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Websites, Branded Email Remain Key to SMB Internet Services

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About this paper

A Black & White paper is a study based on primary research survey data that assesses the market dynamics of a key enterprise technology segment through the lens of the “on the ground” experience and opinions of real practitioners — what they are doing, and why they are doing it.

ABOUT THE AUTHOR



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Introduction

Summary

The internet is universally important to consumer behavior today, serving as a significant conduit for engaging and transacting with businesses – and the scope of that engagement continues to grow, as marketplaces, social media, messaging apps, and other tools add to the consumer experience.

Despite the growing array of options for interacting with businesses online, our survey results reflect that the core building blocks of websites and branded email remain essential components of how consumers research, contact, and transact with businesses. These services continue to be a critical component of online presence, essential to supporting consumer confidence and enabling effective interaction with customers. By extension, the survey results suggest that the domain name, as a foundational element of a business's own website and branded email, serves an important role in an effective online presence.

Registrars, web hosts, and other providers of small business internet services should consider accommodating these essential components in how they serve customers. Helping businesses navigate the complexity of platforms, resources, and tools is an opportunity for service providers.

Methodology

This White Paper is the result of a quantitative study of a key technology topic – the role of websites and branded email in relation to other factors in online consumer confidence – and presents insights based on the results of that study, intended to help guide product & marketing decision-makers through the questions associated with that topic.

Survey data used in this paper was collected in December 2019 and January 2020 by 451 Research, now a part of S&P Global Market Intelligence. The independent study commissioned by Verisign surveyed 5,450 online consumers in key markets in North & Latin America, Europe, and Asia. The survey focused on adult consumers who own a smart device and actively shop online.

The survey was designed to gather insights into consumer use of the internet to interact with businesses, and the factors that influence consumer confidence in these businesses, in order to arm service providers and registrars with an understanding of how the resources they supply to businesses can help create trust and deliver value to their customers.

Demographics for the survey sample include a balance of respondents from a variety of age groups, geographic regions, technology usage rates, and other categories, enabling responses to be compared across these groups. Where they reveal notable differences, these comparisons have been included throughout the paper. In cases where no comparison is displayed, it is most often the case that demographic differences do not correlate with significant differences in response. For some questions, responses are mostly consistent across all respondent types.

Similarly, some demographic splits in the sample, such as male and female respondents, show almost no variance in response throughout the questionnaire.

Specific terminology used in this paper matches explicitly with terminology used in conducting the survey. Where necessary, the survey included definitions and/or examples for key terms. For example, each time the term “branded email” was used in the survey it was followed by ‘(e.g. sales@example.com).’ Every time the survey referred to a ‘business’s own website,’ it was followed by ‘(e.g. example.com).’ The term “professional website” was not defined.

References to “consumers surveyed” and “respondents” in this paper mean the 5,450 online consumers referred to above. Percentages used in this paper have been rounded to the nearest whole number, and therefore percentages may not add up to 100%.

Key Findings

- **Businesses must have effective online resources in place to accommodate the needs of modern consumers.** Overall, 80% of consumers surveyed indicate that most or all of their purchases involve the internet for at least one step (researching, comparing prices, customer support, transacting).
- **Email is critical to communication between businesses and consumers, and a key use case for domain names.** Among consumers surveyed, email was the most-cited means of communicating with businesses (ahead of telephone and social media), and 85% of consumers agreed that a business using a branded email address is more credible than one using a free email account (e.g., _____@gmail.com).
- **A website adds credibility and drives new business.** Among consumers surveyed, 66% agree that a business with its own website (e.g., example.com) is more credible than one without, and 72% agree they are more likely to recommend a business with a ‘professional website.’
- **Of the online tools tested, a business’s own website (e.g., example.com) is one of the most used in terms of consumer engagement.** Consumers surveyed identify a business’s own website as one of the most popular online resources for information gathering (69% of respondents), communicating with (46%) and transacting with (57%) a business.
- **Operating without a website could limit a business’s opportunity.** Among consumers surveyed, more than half indicate that they expect it would be more difficult to verify the identity of (56%), find online (55%), and contact (54%) a business that does not have its own website (e.g., example.com).

Service Providers' Guide to Small Business Success

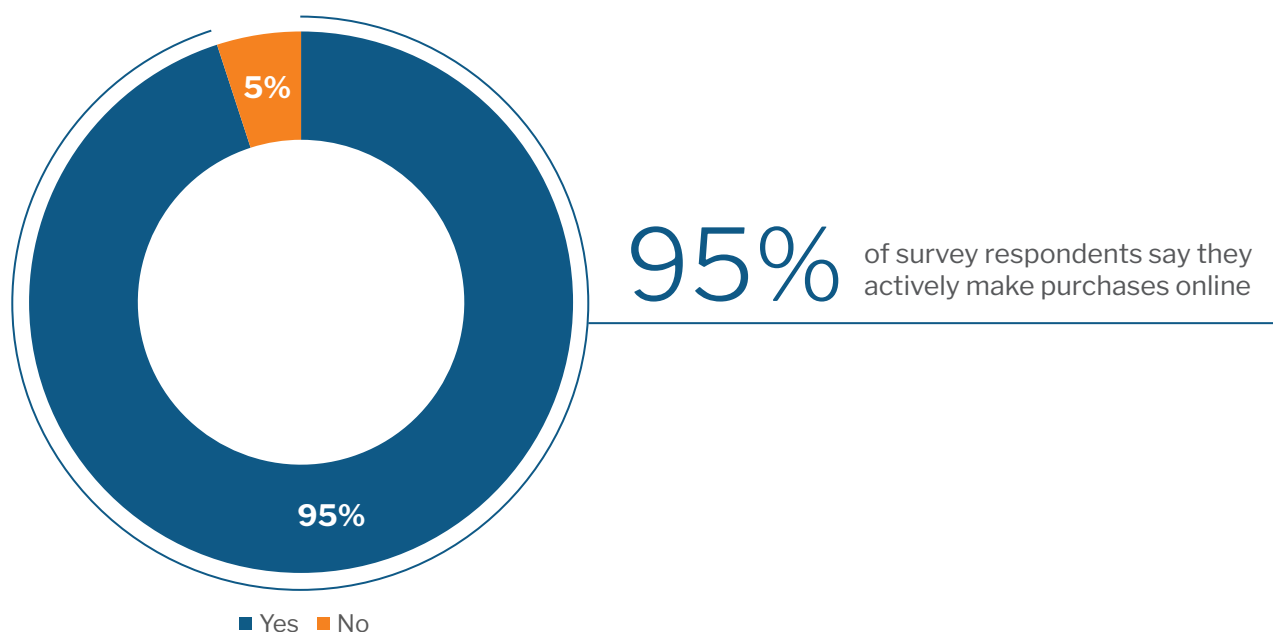
Many factors contribute to the success of a small business. As the online aspect of customer engagement becomes even more important to operating a business, many of these success factors rely directly on the expert guidance of service providers. These service providers, including registrars, can play a critical role in equipping small businesses with the necessary tools to address evolving customer demands around online capabilities and resources.

