEs.

These contrasts are also found on Twitter (respectively 34% and 64%) and YouTube (20% and 53%). Notably, VSBs use Instagram more than SMEs (35% vs.20%)

74% of the companies surveyed said they have not set up a publication schedule (76% of VSBs and 50% of SMEs) when 26% have one (24% of VSBs and 50% of SMEs).

Facebook (90%) and Linkedin (51%) are the most used social networks



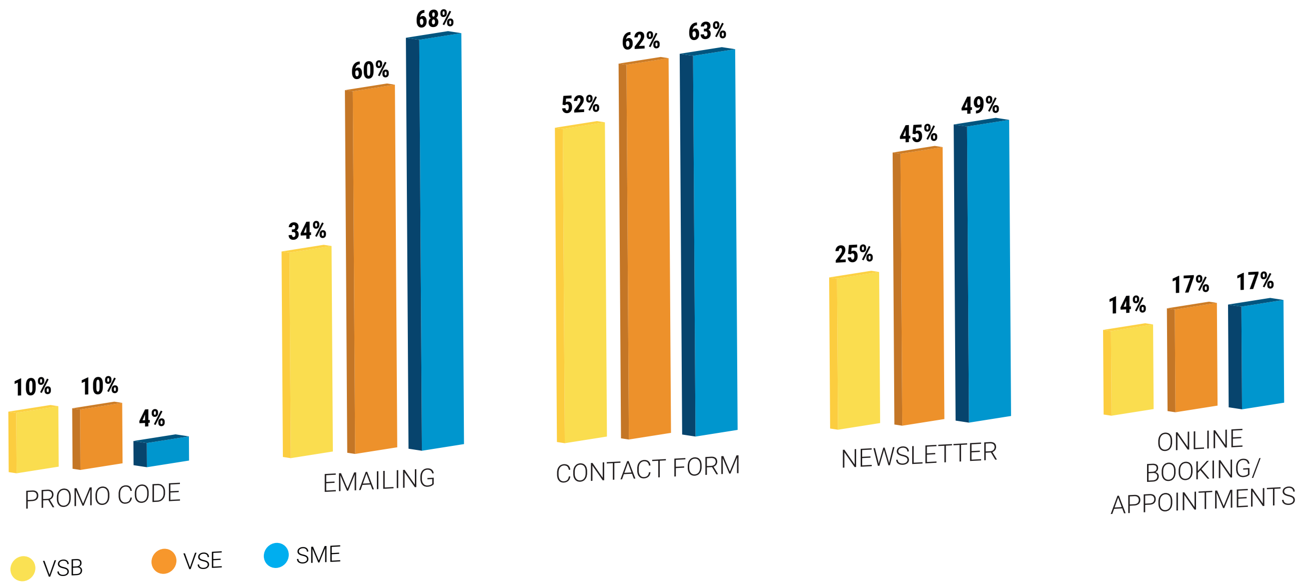
6. Business Development

Contact form often used to develop sales

Some companies have developed specific tools to create, maintain and enhance a customer base via the internet. The contact form is the most popular sales development tool, used by 54% of the respondents. Then comes the emailing with 38%. But it is not used very much by VSBs (34%) while SMEs use email a great deal (68%, in front of contact forms).

Newsletters follow the same trend: on average, 28% of respondents issue one. But this figure falls to 25% for VSBs while it jumps to 49% for SMEs. Booking modules, making online appointments (14%) and promo codes (10%) remain marginal whatever the size of the company.

SALES DEVELOPMENT TOOLS



More than a quarter of respondents do not carry actions to develop their customer databases

57% of the companies prefer to use the contact form to build customer databases.

