Chapter 22
Essential Functionalities for Commercial Internet Presence:
A Portuguese Study

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ABSTRACT

A balanced implementation of functionalities within a commercial internet presence is important, because of not only the involved complexity and cognitive load required in their use, but also for financial reasons. Investing money on features (e.g., software modules, programming time, maintenance and update, etc.) that are not valued by online consumers, hinders an efficient allocation of resources, especially when financial resources are scarce, a situation that corresponds too many small businesses operating on the internet. However, literature provides little help for managers to decide which functionalities should be implemented, according to a rational basis. Within this context, this research sought to fill in the gap between literature review and the need for helping companies to understand better how to build and keep online businesses. The authors work identified 16 essential functionalities grouped into four sets: order processing, advertising and prominence, product analysis, and payment.

INTRODUCTION

The internet and web technologies provide means and tools for an advanced comprehension and improved service of online customers, helping companies to gain their loyalty (Valvi & Fragkos, 2012). If a company directs its resources to potential and current customers, in order to gain their trust, and to use web technologies to better understand them, then that company is building the foundation for profits of years to come (Reichheld, Markey, & Hopton, 2000; Shin, 2001).

Even "small online business" (with non-transactional websites consisting of approximately 10 – 20 pages with some basic content management and social media widgets), incur in costs associated with designing, developing and building a website. Just to report some indicative numbers (for some interesting numbers please see: http://www.executionists.com/blog/cost-to-build-websites-2014/ or http://www.webpagefx.com/How-much-should-web-site-cost.html, for instance.), a small business will normally contact a Web developer to discuss the site content and design, with the developer offering a quote to deliver the site. Non-transactional sites can be delivered in a huge range of budgets. A five-page small-business site could cost as little as $500, while a five-page site for a major firm could have a $100,000 budget. The difference in budget relates to the complexity of design, cost of custom photography, motion graphics, animation and interactive tools. A simple but professional non-transactional website can usually be produced starting at $2,500, plus basic Web hosting.

When referring to transactional websites, costs can increase quite drastically with every extra functionality or modules of functionalities. A Custom Content Management Systems – for clients who want to manage their own content – costs can range from $2,000 to $20,000, while the costs of e-commerce shopping carts, catalogs, payment processing range from $1,500 to $5,000 (or more, depending on requirements) and the creation and management of a social media network profile such as *Twitter*, *Facebook*, *YouTube*, *Google+*, *LinkedIn* etc., range from $500 to $2,000.

In spite of the fact that it is expectable to pay a lot more on a brick and mortar retail shop (which include inventory, interior design, furniture, rent, utilities, staff, equipment, insurance, etc.), the presented numbers (that do not include any maintenance costs) are not irrelevant, especially when it concerns businesses (small or not) baring financial restrictions.

Literature review shows that an organization can reach customers by providing them not only general information about products or services, but also by giving them the opportunity to make businesses online (Aladwani & Palvia, 2002), through buying, selling, transferring or exchanging products, services and information via computer networks (Turban, King, Lee, Liang, & Turban, 2010). This situation helps organizations to cut costs, to interact directly with customers, to run more smoothly/faster and, better yet, to help organizations overcome competition (Liu & Arnett, 2000).

As a commercial website is the first point of contact between an online customer and a company, or online seller, it will influence the consumer's decision of whether or not to buy (Massad, Heckman, & Crowston, 2006). In order to effectively communicate with potential consumers, a commercial internet presence has to be well built (Lin & Lu, 2000), so companies need to investment in its design to facilitate information searching, while supporting the buying or shopping process (from information gathering to actual purchase), thus contributing for increased sales (Bridges & Florsheim, 2008).

The success of a commercial internet presence is then strongly affected by its functionalities. This is due to the fact that tools and applications in customer's service are more important in e-commerce than in traditional commerce, as consumers cannot interact "face-to-face" with the dealer (Singh, 2002). When customers buy a product, they also acquire the added services of that product. In addition to the main features, online consumers also expect additional services that create added value when shopping on the internet (Schuh, Kegel, & Bistricky, 2009). Those services might constitute differentiating factors for which customers will "pay extra" and may include delivery, order processing, the selection of products and after-sales support (Schneider, 2007), etc. Those functionalities can also contribute to the development of high standards in terms of service, convenience, speed of delivery, competitive pricing, choice, and safety (Chaffey & Smith, 2008; Mich, Franch, & Gaio, 2003).

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