As service providers deliver the tools small businesses need to succeed online, it is important to consider how this toolset is ultimately defined by growing customer expectations of a business's online presence. These directly inform a customer's willingness to engage with, or recommend, a business. While these expectations are evolving, they are almost universally held – 95% of consumers surveyed indicate that they actively make purchases online (see Figure 1). To ensure these customer expectations are met, small businesses may require service providers to supply the building blocks of a credible online presence, including a branded email, and a website – all essential tools in demonstrating credibility to consumers.

Figure 1: Internet is Key to Online Consumer Habits

Source: Custom 451 Research study commissioned by Verisign

Q. Do you actively purchase online?



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This paper examines some of the factors that can increase the credibility of small businesses as consumers come to rely more on the internet in their engagement with businesses, and their online behaviors grow increasingly sophisticated.

Consumers have more resources available than ever before for engaging with businesses online, but according to our study, the essential building blocks of a business's digital identity – a branded email address and a business's own website – remain critical to communicating value to consumers and are key features in a service provider portfolio.

Online Presence Is Key to SMB Consumer Relationships

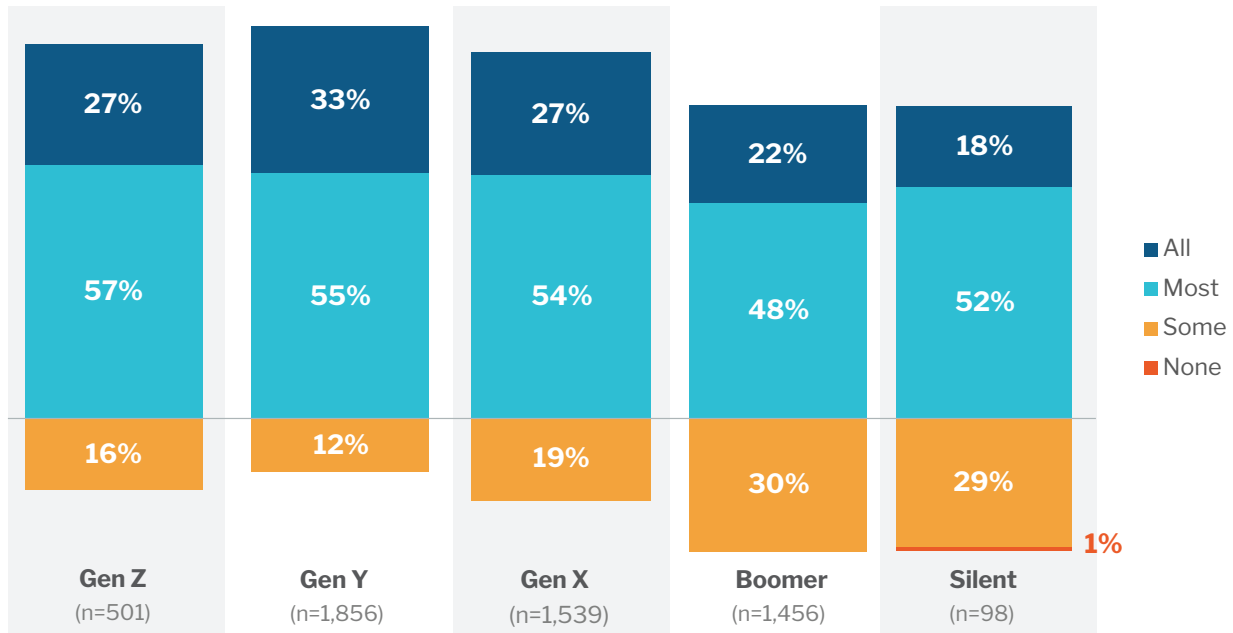
A small business's online presence is a critical factor in its ability to reach online consumers, who rely on the internet to inform decisions around how they will spend their money. Further, a consumer's impression of a business's online presence has a ripple effect that can influence other decisions, such as whether they recommend that business to a friend.

Many consumers have become reliant on online interactions for purchases. All of the consumers surveyed indicate at least some of their purchases involve the internet for at least one step (e.g., researching products, comparing prices, ordering, or customer support), and 80% say they use it, at least in part, for most or all of their purchases. When asked how many of their purchases involve the internet, 33% of respondents in Gen Y (respondents aged 24-39 years) say all of their purchases use the internet for at least one step, while 27% of both Gen Z (aged 18-23) and Gen X (aged 40-55), and 22% of Baby Boomers (aged 56-74), say the same (see Figure 2). Even 18% of respondents in the Silent Generation (75 and older) rely on the internet for at least one step in all their purchases.

Figure 2: Use of Internet for Most or All Purchases – Generational View¹

Source: Custom 451 Research study commissioned by Verisign™

Q. How many of the purchases that you make use the internet for at least one step (e.g., researching products, comparing prices, ordering or customer support)? (n=5,450)



The tools for engaging effectively with online consumers will be of growing importance to businesses in the future. Nearly two-thirds (66%) of survey respondents say they plan to rely more on the internet to engage with small businesses over the next 12 months, and 24% of respondents say they will do so significantly more.

Thirty-three percent of the consumers surveyed in developing nations², where internet usage overall is accelerating, cite plans to rely significantly more on the internet to engage with small businesses over the next 12 months, compared with 16% of the respondents that live in a developed nation. For the purposes of this analysis, developing nations include Brazil, China, India, Indonesia, Mexico, and Turkey.

As consumers rely on the internet more, it is important for a small business to have an established online presence to effectively capture this opportunity. An online presence should cater to the entire pattern of behavior that ultimately leads to the transaction, whether it occurs online or in person. In fact, 61% of respondents say they are more likely to make a purchase from a business in person if it has an online presence, which highlights how much influence an online presence can have on a consumer’s purchasing decisions.

1. "Defining generations: Where Millennials end and Generation Z begins." Pew Research Center Washington DC (January 17th, 2019). <https://www.pewresearch.org/fact-tank/2019/01/17/where-millennials-end-and-generation-z-begins/>

2. According to United Nations 2019: https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/WESP2019_BOOK-ANNEX-en.pdf

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Consumers use various online resources – including search engines, marketplaces, review sites, and social media – to engage with businesses, and 64% of respondents say that businesses with many points of online presence are more credible than those with a few.

While these additional online resources can be complementary to a small business' own website (e.g., example.com), the survey results suggest the website remains a critical component of an online presence. A website is unique among aspects of a business's online presence, in that it is identified as being among the top of the methods tested that consumers surveyed use for learning about (69%), communicating with (46%), and transacting with (57%) businesses (see Figure 3).

