

Does Your Business Need a Website?

In this article: an overview of the growth of the Internet; the value of a website as an advertising medium; what you should know about website design; an estimate of annual website costs with a comparison to traditional forms of advertising.

According to Royal Pingdom 47 million websites were added to the Internet in 2009 for a total of 234 million as of December 31. On the same date there were 87.8 million .com domain names. In July 2008 a Google Blog stated "We've known it for a long time: the web is big. The first Google index in 1998 already had 26 million pages, and by 2000 the Google index reached the one billion mark. Recently..... our systems that process links on the web to find new content hit a milestone: 1 trillion (as in 1,000,000,000,000) unique URLs on the web at once!"

The huge increase in websites is at least partly due to the fact that the Internet has become the advertising darling of businesses, big and small. Great leaps in technology have made it more accessible to the estimated one billion users and it has opened up a whole new way of 'getting the message out' at far less cost than traditional means.

The possible uses for a business website are extensive and to an extent underutilized. When planned and designed as part of a marketing strategy a website has the potential for the highest return on advertising investment. It can and should be more than just a large business card. It can be used as an opportunity to educate, to run specials, connect with the community and much more. The possibilities really are rather endless.

So you've decided your business should have a website. Now what? What should you know?

First and most important is to know that there is more to a web site than meets the eye. 'Anyone', including Aunt Maude, can make a website using the free services and software available. But it takes extensive know-how to produce a package of elements that work visually as well as behind the scenes. It takes knowing how search engines work and the fine points of 'getting noticed'. It takes understanding that a website is only one part of a marketing package.

Another 'need to know' is how the website will be used. Is it a company brochure where people can get more information? Is your target market local, a specific sector or the world? Do you have expertise on a subject to share? Business Management and Design.com will work with you to answer these questions and more.

Web Design at Business Management and Design.com

Designing a website is an interactive partnership between the client and designer. The client provides the content and the designer lays it out in a way that is visually pleasing and information is easy to find. The two work together toward a finished project that meets the technical criteria and the 'vision' of the client.

Web Design Pricing and Related Costs

Business Management and Design.com charges \$40 per hour for web design, which is below the average market rate of \$65. However, whether you use Business Management and Design.com or another web design company, you should know what to expect in the way of other costs.

Website Design: The cost to design a website varies considerably depending on a number of factors. However, on average it takes about two hours to produce one page of an information website. The allocation of time factors in setup, linking, image sizing and much more. That means that a five-page 'information only' website will cost approximately \$650.

Hosting: The only way a website can be seen on the Internet is to have the files that make up the website located on what is called a host server. Companies that operate these servers charge a monthly rate to store the files and provide other services such as email accounts, MS SQL databases and a dizzying array of other services.

Generally speaking the cost to host a website is in the range of \$6 to \$12 US per month, payable one year in advance. However, what is included in the fee varies considerably so caution and research is warranted.

Another aspect of hosting a website is that a certain amount of knowledge, including FTP protocols and user accounts, is required to 'upload' the files to the server.

Domain Name Registration: It is pretty much an industry standard for hosting companies to offer free domain registration (www.businessmanagementanddesign.com is a domain name). Typically the free registration is for one year and includes only standard extensions such as .com, .biz, .net, .org, etc. It does not include .ca, .bc .ca or other region specific extensions. Such extensions have come down in price, but still cost slightly more (eg .ca costs around \$13 per year) and involve more 'paperwork' to acquire.

Website Maintenance: Some websites require little or no maintenance. This usually applies to 'brochure' type websites where the information may, at the most, change yearly. Other websites are dynamic and require updates on a regular basis. Such changes are typically covered in a monthly maintenance package that allows 'x' number of updates for a specified fee. However, a good maintenance package does not *just* include updates. It also includes ensuring that the website is linked across the Internet and has the best possible 'ranking' on the major search engines. The package should also provide monthly or quarterly visitor statistics to the business owner.

Summary of Website Costs: The figures below are based on a 5-page information website and include start-up and annual costs. These are costs that should be considered respective of what company is chosen to design the website.

Domain Name Registration	\$	10
Hosting		108
Design		650
Total Start-Up Cost:	\$	768
Maintenance		600
1 st Year Estimated Cost	\$	<u>1,368</u>

For a small business the total may seem like a large cash outlay for advertising. However, it makes sense if you break down the numbers. Financial experts advise that between five and ten percent of an annual operating budget should be allocated to advertising and promotion. For a business with annual sales of \$100,000 (factoring a 30% profit margin) this translates to \$5,250 at 7.5%. After subtracting standard ad and promo costs such as a logo design and business cards that leaves approximately \$5,000 for direct advertising. A one page ad in a print media costs a minimum of \$600 and is seen once. A business card size ad costs an average of \$75 and may or may not be seen even once. A website provides a permanent presence with content that can change with relatively little cost and that can be adapted to serve multiple purposes. And there is still \$3,632 left to purchase other advertising that sends people to the website, which can be bookmarked and seen again and again.

Choosing the right company to design your website is an important business decision. You can read more about what to look for in this article on [Visa.ca](http://www.visa.ca).

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