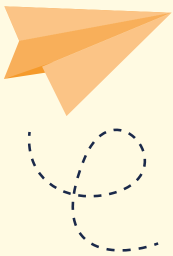
INTERNET & VSEs/SMEs

A clearer understanding of the benefits to trigger uptake of digital tools

Results of the
***Réussir avec le Web* study**
(September 2019 - August 2020)

afnic

contents



FOREWORD

Giving French VSEs/SMEs an effective and controlled online presence

As part of its management of the .fr, Afnic has set itself the task of helping businesses develop their online presence.

At a time when physical distancing has become the norm of recent months and many companies have been compelled to close for weeks on end, the Internet is playing a key role in customer relations, helping maintain and develop their activity.

Overview of the study

In September 2017, Afnic launched a wide-scale study based on self-assessment via its *Réussir avec le Web* [Succeed with the Web] scheme aimed at VSBs, VSEs and SMEs.

In August 2020, 3 years after its launch, 10,000 companies had responded to this online questionnaire.

AIM OF THE STUDY: to assess the level of online maturity of VSEs/SMEs. This was the first study to examine the assimilation of the various dimensions of online presence by companies in France.

3,504 RESPONDENTS BETWEEN SEPTEMBER 2019 AND AUGUST 2020

What was the methodology used, you ask?

This third edition was based on a wave of over 3,500 responses collected from a new sample over one year, from September 2019 to August 2020. As with the previous editions, the results were analysed according to the size of the company.

Before going into the details of the results, it is interesting to note that almost half of respondents were start-ups that had launched their business in the last year. This has a clear impact on the data collected.

Profiles of responding companies

Among the respondents to the questionnaire:

- **92%** VSBs (less than 10 employees)
- **5%** VSEs (11 to 50 employees)
- **3%** SMEs (more than 50 employees)

These figures correspond to the target audience of the *Réussir avec le Web* offer.

While the breakdown by sector should be taken with caution, we found that these companies are **essentially related to the Consulting, Communication, Digital, Fashion, Culture, Entertainment, Leisure and Retail sectors.**

Conversely, and as with previous years, few responses to the questionnaire were received from the Banking - Finance - Insurance, Animal and Humanitarian sectors. Several interpretations are possible: they are not familiar with the Réussir avec le Web offer; the sectors in question are led by companies that fall outside of our target due to their size; these sectors depend little on the Internet, or, on the contrary, they already have an outstanding grasp of the network.

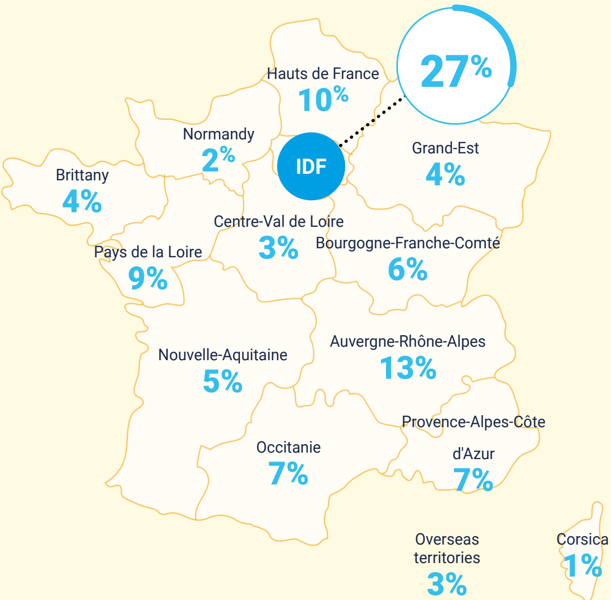
ACCORDING TO SENIORITY

45% were **less than 1 year old**

20% of the companies had already **been in business for 1 to 3 years**

35% of the companies were **3 years old or more** at the time of completing the questionnaire. Quite logically, these are the largest structures in terms of personnel (VSE / SME)

ACCORDING TO REGION



A large proportion of the respondents (more than 27%) were **logically located in Ile-de-France**, the main employment area in France.

