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MEDIA RELEASE

Two out of three WA SMEs have a website, but ecommerce is declining

WA SMEs: the future is here, and it is digital

Small to medium enterprise (SMEs) is poised to play a pivotal role in growth of the nation's digital economy, however, in WA levels of digital adoption have stalled, and most concerning, ecommerce adoption is on the decline as the state's SMEs lag behind their east coast counterparts.

A study completed by the Small Business Development Corporation in 2014 showed two in three WA SMEs have a website, but the number of businesses actively engaged with ecommerce has dropped, with figures halving since 2013.

Research from the Australian Communications and Media Authority (ACMA) in 2014 shows 65 per cent of small businesses 'recognise that doing business online is important for future growth', however, only '14 per cent believe they are taking full advantage of everything the internet has to offer'.

It appears that while WA's SME sector recognises the value of digital engagement, they are still holding back when it comes to investment in the area.

Managing Director of Marketing Focus, Consumer Behaviour Analyst, author and international keynote speaker, Barry Urquhart confirms the statistics are indicative of an entrenched disconnect in the sector.

"Small business in WA is not equipped with the knowledge or skill to drive a digital communications and marketing campaign, and they are looking in the wrong places for help when the answer is to invest in the right ones.

"Almost 60 per cent of Australians go online to retrieve data, collate and then collect or click to purchase a product, and 75 per cent of online purchases made in Australia are made on Australian companies' websites.

"So you see it is about more than just competing, without a digital presence you are ceding sales to your competitors," he said.

Ian Thubron, Director of Titan Digital, WA's largest digital agency with more than 1,200 SME clients, agrees the sector needs a new mindset, and adds that SMEs also need to be better supported in "doing more with less".

With the 2015/16 Federal Budget complete with sweeteners for small business, it seems there is no better time for a culture change and greater digital investment from the sector.

"We shouldn't underestimate WA's small to medium business, they're aware digital is no longer just a "nice" thing to have, but is something they must have.

"They are also aware that they need more than a website in order to compete in the marketplace. They know they need branding advice and development, a website to act as shop front and digital to ensure that shop front is visible. The breakdown lies between awareness and action," said Mr Thubron.

While Mr Thubron agrees the failure to translate digital awareness into digital adoption has cultural influencers, he believes cost and confidence also play significant roles.

“In a fast-changing digital environment, businesses need to very carefully consider their priorities and business goals and budget naturally feeds into this.

“There is a perception that you need a mammoth budget to access expert digital products and services. The reality is anything but, and the digital industry needs to work harder to dispel this myth.

“A significant number of our SME clients come to us with some existing digital work, but they believe they haven’t the budget to cover an integrated digital effort with branding, website and SEO,” he said.

Central to reversing this crisis of confidence, Mr Thubron adds there needs to be a greater push toward empowering SMEs about digital, through education and evidencing value.

“Digital providers need to demonstrate that there is value in coordinated digital engagement and that by having all areas of the investment working well, they’ll see good return on investment and feel safer in that investment.

“Allowances and benefits for small business outlined in the Federal Budget will go a long way to creating an environment ripe for investment, so there is no better time for SMEs to be taking strides into the digital space,” said Mr Thubron.

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About Titan Digital:

Titan Digital is a digital marketing agency established in 2005 by Wayne Hughes.

The company’s rapid growth has been based on providing mainly small to medium enterprises with one-stop online marketing campaigns based on custom-built websites as well as SEO, PPC/AdWords, social media and email marketing.

Titan Digital services more than 1,200 clients and employs in excess of 100 staff in Perth, South Africa and Philippines based offices. Turnover in FY14/15 is expected to increase by 40 per cent to exceed \$10million.