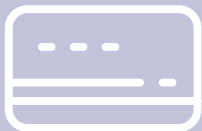




IE Domain Registry

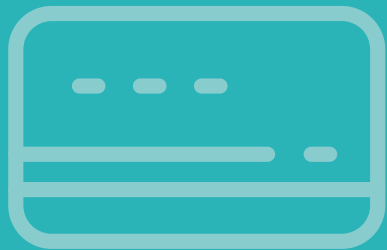


WEBSITE COSTS FOR
SMEs IN IRELAND:
HOW MUCH SHOULD
YOU PAY?



We are often asked by micro-businesses and SMEs how much they should expect to pay for a website for their business.

This is one of the most frequently asked but tricky to answer questions in the world of web design and digital marketing. Even now, there is no magic formula for calculating the cost of a new website. After 20 years working with Irish businesses we've compiled all the information you need when deciding on a budget for your website. Our advice is broken down into practical and manageable tasks, showing you what you need to consider when going through the process.



In this guide, we will take a closer look at the costs involved, and how to make the most of your budget when developing a new website. We're going to profile four typical Irish business scenarios:

**Start-up/hobbyist
(1 part time staff)**

**Micro-business
(less than 3 employees)**

**Small business
(less than 5 employees)**

**Medium-sized business
(up to 20 employees)**

We've heard from industry bodies like the SFA and ISME that website quotes for SMEs can vary from €5k to €20k. It is generally accepted that businesses should spend 5% of their turnover on marketing if they want to stand still, and 10% if they are trying to grow. Marketing statistics in the U.S. indicate that 62% of small businesses are investing 4% or more of their revenue in marketing*.

So how can an SME in Ireland decide on the right amount to spend? It will of course, depend on the size and nature of your business, as well as the sophistication of the website itself in terms of the technical elements needed. It also depends on how the website is positioned in terms of your overall marketing strategy.

We know from our Digital Health Index Q4 2017 that half of all Irish SMEs acknowledge the benefits of an online presence. In fact, 66% now have a website compared to 62% in October 2016. The gap is certainly

decreasing with only 19% stating that they are not present online. This means they have no digital assets, website or social media presence and therefore no way of engaging with Ireland's e-commerce market, which is forecast to grow to €14 billion by 2021.¹

Why is this so? Most say that there is simply 'no need' in their industry while others complain of a lack of expertise, finance or time. We're here to help fill that gap, to provide relevant and up to date information for businesses that want to get online.

The very first step is to decide on the purpose of your website. What are you trying to sell? Is it a product or service? This will determine the functionality, style and layout of your website. Then you are ready to move into the specification stage and hire an expert to help you build your website or use a do-it-yourself website builder.



WHAT ARE YOU TRYING TO SELL?

IS IT A PRODUCT OR SERVICE?

Sources:

* <http://www.engage2connect.com/>

¹ Virgin Media Digital Insights Report 2016

START-UP:

Hobbyist cake maker testing the market.



The owner of this business has just started out. She is a highly skilled cake maker in her spare time, providing cakes for special events locally. The cakes really have the wow factor, so she's been encouraged to test the market to see if she can make a business out of her hobby.

The fastest way to promote her business is to develop a small website, but the challenge is that she is in start-up mode and only has a tiny budget to work with. As cake making is very visual, one of the key things is to be able to share images, which she's currently doing on Instagram and Facebook. However, she now wants to potential customers to be able to see samples of her cakes, place orders and make enquiries. She also wants to showcase her own skills by providing more information on awards she has won and her qualifications.

It is important for her to show that she has very high standards, complying with food hygiene regulations. Finally, she knows that by developing a website she will control her own business online.

So, with a minimal budget, the cake maker has decided to go for a DIY website builder as it will allow her test her business idea without having to make a huge investment. A key advantage of DIY websites is that it can be done easily by the business owner, and no web development skills are needed – it's a simple drag and drop solution. She wants about 10 pages initially and the ability to show images and video. A contact form for orders will be needed, as will limited e-commerce to allow customers purchase cakes from the website. She also wants to get a domain name for her business and a matching, professional email address.

DIY web builder packages are widely available from hosting companies in Ireland from as little as €8 per month. Some reliable companies are listed here www.iedr.ie/register-a-domain/accredited-registrar-list/

Requirements checklist:

- 10 page website
- Images
- Video
- Limited e-commerce
- Contact form
- Social media integration
- Google analytics

MICRO BUSINESS:

A hairdresser based in County Wexford with an annual turnover of €95k and a team of 2 staff.



The business carries out its marketing within the immediate locality and wants a website with details about opening hours and location, the ability for clients to make appointments online and an image-based section illustrating previous client hairstyles to promote their growing wedding business.