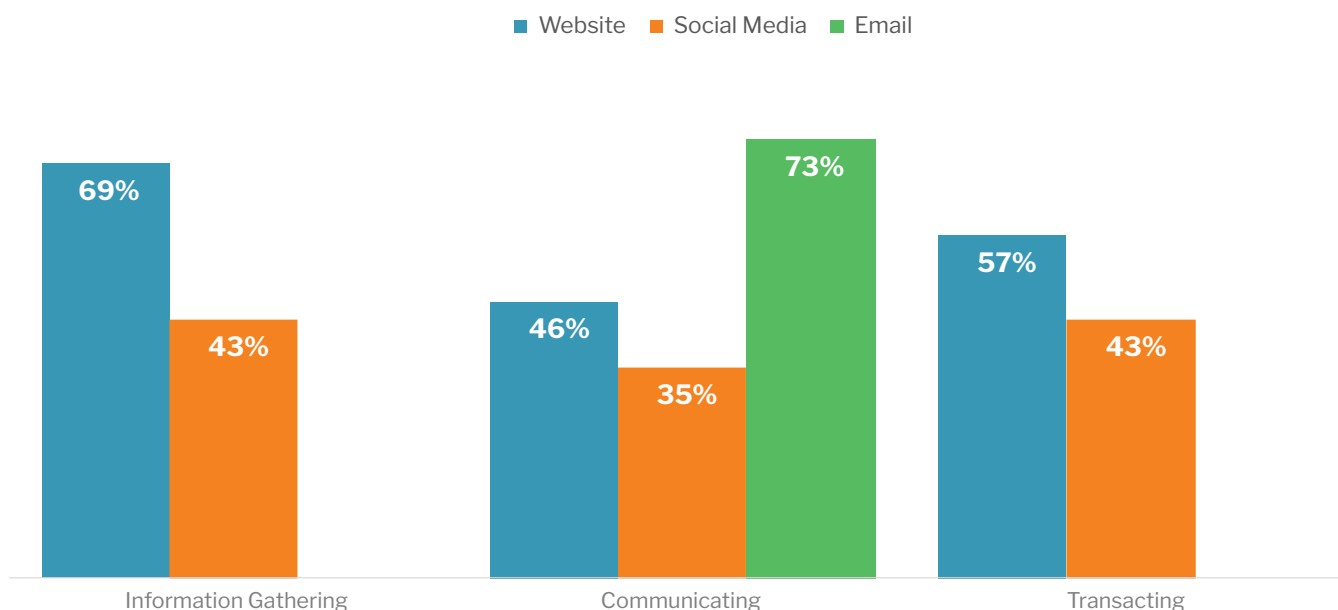
Figure 3: Website Plays an Essential Role in the Customer Journey³

Source: Custom 451 Research study commissioned by Verisign™

Q. Which of the following online methods have you used to find information about a business during the last 12 months? (n=5,450)

Q. Which of the following online methods have you used to communicate with a business during the last 12 months? (n=5,450)

Q. Which of the following online methods have you used for making a purchase from a business during the last 12 months? (n=5,450)



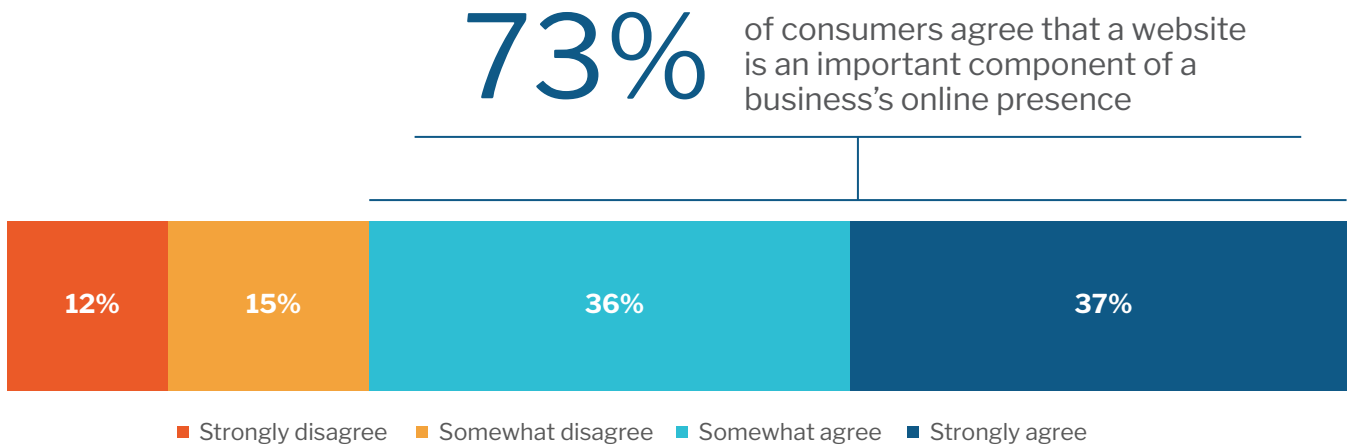
Service providers that support small businesses can play a key role in the success of those businesses online and in general by arming them with tools that address consumer expectations around an online presence – including a branded email and its own website (e.g., example.com). But this support can and should include support and strategic advice for the broader set of online capabilities.

3. Note: Showing results for Website / Social Media / Email only. Other answers not shown. For 'Communicating,' showing results for direct/private usage of Social Media only.

Figure 4: A Website Is an Important Piece of an Online Presence

Source: Custom 451 Research study commissioned by Verisign™

Q. For each of the following statements, please indicate the extent to which you agree or disagree: A website is an important component of a business's online presence (n=5,450)

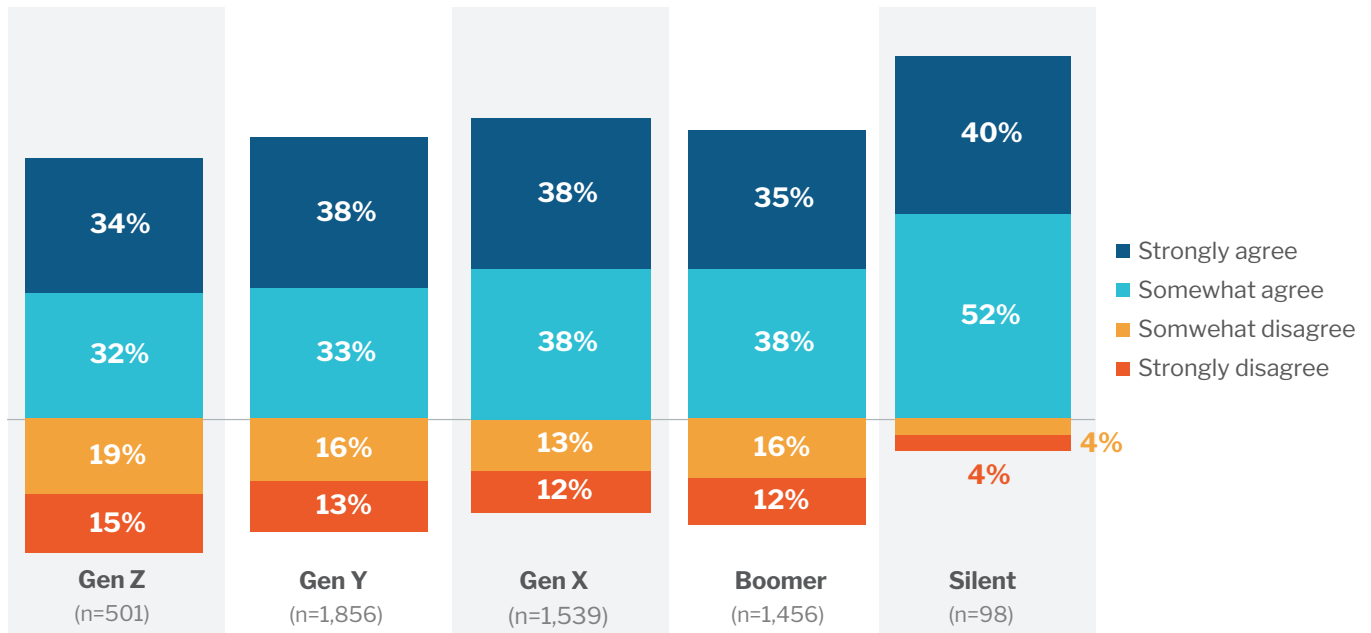


Most consumers surveyed agree that a website is a key tool for engaging with a business (see Figure 4). This is true regardless of respondent category. For instance, 92% of respondents in the Silent Generation say a website is an important component of a business's online presence – ahead of Baby Boomers (72%), Gen X (76%), Gen Y (71%), and Gen Z (67%) (see Figure 5).