For the rest, the results depended on the initiatives taken to raise awareness about the *Réussir avec le Web* system in the other regions of France.

For this reason, the results cannot be interpreted because they do not correspond to the real weight in terms of the economy or the number of companies in these regions.

FOR THOSE IN A HURRY…

…here is what to remember from the study.

Almost **three-quarters of respondents consider their online presence as essential** to their business.

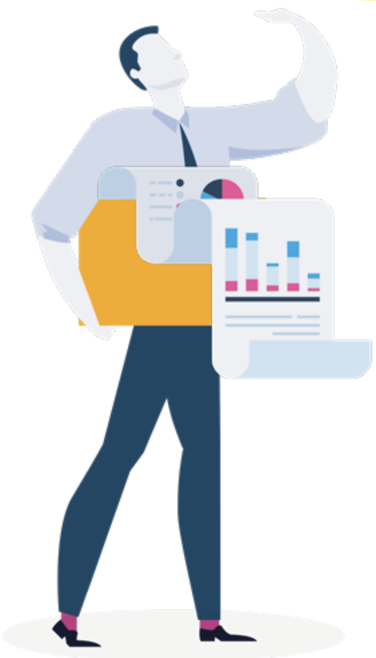
The **human and financial resources devoted to the internet remain globally modest**. More than half of respondents do not know how much of their turnover is generated via the Internet or think that it only contributes to a marginal degree.

.FR is the undisputed leader, notably among SMEs.

Only one-third of respondents indicated that **online sales are motivation for being online**. Presenting their business is the main factor.

Although almost all respondents have a domain name, **only half use it for their professional email address** despite this being the preferred method of communication with their customers, partners, suppliers, etc.

Once they have a website and/or pages on social networks, **respondents tend to wait passively for prospects to come forward**, either because they lack knowledge, time or means, or because the benefits are often poorly perceived.



Almost all of the respondents have a page or profile on social networks, Facebook, LinkedIn and Instagram in particular. On the other hand, most consider that the time invested is wasted.

Respondents indicated that they mainly publish information on their business and their offers on their website. Few provide more engaging content like blog articles or customer testimonials.

One-third of respondents **say they are well positioned on search engines**.

Less than half of respondents say they **seek influential partners to relay news on their activity on the Internet**.

Two out of three respondents say they **do not use any paid online advertising** to promote their company and their offers.

Companies **equally use websites and social networks** for their Internet presence.

Almost all respondents use **paper-based media, like business cards,** to publicise their website.

The content remains equally as simple as formats: **texts and images in almost all cases**. Videos are rarer as they are more costly and time-consuming.

Significant proportions of respondents indicated that they **do not build customer databases through the Internet,** nor do they check the effectiveness of their loyalty initiatives.

Contact forms and emailing (especially for SMEs) are the two main business development tools used on the Internet.

RESULTS OF THE STUDY
2019/2020

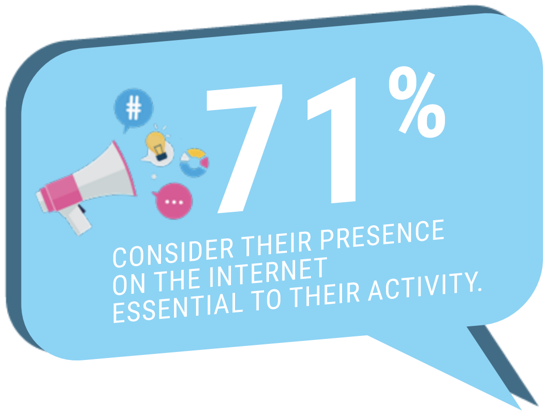
The results are presented here according to the different steps addressed in the questionnaire.

They cover all the essential items of a "good" online presence.