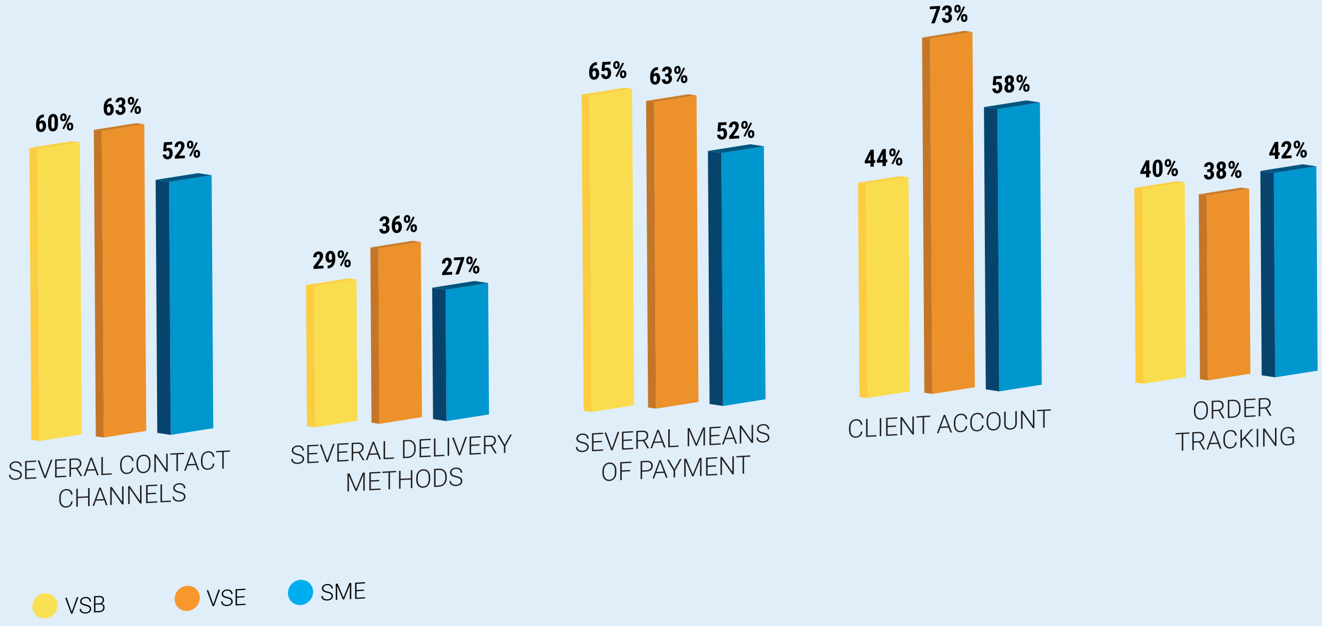
However, 34% of respondents admitted that they are not doing anything in this respect.

7. E-commerce

Overall, respondents depend on the e-commerce solutions they use such as Wix or Shopify. For example, these solutions determine the variety of payment, contact or delivery terms.

65% of respondents place particular importance on the diversity of means of payment. 60% place particular importance on the means of contact. A little less than one out of two respondents proposes a client account (44% for VSBs and 58% for SMEs).

E-COMMERCE WEBSITE FEATURES



Order tracking is widespread without being used by most (40%) and 30% of companies offer several delivery methods.

8. Visibility and e-reputation

Visibility is a real expectation but efforts are random

Visibility and e-reputation are central to a successful online presence. The two factors also correspond to the main expectations of companies as mentioned above. **Having one's own domain name and email address is the basis for controlling one's reputation.** .

57% of the respondents use an email address linked to their domain name (as a reminder, 91% stated they have their own domain name). The proportion is lower among VSBs (54%) than among SMEs (82%). For the rest, 24% of the respondents use an address under gmail.com.

2/3 of respondents do not advertise online

Two thirds of respondents (regardless of the company's size) said they do not do any online advertising. When they do advertise, it is to:

- **26%** PURCHASE ADVERTISING SPACE ON SOCIAL NETWORKS (26%);
- **13%** PURCHASE SEARCH ENGINE KEYWORDS;
- **4%** PURCHASE BANNERS ON WEBSITES WITH HIGH TRAFFIC (4% WITH A PEAK AT 16% FOR SMES).

Online reviews and ratings little taken into account

Half of the respondents systematically manage the comments and ratings concerning their businesses, but only 43% of SMEs do so. 19% do not care at all, the proportion falling to 13% among SMEs.

Only 11% systematically perform online assessments of customer satisfaction. 67% of respondents never do so. The latter figure is the same whatever the size of the business, but the proportion of those who never carry out satisfaction surveys "falls" to 56% for SMEs (but still remains considerable).