Figure 5: Website Importance – Generational View

Source: Custom 451 Research study commissioned by Verisign™

Q. For each of the following statements, please indicate the extent to which you agree or disagree: A website is an important component of a business’s online presence (n=5,450)



Service providers also have an opportunity to help small businesses tailor an online presence to meet the needs of customers in local markets. Consumers surveyed in LATAM place somewhat more value on the existence of a website than consumers in other regions, where they may rely more on resources like apps or social media. For example, 83% of respondents in LATAM say that a website is an important component of a business’s online presence, compared with consumers in North America (77%), EMEA (74%), and APAC (65%).

Branded Email and Websites Drive Consumer Confidence in Small Businesses

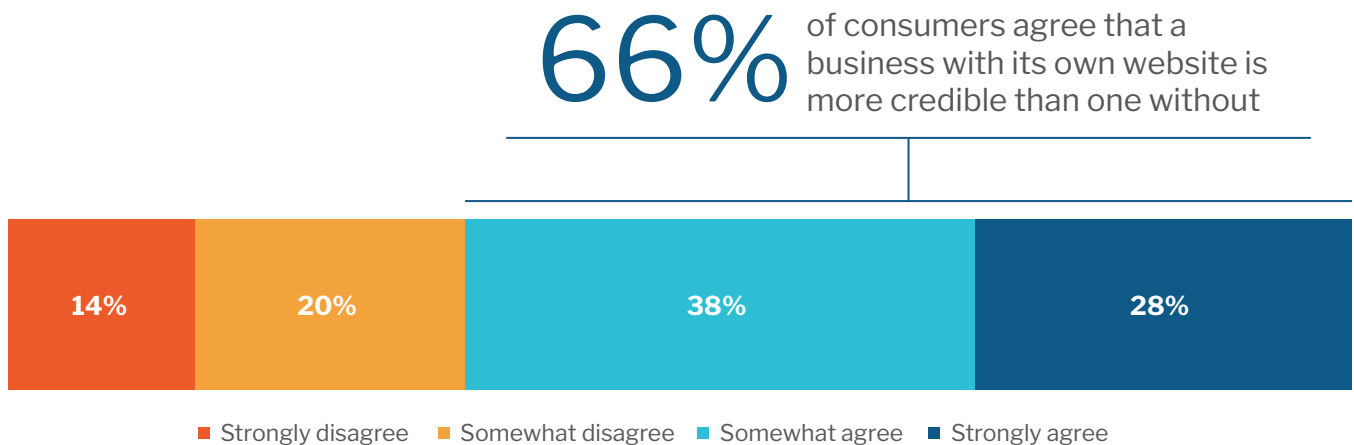
An important factor in determining consumer confidence in a business is whether it has an online presence, along with the components that make up that online presence. This is especially significant because 61% of consumers surveyed indicate that it can be difficult to know which businesses are credible online.

Based on the survey results, a business's own website (e.g., example.com) is an effective tool for establishing that confidence (see Figure 6). Among consumers surveyed, 66% agree with the notion that a business with its own website is more credible than one without it (28% say they strongly agree).

Figure 6: Website is a Factor in Credibility

Source: Custom 451 Research study commissioned by Verisign™

Q. For each of the following statements, please indicate the extent to which you agree or disagree: A business with its own website is more credible than one without (n=5,450)



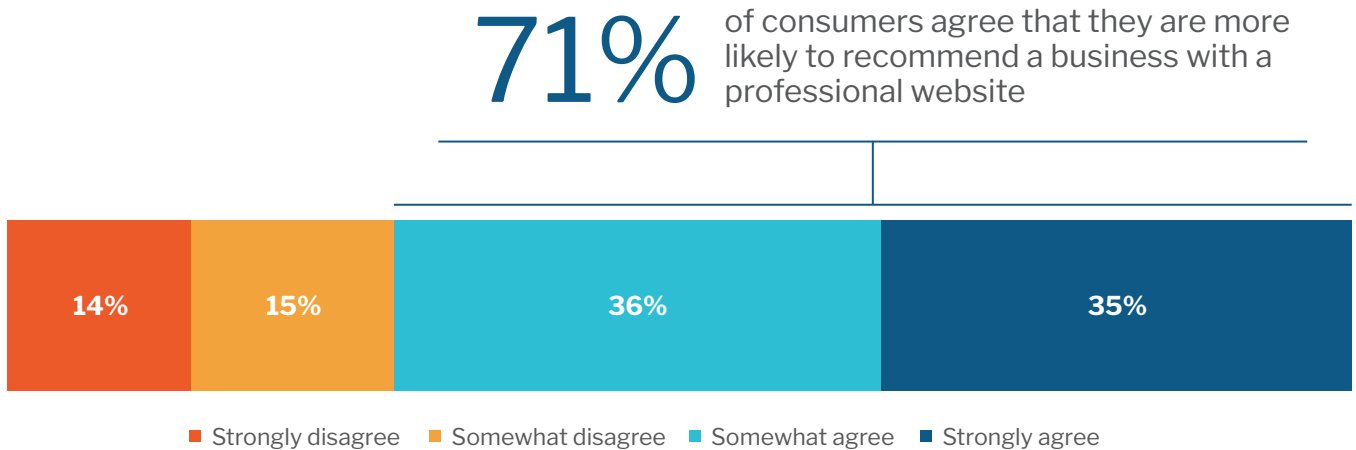
Trust is central to the relationship between a business and customers. This may be particularly true for online transactions, which require consumers to trust not only that the business will not misuse their payment or personal information, but also that it will deliver the product or service for which they have paid. For a small business, failing to be perceived as credible online may mean lost business.

Even in cases where a business succeeds in winning a customer, the credibility associated with a professional website is a significant factor in the potential for the organic acquisition of further business via customer recommendation (see Figure 7). Among consumers surveyed, 71% say they are more likely to recommend a business if it has a professional website. So, a website (or the lack of one) has a potential impact on a business's ability to grow organically through word of mouth.