Looking at their turnover, the total marketing budget available is €4,750 (5%). This budget will have to cover all activities, not just the website. It will need to cover design and print costs for flyers and brochures, as well as the costs of attendance and exhibitions at industry events, sponsorships, social media and any online and offline advertising. Therefore, the business will have to prioritise what is most important, and what will deliver the best return in terms of additional revenue. In this case, they want to appeal to more customers who are looking for hair stylists for their wedding.

So it's important that they have a strong online presence and appear in Google searches for wedding hair stylists.

With this in mind, what exactly could the business justify spending on a website?

Looking at what they are trying to achieve in terms of functionality and design, the website is a reasonably straightforward 'brochure' style site with a contact booking form. They want to grow their wedding business and so this section of the website will need careful planning. However, the website does not need in-depth e-commerce functionality. A budget of €1,500-€3k should suffice in terms of creating a modern, responsive and fit-for-purpose website. It is important to note that this cost will be spread over time – up to 3 years – as a website does not need to be redesigned from scratch every year.

In this case, maintenance of the website will largely be limited to content updates and monitoring the booking form so it is quite likely the hairdresser and team can look after this in-house through a content management system.

Requirements checklist:

- Image gallery with zoom feature
- Image carousel
- Appointment booking
- Mobile responsive
- Google map
- Social media integration
- SEO

SMALL BUSINESS:

A training company based in Dublin with an annual turnover of €150k and a team of 5 staff.



The company trains professionals in how to use accounting software. Their clients are mainly large corporate brands, who send teams of 15-20 people at a time to the training sessions. Usually this is carried out at the client's premises. To date, the company has relied on conferences and word of mouth using testimonials from three large clients to promote the work that they do. They have ambitious growth plans to expand their client base for on-site training and to develop online training modules for those who are too busy to commit to full days away from their desks.

The website must therefore cover the basics. This includes details about the company, courses, trainers, prices and client testimonials but it also must be future-proofed to allow the company to upload and broadcast web-based training modules. Many companies will use a 3rd party system or Moodle if it's a complicated training video system.

This means the website would then just contain a link to the 3rd party platform. Another option is to host videos on YouTube if they don't mind the general public viewing them.

Looking at their turnover, and the fact that they want to build a sophisticated online training section within the website, this company will most likely need to allocate 8% of the annual turnover towards its growth plans. This means they have €12k for total marketing spend.

So, for this company, what exactly could they justify spending on a website?

In order to attract new clients, and grow their customer base, they need to ramp up the marketing strategy to include the new website, online promotion and potentially, paid-for search marketing on Google to promote the website in search rankings. Social media will also be

important, especially on LinkedIn where their core market is likely to be.

The website will need careful design and development to deliver smooth and high-quality online courses. A budget of €5-€8k should suffice in terms of creating a robust, reliable website which can take large amounts of video content either hosted on the site or hosted externally.

Requirements checklist:

- Support online training videos
- Advanced search
- Mobile responsive
- Booking engine
- Payment system
- SEO
- Blog

MEDIUM BUSINESS:

A food producer/retail shop based in West Cork with an annual turnover of €750k and a team of 15 staff.



This company has expanded rapidly over the past few years, and the website that was initially built for them is no longer fit for purpose. It has no e-commerce functionality, very little imagery or photos and is not responsive on tablets or mobile devices. Although not a large scale producer, they offer a small range of organic farm produce, which they are successfully selling as 'Seasonal Veggie Boxes' in the local area. For this reason, they need a robust ordering and online selling section on their website so orders can be placed and fulfilled.

Looking at their turnover, the total marketing budget available to them is €37,500 (5%). The marketing plan needs to cover existing activities such as social media marketing, PR activities and online advertising to highlight their 'Seasonal Veggie Box' offering. They also sponsor some local sporting clubs. They know that a new website will support a lot of their existing marketing campaigns,

so they are keen to upgrade it to keep it in line with the rest of their activity.

For this business, the website needs to reflect the brand, which has a high-quality, modern and vibrant personality. The values of organic, local and seasonal produce are important for their brand and business. It won't need too many pages but the content must showcase the produce. For example, a lot of images using great photography and graphics with suggested recipes and uses for the produce. There must also be bandwidth to upload video content as the team has produced some nice footage of chefs using the produce in their recipes. The company wants to set up an online shop to start selling directly to its customers. This will also impact the overall specifications and cost of the website. Added to this, they want to look at an interactive customer comment area.

A budget of €8k will be needed so that the website is fully responsive, enabled for e-commerce and displays high quality imagery and graphics in keeping with the brand.

