

# Go online or expect extinction

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RETAILERS who fail to implement an online strategy will frustrate customers and "go the way of the dinosaurs", warns Adelaide businessman Sean Heylen.

Mr Heylen, the managing director and founder of online software development company Deadline, said a virtual shopfront was just as important for retailers as a brick and mortar shop.

"If you don't have an online presence of some description you are behind your competition; it's as simple as that," he said.

"A serious online offering is what customers expect. There are some business owners who have stuck their head in the sand deliberately and have a blinkered view about it."

There were three main reasons why some retail owners were reluctant to set up online: fear of the unknown, the expense and ignorance.

Mr Heylen said a substantial investment was needed in the short-term to establish an online presence but the long-term benefits were significant.

"On the upside, really strong, sophisticated online strategies provide an excellent return on investment," he said. "(For example), if you have spent \$50,000 to \$100,000 in set-up, the ongoing costs are 10 per cent of what could be spent on rent."

Australian Bureau of Statistics figures show that in December there were 10.4 million active internet subscribers in Australia.

This number excludes those who use the internet on mobile handsets.

Mr Heylen said statistics such as these further highlighted the need for businesses to get serious about the internet. "If you don't embrace online as part of your strategy, you will go the way of the dinosaurs," he said.

"It must be a part of a sophisticated, coherent marketing strategy.

"Understand the differences in customer behaviour and how they like to buy and put in the time to research your market. Once you understand that, creating an online shopfront, or an online retail environment, is really quite straightforward."