Figure 7: A Website Increases the Likelihood of Recommendation by Customers

Source: Custom 451 Research study commissioned by Verisign™

Q. For each of the following statements, please indicate the extent to which you agree or disagree: I am more likely to recommend a business with a professional website (n=5,450)

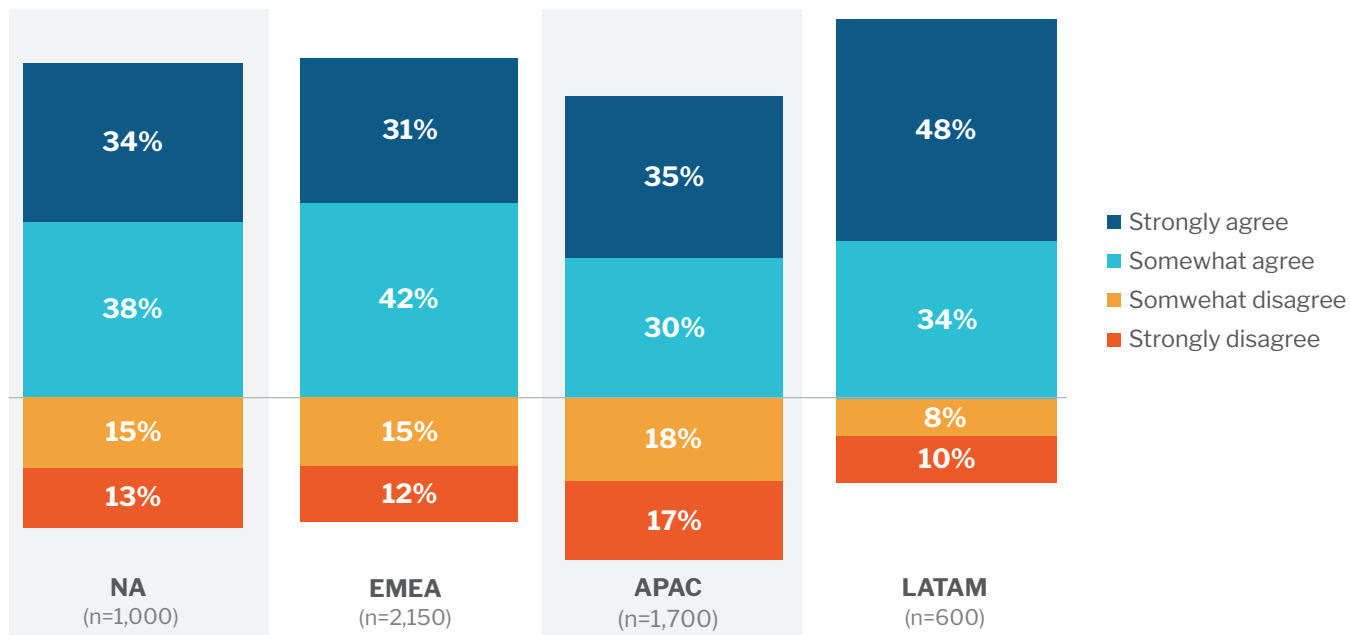


While a majority of consumers in all categories generally agreed with the idea that websites create credibility and influence whether they will recommend a business, consumers surveyed in LATAM are in particularly strong agreement with this notion (see Figure 8). Nearly half of respondents in LATAM (48%) strongly agree that they are more likely to recommend a business if it has a professional website, ahead of respondents in APAC (35%), North America (34%), and EMEA (31%).

Figure 8: Website Increases Likelihood of Recommendation by Customers – Geographic View

Source: Custom 451 Research study commissioned by Verisign™

Q. For each of the following statements, please indicate the extent to which you agree or disagree: I am more likely to recommend a business with a professional website (n=5,450)



Demand for Email-Driven Communication Represents a Major Service Opportunity

There are more ways than ever for consumers to interact with small businesses online, whether through chat functions on business websites, social media messaging, or picking up the phone. Considering all the options, consumers surveyed were more likely to have used a branded email address to communicate with a business during the past 12 months.

Communication is critical. The ability of a business to communicate effectively with consumers before and after a sale can lead to additional opportunities to engage customers and create new business. Significant numbers of consumers surveyed rate communication with a business as 'very important' (on a scale of importance) before (49% of respondents), during (59%), and after (58%) having made a purchase.

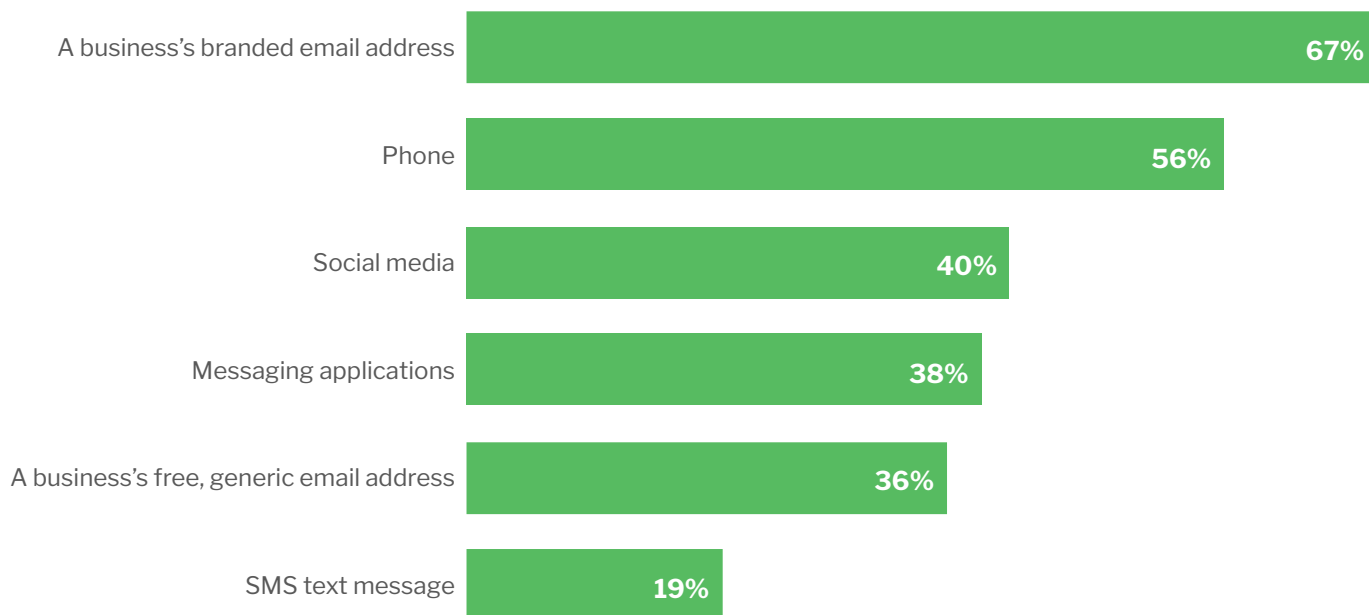
An effective approach to email is key to that communication. Seventy-three percent of consumers surveyed have used email to communicate with a business during the last year, far exceeding other online tools, such as website forms or chat tools (46%), messaging applications (38%) or the private messaging functions of social media (35%).

Likewise, email stands out among all methods of communicating with customers. Consumers surveyed were more likely to have used a business's branded email address (67% of respondents) than the telephone (56%) or social media (40%) to communicate during that time (see Figure 9). This is true even among device-light users (owners of just 1-2 items on a list of personal computing and mobile devices), who say they were more likely to have used a business's branded email address (57%) than the phone (47%).