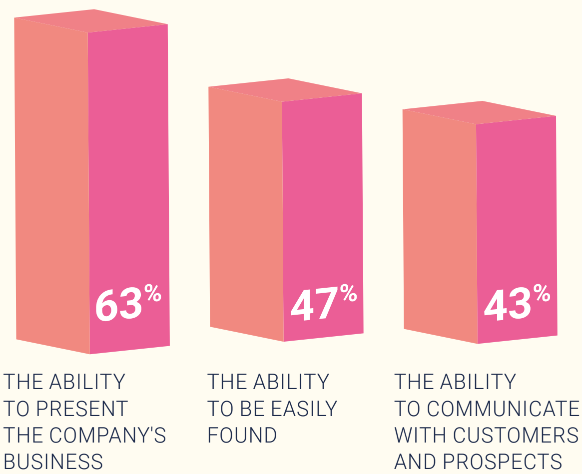
1- Online presence

Being online: useful and even essential

All of the respondents have understood the need to be present on the Internet. 71% of companies surveyed consider it essential to their activity, while the remaining 29% consider it useful, although 6% added that they do not have the time or the resources.



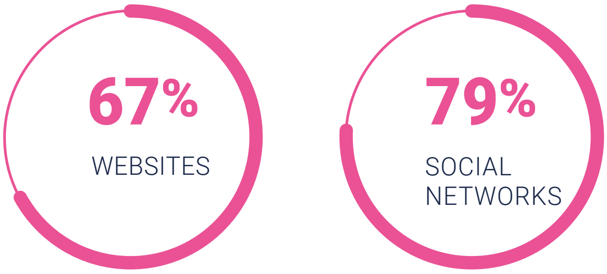
The **top three expectations** related to online presence include:



Note that among SMEs, the ability to communicate with customers and prospects comes in second place with 53%.

The possibility of online sales is also cited by 35% of respondents but depends largely on the company's activity.

Companies are more willing to use social networks to take their first steps online



Presence on the Internet today equally involves websites (67%) and social networks (79%). But the figures vary according to the size of the company.

VSEs tend to acquire a website more frequently (85% compared to 66% for VSBs) and to use third-party sites for SEO purposes (28%).

On the other hand, presence on social networks does not **vary according to the size** of the company, any more than the wish to sell online.

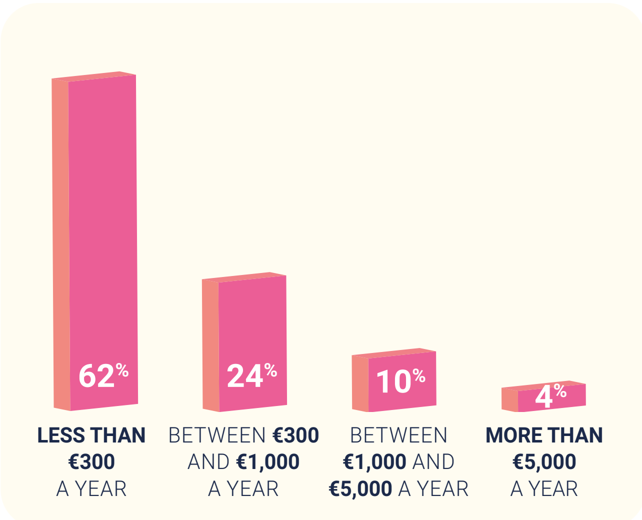
A quarter of companies (25%) report selling products and services via their websites.

2- Investments and gains

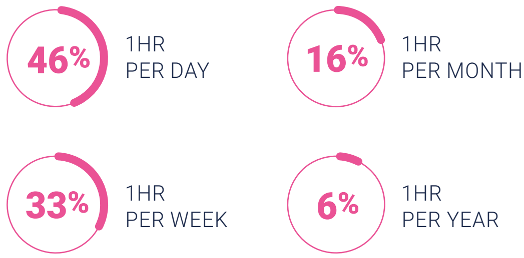
A modest budget offset by man-hours

For company managers, the problem often lies in finding a compromise between the financial (or human) resources to allocate to their online presence and the expected benefits.