Requirements checklist:

- Mobile responsive
- High quality images
- Video content
- Payment system
- Online shop
- Advanced search
- Interactive customer comments
- Social media integration
- SEO

Pulling together the brief for your website

There are a number of important steps involved in developing a new website for your business, from drawing up the brief to looking for quotes from web developers.

Do your Needs Analysis

The first thing to do when creating the brief for your website is to carry out a Needs Analysis. This is a detailed breakdown of what you need for the website, taking into account the unique needs of your business. It will form the basis for your brief and will ensure there is no room for misinterpretation by the web developer.

You should aim to include the following within this document:

An overview of the business (length of time in business, products/services offered, staff numbers etc)

- ▶ Description of your target audiences and geographic markets
- ▶ The objective of the site. If you plan to increase revenue via the website, what is your target number? This should include overall revenue e.g. €20k per annum and the number of sales needed to reach that goal
- ▶ Design and content requirements. This includes the number of pages and type of content needed. Will you provide the content yourself or will you need the developer/agency to source it?
- ▶ Images, logo and visuals – will you supply these or will you need the agency to provide them?
- ▶ Functionality and technological requirements (PayPal/Stripe integration, social media integration, content management, log-in requirements etc)
- ▶ Level of follow-up support needed.

Do your research

- Tap your networks for names of agencies or developers
- Look into web developers or agencies that specialise in your particular industry. This will mean they can quickly get to grips with your requirements
- Look at competitors or websites that you like. It is always useful to have some examples of styles or approaches that you would like for your website
- Read up on latest consumer trends when it comes to online usage. For example, in Ireland, smartphones have taken over as the device of choice for accessing e-commerce sites, generating 52% of traffic, while desktops accounted for 36% and 12% from tablets**. This will be important to the layout and style of the website.

Have a budget in mind This will allow you to focus your search efforts, and narrow down quotes received based on price.

Select 2-3 web developers and send them the same brief to get comparable quotes. The reason many SMEs can get wildly varying quotes is that they don't ask all companies for exactly the same thing.

Consider the **maintenance and upkeep of the website**. Do you have the necessary skills in-house to maintain the website? Is the Content Management System easy to navigate? Are you happy that you can troubleshoot any technical issues if they arise? If not, it may be worth looking at some form of support contract as part of the overall project.

When choosing your developer, here are some handy tips:

- ▶ Ask for examples of previous work or client recommendations. Check whether they have carried out work for similar clients
- ▶ Look for 2-3 references and follow these up. In particular, ask about the company's responsiveness and general project management of the job
- ▶ Ask the web developer for a copy of their tax clearance certificate
- ▶ Enquire as to the range of services provided – for example, web design, web development, app development, e-commerce, digital marketing, copywriting, quality assurance, hosting, social media
- ▶ Ask about the team (number of staff, years with the company, skillsets etc)
- ▶ Get information on their physical location. While working remotely will work for some companies, many SMEs and microbusinesses prefer a supplier located in their own area
- ▶ Ask about payment terms. Many web developers will ask for a percentage upfront. Never pay more than 20% upfront and only do this if you've done all your checks
- ▶ Ask the web developer to provide the number of days and the associated cost per day
- ▶ When you choose your developer, make sure the contract is documented and signed by both parties.
- ▶ Make sure your developer provides you with logins and admin details for your website. This will ensure that you have full control over the site.

Website Development Timeline

The length of time required to build a new website will depend on the scope of the project. Simple, brochure-style websites will naturally be developed quicker than more intricate, technical websites. However, in both cases it's important

to understand, from the beginning, how long it will take and whether this will fit in with your business planning. The following graph highlights the typical time taken at each stage of the project for a multi-paged, e-commerce enabled website.

TIME FRAME

To complete the work outlined in the project scope, allow approximately 12 weeks from beginning to end, depending on when feedback is provided at each milestone. Upon signing the proposal work will start immediately.

Phase	week
Research	1-2
Present Wireframes	3
Present finished mockups	4-5
Code HTML/CSS templates	6-7
WordPress or alternative CMS	8-9
QA testing and review	10-11
Deployment to live site	12

HANDY CHECKLIST

- ✓ Needs Analysis
- ✓ Clear concise brief
- ✓ Contact 2-3 web developers
- ✓ Create a plan to promote your new website, allocating some budget for this if required
- ✓ Be comfortable with the ongoing maintenance of the website or negotiate an after-care plan

FURTHER READING:

www.iedr.ie/blog/know-customers-want-website/

www.iedr.ie/blog/taking-your-business-online-start-with-a-blank-sheet

www.localenterprise.ie/Discover-Business-Supports/Trading-Online-Voucher-Scheme/