Figure 9: Email is the Most Common Method of Communication

Source: Custom 451 Research study commissioned by Verisign™

Q. Which of the following methods have you used to communicate with a business during the last 12 months? (n=5,450)

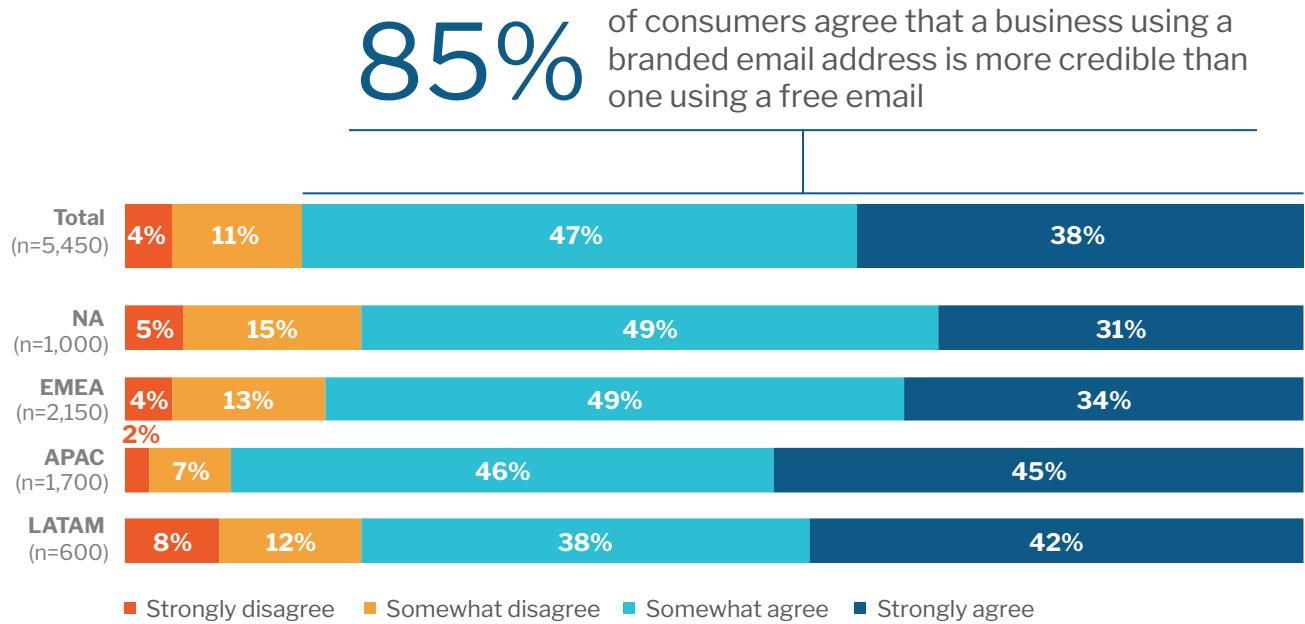


Respondents overwhelmingly agree that the presence of branded email impacts credibility and their willingness to engage in communications, in comparison to a free email account. Among consumers surveyed, 85% agree that a business using a branded email address is more credible than one using a free email account (see Figure 10), and 38% say they strongly agree.

Figure 10: Branded Email Supports Business Credibility

Source: Custom 451 Research study commissioned by Verisign™

Q: For each of the following statements, please indicate the extent to which you agree or disagree: A business using a branded email address is more credible than one using a free email account (n=5,450)



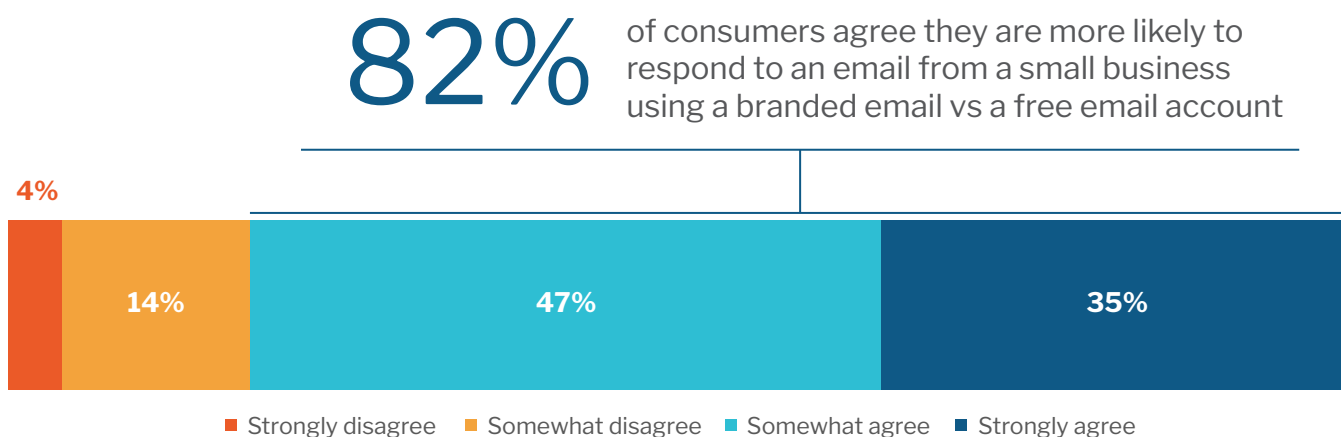
While a majority of respondents across all regions agree that businesses using branded email addresses are more credible than those using free email accounts, this was felt most strongly by consumers surveyed in APAC, where 91% of respondents share this sentiment, and 89% believe that promotional email sent using a branded email address is more credible than that sent via a free email account. Meanwhile, 83% of EMEA respondents agree that a business with branded email is more credible, while 80% of respondents in LATAM and North America say the same.

When it comes to communication and engagement driven by the business, such as marketing email, the presence of a branded email address is critical. Most respondents (82%) say they are more likely to respond to an email from a small business that uses a branded email address versus a free email account (see Figure 11).

Figure 11: Branded Email Encourages Customer Response

Source: Custom 451 Research study commissioned by Verisign™

Q: For each of the following statements, please indicate the extent to which you agree or disagree: I am more likely to respond to an email from a small business using a branded email address than one using a free email account (n=5,450)



For service providers, it is important to understand that a branded email address is a very clear consumer preference – it is viewed as a mark of credibility and as a direct factor in their likelihood to respond. The consumers surveyed prefer to interact with a business that can be clearly identified through its branded email, which suggests that an email address – specifically a branded one – is among the most important pieces of the business’s overall online presence.

Social Media Is Expanding, But Not Taking Over, the Notion of Online Presence

Social media has emerged as a critical component of how consumers engage online, but it has not supplanted websites or email in terms of the most critical tools for researching, communicating with, or transacting with businesses (as previously illustrated in Figure 3). While a social media presence is important to customer engagement, a business stands to benefit from making a professional website part of the anchor of its online presence.

Social media plays an important role and is a valuable tool in reaching younger consumers. In the last 12 months, 60% of Gen Z and Gen Y respondents have followed a business on social media to find information about the business, compared with 39% of Gen X, 22% of Baby Boomers and 17% of the Silent Generation. Social media is also a key channel for communication between a small business and its customers, particularly in APAC, where 63% of consumers surveyed say they have interacted with a business via social media in the past 12 months, which is slightly more than LATAM (56%), but significantly more than consumers surveyed in North America (29%) and EMEA (23%).

However, a small business that focuses on social media to the exclusion of a website or branded email may miss out on consumers in demographics for which social media use is less common, such as older generations or device-light users. Further, younger consumers surveyed who use social media also recognize the value of a business website. As previously illustrated in Figure 5, 67% of Gen Z respondents say a website is an important component of a business's online presence.