Paper widely used to make oneself known online

88% of respondents massively use their business cards and other paper documents to publicize their internet address. All the other offline mediums (goodies, car stickers, shop windows, etc.) suggested in the questionnaire are only marginally used. Note, however, that 40% of SMEs include their internet address on their packaging or advertising objects.

Business cards and other paper documents	Packaging or advertising objects	Vehicles branding	Storefront, window, signs, etc.
88%	19%	15%	17%

9. SEO

Difficulties in obtaining good positioning on search engines

Just like visibility and e-reputation, companies neglect or manage SEO in a way that is too low-tech.

These focus primarily on "free" organic SEO, but that is not something which can be improvised. The proof: the acquisition of key words remains a marginal factor whereas it should be an essential point.

38%

Only 38% of respondents say they are **well positioned in search engines**. A proportion that reaches 55% for SMEs but caps at 36% for VSBs.

68% of respondents take action to improve their organic SEO. On the other hand, purchases of paid keywords are rarer: 12% for VSBs and 28% for SMEs.

68%

"Photofit" of the internet presence for each segment in the study

The "Photofit" presented here is designed to highlight the predominant features, trends and practices based on our analysis of each segment in our study.

THEME	MICRO-ENTERPRISE	VSE	SME
1 Issues	internet is useful or indispensable ***(93%)***	internet is useful or indispensable ***(95%)***	internet is useful or indispensable ***(96%)***
2 Motivations	To present my business ***(68%)***	To present my business ***(66%)***	To present my business ***(68%)***
3 Types of presence	Social networks ***(74%)***	Website ***(88%)***	Website ***(86%)***
4 Investment and ROI	Budget of less than €1,000 per year ***(87%)***	Budget of less than €1,000 per year ***(61%)***	Budget of less than €1,000 per year ***(59%)***
	I spend less than one hour a day on the internet ***(60%)***	I spend less than one hour a day on the internet ***(60%)***	I spend more than one hour a day on the internet ***(60%)***
	I earn less than 10% of my turnover thanks to the internet or I do not know how to estimate it ***(55%)***	I earn less than 10% of my turnover thanks to the internet or I do not know how to estimate it ***(71%)***	I earn less than 10% of my turnover thanks to the internet or I do not know how to estimate it ***(78%)***
5 Identity management	I have my own domain name ***(90%)***	I have my own domain name ***(95%)***	I have my own domain name ***(98%)***
	My address is in .FR ***(51%)*** and in .com ***(41%)***	My address is in .FR ***(54%)*** and in .com ***(31%)***	My address is in .FR ***(58%)*** and in .com ***(36%)***