The majority of respondents, 62%, spend less than €300 a year on their online presence. 24% invest between €300 and €1,000. Only 14% spend more than €1,000 on their Internet presence system. Here again, the size of the company is a major factor. Although only 3% of VSBs invest more than €5,000 per year, this figure increases to 24% for SMEs.



Time spent on Internet presence



Regarding the time spent managing online presence, almost half of respondents say they spend less than one hour a day.
22% spend less than one hour per month.

These figures increase to 61% and 16% for SMEs. Once again, size is a factor, especially when it comes to daily online activity.

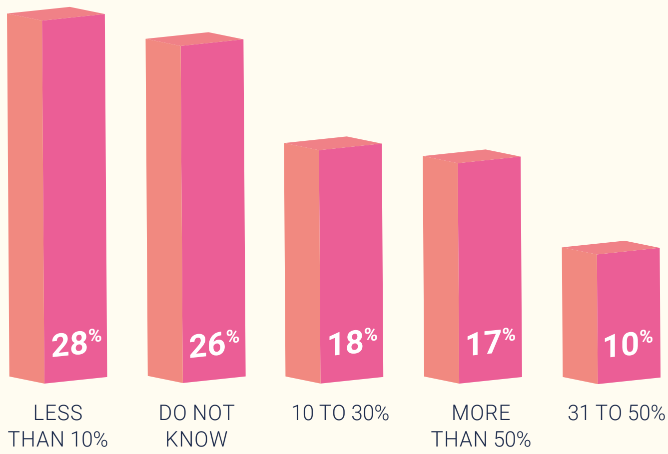
A return on investment difficult to quantify

More than 50% of respondents do not know how much of their turnover is generated via the Internet or think that it only contributes to a marginal degree.

These proportions are respectively 54% for VSBs and 68% for SMEs.
Why the discrepancy?

It may be that SMEs are much less dependent on the Internet in generating their turnover. Only 16% of them make more than 30% of their turnover online. Which is the case for 29% of VSBs.

Percentage of turnover achieved through the Internet



3- Identity management

A majority of custom domain names

90% of respondents say they have their own domain name.

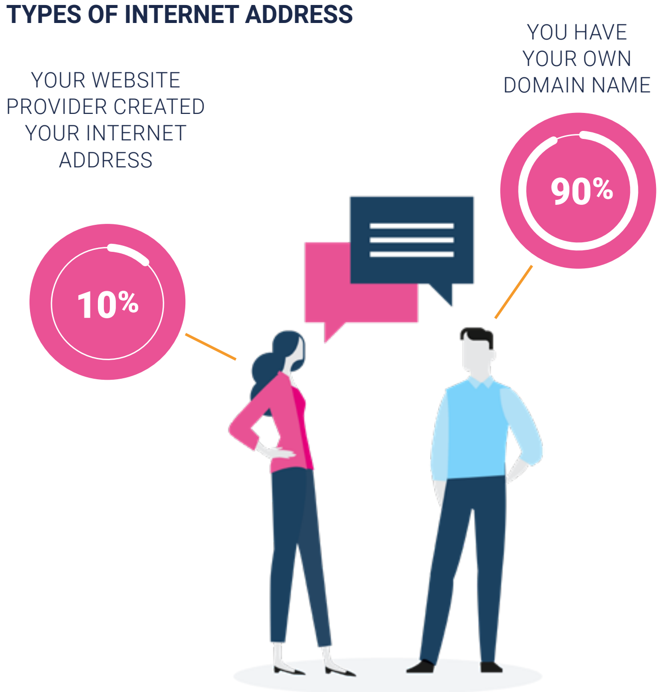
10% of companies use their provider's domain name for their website (i.e.: www.mycompany.myprovider.fr)

These proportions are 96% and 4% for VSEs and 90% and 10% for VSBs.