Just as small businesses should consider how social media can support their online presence, it is helpful for service providers to think about social media as a component of their overall service mix. Small businesses will adapt online efforts to include social media as part of a broader strategy to reach new customers, but this can be daunting from a strategic standpoint and in terms of technical tools and integration. A potential opportunity for service providers exists around resources that small businesses can use to integrate social media, and the knowledge and best practices to support these tools.

Risk of Operating Without a Website

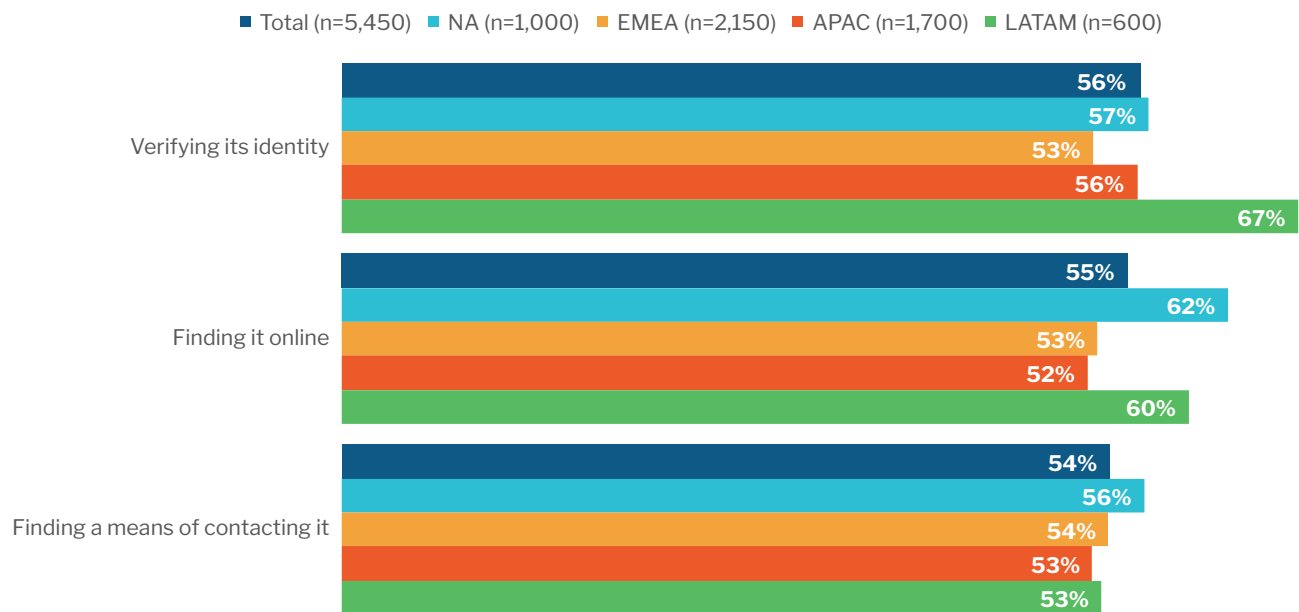
Small businesses that operate without a website could find it difficult to attract new customers, since more than half of consumers surveyed indicate that without access to a business's own website, they would have trouble verifying its identity (56%), finding it online (55%), and finding a means of contacting it (54%). As illustrated in Figure 12, respondents in LATAM are particularly concerned that without its own website they would not be able to verify a business's identity (67%), which is more than consumers surveyed in North America (57%), APAC (56%), and EMEA (53%).

Without access to a business's own website, significant portions of respondents say they would find it difficult to receive support following a purchase (51%) or even remember a business following an interaction (35%), both of which affect a business's ability to nurture loyal customer relationships.

Figure 12: Websites Make Businesses Findable, Reachable, Credible – Geographic View

Source: Custom 451 Research study commissioned by Verisign™

Q: Which of the following things would you expect to be difficult about engaging with a business that does not have its own website? (n=5,450)



Domain Names Support Critical Components of Online Presence and Remain an Anchor of the Service Portfolio

As outlined above, the consumers surveyed view websites and branded email as critical components of a business's online presence. By extension, the survey results suggest that domain names, which provide the human-readable navigation and labeling that underpin websites and branded email, continue to be an essential element of a service provider's offering portfolio.

For registrars and service providers, domain names are a foundation for service bundles that can address different sets of customer requirements, such as online retail or appointment-driven business. Adding further services to bundles or introducing a broader set of services can help give service providers and registrars the opportunity to continue evolving along with customers while increasing stickiness and improving customer value over time.

Although the development of service bundles will be unique to each service provider, service providers should consider how best to position domain names in light of the foundational role they serve.

Service Providers Must Deliver Business Value to SMBs

The ability to maintain a successful business and build credible operations online can be an overwhelming pursuit for any small company, especially if they attempt to do so without the support of a trusted service provider. Many small businesses will look for providers that can offer tools and guidance to help them achieve these outcomes without losing focus on their core business operations.

The value that service providers bring to a small business often goes beyond supplying the technology and tools it needs to succeed. Service providers can bring additional value to small businesses through tools for integration, best practices for implementation, and proven strategies for going to market that showcase their own expertise.

To offer help toward small business success, a service provider should understand the role of the business's own website (e.g., example.com) and branded email in establishing business credibility and consumer confidence.

Although small businesses may recognize the significance of an online presence, it can be a challenge for them to navigate the process of implementing the various services and tools. While a business's own website (e.g., example.com) and branded email are anchors in the service provider portfolio, they can also serve as stepping stones to an expanded customer relationship and portfolio of offerings.

Author's Conclusions and Recommendations

Even though consumers can search across various online resources to find information about a business, online consumers are more likely to engage with one that has a professional online presence that includes the business's own website (e.g., example.com) and branded email. Therefore, the survey results suggest that a small business that invests in an online presence that encompasses the key components of a website and branded email may be able to more effectively communicate its credibility to consumers online and engage with them before, during and after a transaction. Service providers are in the ideal position to communicate this to small businesses and offer the right tools and expertise to support their success.

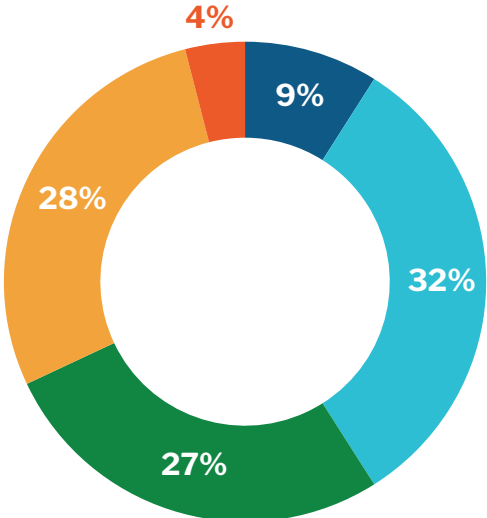
Conclusions

- Although the online technology landscape is continually expanding and evolving, a business's own website (e.g., example.com) remains central to businesses engaging consumers across the entire online journey, from research to communication and transaction. As a core component of business credibility, the website and branded email illustrate the importance of the domain name to a business's online presence.
- Social media has emerged as a key element in a business's online presence, and another means of consumer research, communication, and transaction; however, it has not overtaken the website in any of these roles. Businesses will need to adopt strategies for effectively engaging across the breadth of emerging communications tools, but they will likely need support from service providers to apply and integrate these services effectively.
- Email remains a critical element of consumer engagement, rating as the most common means of communication with businesses among surveyed consumers. It also provides a strong illustration of the importance of domain names, with consumers surveyed expressing that a branded email address is a significant factor in terms of credibility and willingness to communicate compared with free generic email alternatives (free email accounts).
- Given the importance of websites and branded email to the surveyed consumers' efforts to research, communicate with and transact with businesses online, domain names, which support these critical components of a business's online presence, continue to be an essential element of a service provider's offering portfolio.

