

# 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.*

[About Web Design](#) ♦ [Web Design Pricing](#) ♦ [Other Website Costs](#) ♦ [Summary of Website Costs](#)

The most recent stats on how many websites there are in the world show a whopping 644 million as of February, 2012 with another 31 million added in the very next month (Source: [Netcraft Survey](#)). In the 4<sup>th</sup> quarter of 2011 there were 225 million registered domain names (Source: [Marketwire](#)). A comparison to the stats in 2009 (234 million websites; 87.8 million domain names) shows just how much the World Wide Web has become integrated into our business and personal culture.

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?

## Do It Yourself or Hire a Professional?

First, and most importantly, you should know there is more to a website 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 works 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.

Keep in mind that a website is a visual representation of your business. The look and feel makes a statement about *you*. A 'canned' website looks, well canned, and allows little or no flexibility in the design to make it a unique reflection of your business, be it casual or professional

## About Website Design

Whether you to do it yourself or hire a professional you need to decide 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? Is it an e-commerce site or a simply a showcase for your services and/or products.

If you do decide to go with a professional then the website design should be an interactive partnership between you and designer. As the client it is your responsibility to provide the content, including graphics and text, unless other arrangements are made. Then you do need to leave it to the professional to do his or her job, which is to make it visually pleasing and incorporate the multiple elements required for an effective website.

### Web Design Pricing

The cost to design a website varies considerably depending on a number of factors. Big companies and organizations spend \$50k and up for their websites and that's just for the design. However, for small businesses it takes about two hours on average to produce one page of an information website. The time factors in setup, linking, image sizing and much more. Typically, the market rate is \$65/hr. That means a three-page 'information only' website design will cost approximately \$390.

A few companies, including [Business Management and Design](#) (BMD), have opted to charge a flat rate per page rather than a per hour rate to facilitate budget planning, a must-have for most small businesses.

### Other Website Costs

**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, MSOL 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](http://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, which can be \$50 and up. When entering into a maintenance contract make sure you know what comes with the package, which should include monthly or quarterly visitor statistics.

Again, in order to help small businesses, BMD has opted for a different approach. Maintenance is based on actual time averaged out over a three month period with *no* minimum.

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### Summary of Website Costs:

The figures below are based on a 3-page website and include start-up and annual costs. BMD is listed separately to demonstrate a different approach and in the interests of blatant self-promotion.

Note: Hosting companies often offer discounted monthly rates for new customers that range between \$3.95 and \$6.95, but then raise the price after the first year. Reseller companies, such as [BMD](#), have lower operational costs so can offer a lower price.

Year 1	Market	BMD	Ongoing	Market	BMD
Domain Name Registration	incl	incl	Domain Name Renewal	\$ 13.99	\$ 15.00
Hosting averaged @ \$4.95	\$ 59.40	\$ 71.40	Hosting averaged @ \$11.28	135.36	71.40
Website Design	390.00	240.00	*Maintenance: 2 updates/mnth	600.00	300.00
Start-up Cost:	\$449.40	\$271.40	Estimated Annual Cost	\$749.35	\$386.40

\*Since BMD charges actual time with no minimum, the cost shown is based on each update taking one-half hour.

For a small business the total may seem “too much”. 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 small business with annual sales of \$100k (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.

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Author Norah LeClare

[Business Management and Design.com](#)

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