Content is king as online shoppers look to buy from trusted sources

As consumers spend more time on the Web, Internet-savvy small businesses become bigger part of the conversation.

Kristin and Chris Conn founded MightyNest, an Evanston-based online seller of nontoxic merchandise. (MARINA MAKROPOULOS, Chicago Tribune / December 21, 2010)

By Ann Meyer, Special to the Tribune
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When Kristen and Chris Conn of Evanston wanted to help other parents find and buy safe, nontoxic merchandise, they turned to the Internet. The result was MightyNest.com, an online business the husband-wife team launched in October 2009 that marries content and commerce to cost effectively reach busy parents.

Thanks to consumers' growing use of search engines and social media, MightyNest expanded its presence and more than tripled its holiday sales this year, said Chris Conn, the company's chief executive. With 17,000 Facebook friends, he said, "We've built up a really strong community."

Increasingly, startups are tapping the Web's global reach, and that likely will accelerate in 2011 as more entrepreneurs see the Internet as a business-development tool. Global online transactions generate an estimated $10 trillion annually, according to a U.S. Commerce Department report released in December.

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"I can use the cost advantages and the scale of the Internet to build a nice business online with a few people, and that's pretty cool," said Conn, who has experience in Internet product development through stints at several companies, including Tribune Co. and DoubleClick.

"All you need is a Web site and something to sell," said Jeb Ory, chief executive of The App House, a Chicago-based mobile software application-development firm.

While the Web has helped launch countless businesses, Ory and others expect the continued growth of mobile phones to create new opportunities in apps. More than a third of all mobile subscribers downloaded apps in October, up 2.3 percentage points from July, according to data from ComScore's MobiLens service.

Besides creating its own mobile apps, The App House is developing a software platform for "appreneurs" and other businesses that want to create apps without writing their own code. It plans to sell the service for a monthly subscription fee in 2011.

"We are looking at what the Web has done for small and medium businesses, and we think mobile apps are going to do the exact same thing," Ory said.

Drink Deck recently launched a mobile version of its core product, a deck of playing cards with each card describing a Chicago bar and offering $10 off at the establishment when consumers show the card, said Will Glass, founder and chief executive of the Chicago startup.

While Glass created a tangible consumer product that he could sell at retailers like Pastoral cheese shops and Binny's liquor stores, he also created a Web site and drives traffic to it using Twitter, Foursquare and Facebook. Drink Deck has a new mobile app containing the deck of discounts that makes the product more convenient.

"People always have their phones with them," he said. "At $20, the Drink Deck app pays for itself after use at two bars."

Still, making effective use of Internet technology requires a new mindset for some businesses. On the marketing front, it could mean shifting from an outbound focus, where sales representatives make cold calls, to building relationships with prospective customers through virtual networking.

"Marketing is about positioning yourself to be found. It's about providing value," said Mark Goodman, chief executive at e-Conversation Solutions, speaking at a recent workshop for small business owners. "No one wants to be sold anymore."

Instead, prospective customers are looking for answers, Goodman said. Many start by typing a question into a search engine or social media platform. Companies that can anticipate the questions and create appropriate content are more likely to have users visit their sites, where they can continue the conversation, he said.

Often, consumers turn to the Internet to learn what products are available for the best price, Goodman said. Companies that provide the best answer generally get the sale. "If you're not there and your competition is, who are they going to call?" he said.

But the challenge for small businesses is making it to the top of the search list, said Govind Kabra, chief technology officer at Cazoodle, a Champaign startup founded by University of Illinois computer scientists. The process of clicking on links and wading through sites is so tedious that most users never look beyond the top few results, Kabra said.

"Stop giving me lists of Web sites; give me answers," Kabra said during a recent Innovate Illinois presentation, where the company was one of 10 finalists to compete for top honors.

To improve the search process, Cazoodle is using innovative data-modeling technology to build vertical search engines that aggregate data from thousands of sites. For example, the technology can help people find apartments according to exact specifications, which may include location, price range and willingness to take pets. Instead of getting a list of sites, the user will see actual rental listings.

Cazoodle is generating revenue from online advertising, which is on the rise. A December eMarketer.com report said Internet advertising will surpass newspaper ad sales for the first time this year, with online advertising projected to hit $25.8 billion, up from $22.7 billion in 2009. By 2014, online advertising will grow to $40.5 billion, eMarketer is forecasting.

"That describes a real major shift," said David Hallerman, principal analyst at eMarketer in New York. "The
Internet in the end is the world’s biggest library."

Businesses that position their sites as the go-to place for information in a given niche will see sales follow, he said. "Being trusted means you have to be part of a larger conversation."

That means companies like MightyNest are focusing their efforts online to build relationships with customers and become known as a trusted source for information.

So Kristen Conn carefully reviews every product MightyNest carries. "We go the extra mile to find and verify this is the safest option," she said.

"People said we were crazy to have so much content, but my framework was the opposite," Chris Conn said. "The content came first for our customers, for them to believe in us."

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Outlook 2011: Small business

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