THEME	MICRO-ENTERPRISE	VSE	SME
6 **Nature of Web content**	I mainly use it to present my business ***(95%)***.	I mainly use it to present my business ***(98%)***.	I mainly use it to present my business ***(98%)***.
	I use texts and pictures ***(97%)***, videos much less ***(35%)***	I use texts and pictures ***(97%)***, videos much less ***(51%)***	I use texts and pictures ***(99%)***, videos a little less ***(67%)***
	I update my website less than once a week ***(65%)***	I update my website less than once a week ***(59%)***	I update my website less than once a week ***(43%)***
	My content is mobile-friendly ***(79%)***	My content is mobile-friendly ***(71%)***	My content is mobile-friendly ***(77%)***
7 **Social networks**	I mainly use Facebook ***(90%)*** and LinkedIn ***(49%)***	I mainly use Facebook ***(83%)*** and LinkedIn ***(56%)***	I mainly use Facebook ***(83%)*** and LinkedIn ***(70%)***
	I do not think the time invested is profitable ***(77%)***	I do not think the time invested is profitable ***(76%)***	I do not think the time invested is profitable ***(76%)***
	I have connected my website and my social networks ***(49%)***	I have connected my website and my social networks ***(56%)***	I have connected my website and my social networks ***(50%)***
	No, I do not have a publication schedule ***(76%)***	No, I do not have a publication schedule ***(67%)***	I do not know if we have a publication schedule ***(50%)***
8 **Business development**	Tools: I prefer the contact form ***(52%)***	Tools: I prefer the contact form ***(62%)***	Tools: I prefer emailing ***(68%)***
	Customer base: I prefer the contact form ***(55%)***	Customer base: I prefer the contact form ***(70%)***	Customer base: I prefer the contact form ***(64%)***
	I check the effectiveness of my operations less than once a month ***(74%)***	I check the effectiveness of my operations less than once a month ***(77%)***	I check the effectiveness of my operations less than once a month ***(69%)***
9 **E-Commerce features**	My priority is the means of payment ***(65%)***	My priority is the customer area ***(73%)***	My priority is the customer area ***(52%)***
10 **Visibility and e-reputation**	My emails are linked to my domain name ***(54%)***	My emails are linked to my domain name ***(80%)***	My emails are linked to my domain name ***(82%)***
	I do not advertise on the internet ***(68%)***	I do not advertise on the internet ***(65%)***	I do not advertise on the internet ***(62%)***
	I systematically manage the comments and ratings for my business ***(54%)***	I systematically manage the comments and ratings for my business ***(44%)***	I systematically manage the comments and ratings for my business ***(43%)***
	I never do an online survey on customer satisfaction ***(69%)***	I never do an online survey on customer satisfaction ***(56%)***	I never do an online survey on customer satisfaction ***(56%)***
	I search for influential partners ***(52%)***	I do not search for influential partners ***(51%)***	I do not search for influential partners ***(51%)***
	I make my internet address known by my business cards etc. ***(87%)***	I make my internet address known by my business cards etc. ***(88%)***	I make my internet address known by my business cards etc. ***(90%)***
11 **SEO**	My site is not well positioned in search engines ***(41%)***	My site is well positioned in search engines ***(54%)***	My site is well positioned in search engines ***(55%)***
	I focus on organic SEO ***(67%)***	I focus on organic SEO ***(67%)***	I focus on organic SEO ***(75%)***

CONCLUSION

The companies' approach is still too passive

The study highlights an essential, curiously contradictory point: if there is apparently no longer any debate about the interest (or the need) to be present on the internet, companies have kept a fairly "passive" approach to the use of the tool, adopting behavior inherited from the real world.

For example, there are few active initiatives to win new customers. Prospects are usually expected to come forward by contacting the company via its website or an e-commerce store.

In view of the results, this "passivity" can be explained by **four main factors**.

1. **INSUFFICIENT RESOURCES** devoted to online presence. The result is that it becomes impossible to fully exploit the possibilities of tools specific to the internet such as the management of contact databases, emailing, newsletters, etc.
2. **A LACK OF SKILLS** in VSBs/SMEs that need support
3. **A RATHER VAGUE PERCEPTION OF THE BENEFITS** generated by being present on the internet. This does not encourage the companies to devote more than a decent minimum time to the issue.
4. **CORPORATE CULTURES ARE STILL DEEPLY ROOTED IN REAL WORLD PRACTICES** and this does not work with the constant need for optimization on the internet. In order to be visible, you have to regularly produce content, manage your identity on a daily basis, work on your SEO over time, and so on.

A positive overall assessment despite underwhelming results

While this first assessment may seem severe, in fact it is highly encouraging! First of all, there are already firmly established bases, such as the conviction of the usefulness or indispensability of being present on the internet. The issue now is how to construct systems that are more suited to the expectations of entrepreneurs.

For example, their perception of the benefits generated by the internet needs to be improved. It will lead companies to assimilate the media a little better, thereby generating a virtuous circle.

The tools they need are already there. They only lack the "cultural revolution" that will make companies want to use them. And to do that, business leaders who have already joined the revolution have a role to play as specifiers.

And in the future?

Further studies are needed to better define and understand the mechanisms that explain the practices used by companies on the internet. And more precisely with respect to their online presence. For example, analyzes focusing on each type of business (VSBs, VSEs, SMEs).

In the meantime, the data collected thanks to Réussir avec le Web constitute an extremely rich corpus, in which the changes over time can also be studied. This first edition of our study is far being from the last.

OUR PARTNERS

Réussir avec le web