Recommendations for Service Providers

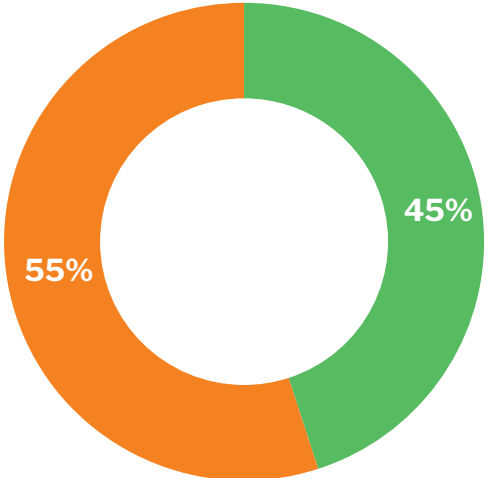
- Service providers should consider positioning branded email as a central component within their offerings, since, according to the consumers surveyed, it is one of the most critical tools a small business has to communicate with customers and assert credibility and trustworthiness online.
- Service providers that sell online services to small businesses should consider designing their offerings in part around supporting the credibility of their clients' businesses with consumers. Credibility impacts a business's bottom line and is affected directly by a business's own website (e.g., example.com) and branded email.
- As the scope of a business's online presence expands to include social media, marketplaces and other resources, service providers should consider these platforms as avenues into which they can expand their own services. However, they should focus on connecting these back to the central components of the business's online presence, including the domain name.
- Services supporting the full scope of online presence for small businesses should include not only the technology building blocks but also strategic advice about how to make the best use of these resources, as well as functions that integrate emerging tools with central components such as website and branded email.
- Based on the survey results regarding the importance of professional websites and branded email, service providers should consider positioning and marketing domain names as foundational to an online presence, rather than as add-on service components. This includes treating the domain name as a central pillar when building out their service portfolios.

Appendix: Respondent Demographics



- 18-23 (Gen Z)
- 24-38 (Gen Y)
- 39-53 (Gen X)
- 54-72 (Boomer)
- Over 73 (Silent)

Source: Custom 451 Research study commissioned by Verisign™
Q: How old are you? (n=5,450)

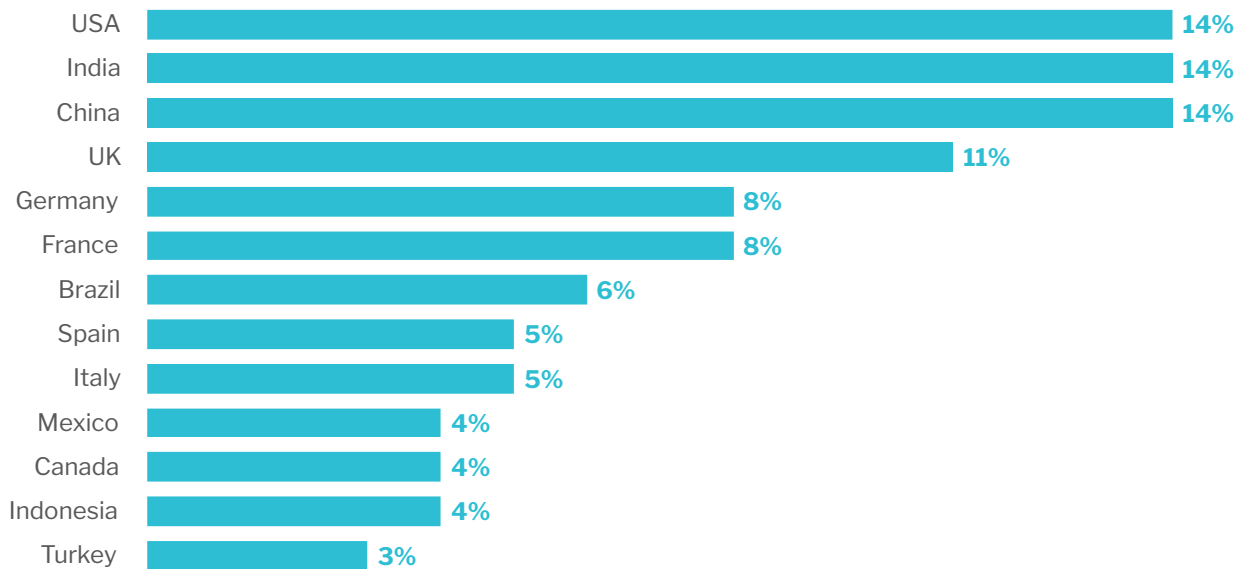


- Male
- Female

Source: Custom 451 Research study commissioned by Verisign™
Q: What is your gender? (n=5,450)

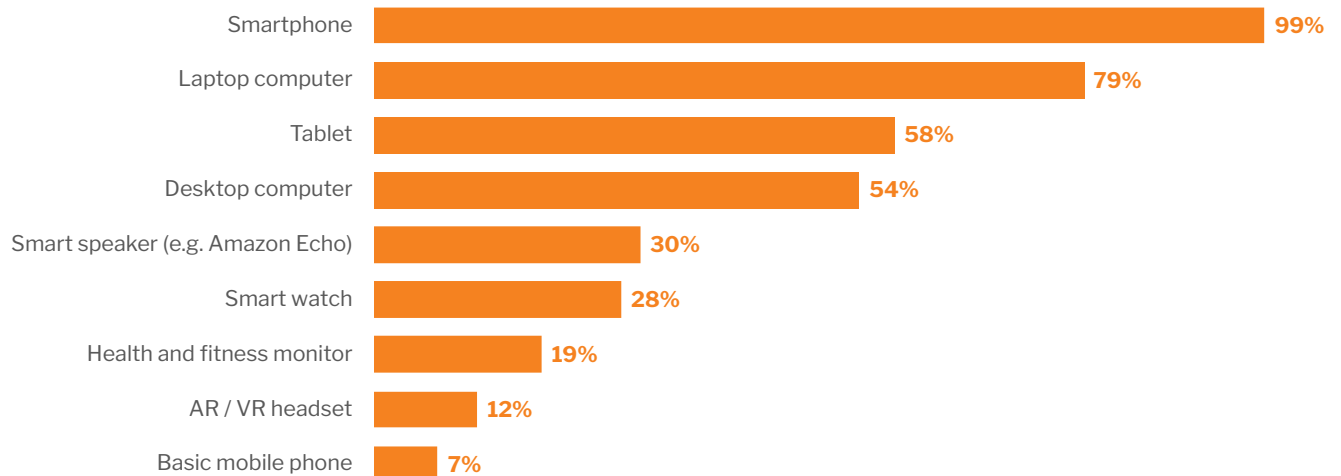
Q: What country do you live in? (n=5,450)

Source: Custom 451 Research study commissioned by Verisign™



Q: Which of the following devices do you own? (n=5,450)

Source: Custom 451 Research study commissioned by Verisign™



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