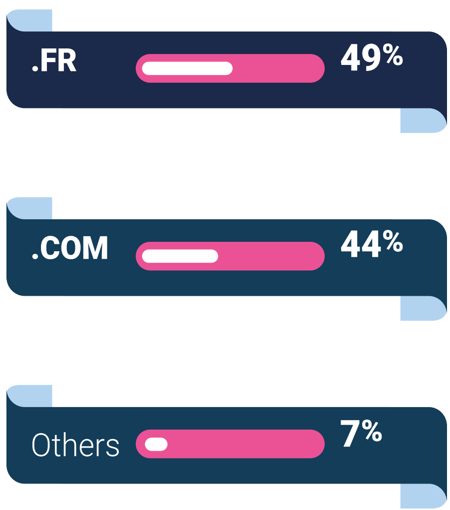
Among the Top-Level Domains chosen for their websites, **the .FR (49%) and the .COM (44) are the two undisputed leaders.** The other TLDs (.net, .org, etc.) are highly marginal.

The .**FR is the most popular TLD**, notably with SMEs (53% for the .fr vs. 36% for the .com).

TYPES OF INTERNET ADDRESS



TYPES OF TOP-LEVEL DOMAINS

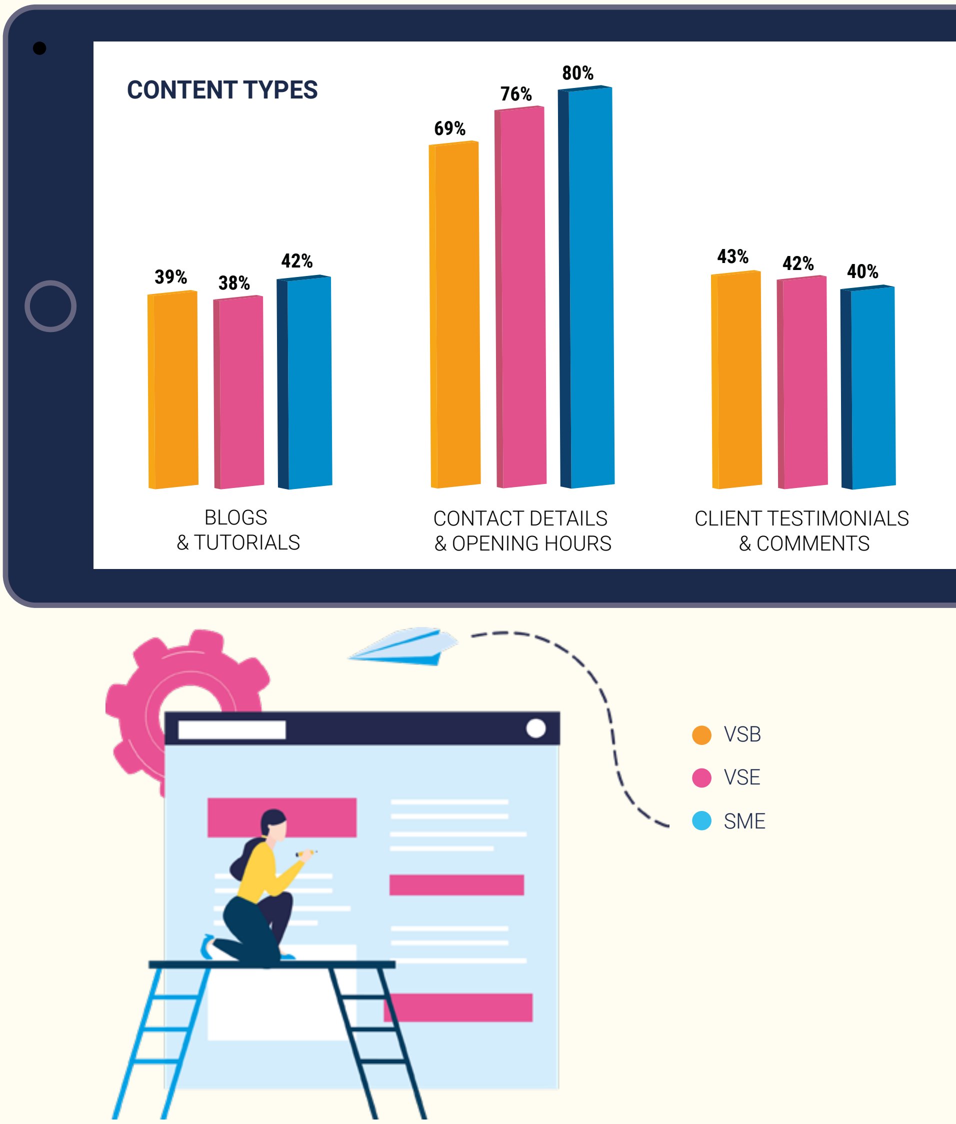


4- Content production

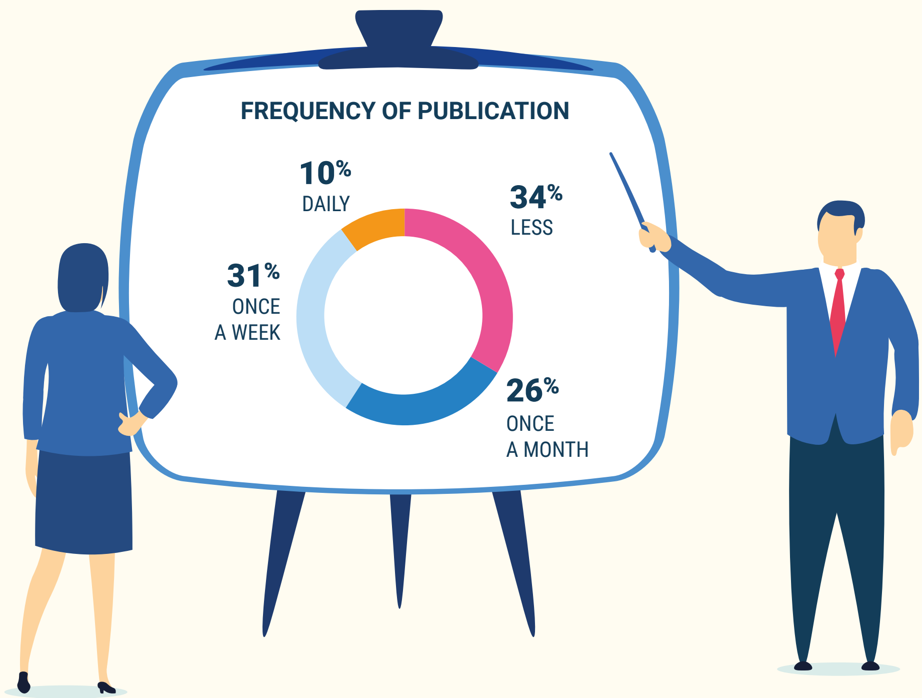
A minority of respondents use testimonials and blog posts

Almost all (95%) of the respondents provide a presentation of their company on their website, with products, services, etc. Next are contact details and opening times (70%). Only a minority (39%) use "value-added" content such as blog posts or testimonials.

Regarding formats, here again the contents remain simple. Text (97%) and images (95%) are commonplace, but video is more rarely used (41%). Which likely remains a question of means: 62% of SMEs say they publish videos, but only 39% of VSBs do so.



Publication regularity according to human and financial resources



60% of respondents update their websites less than once a week and 10% do so every day. These proportions are respectively 61% and 9% for VSBs and 37% and 23% for SMEs. Here again size - and therefore human and financial resources - is a factor. A majority of respondents (85%) said that their sites were mobile-friendly but 11% said they did not know.

These results can be summarised as follows: publishing original content on a regular basis requires having something to say... and someone to say it.
Which does not always correspond to the means or the culture of the companies surveyed.

5- Social networks

A presence deemed inevitable but unprofitable

As previously stated, social networks outrank websites as the preferred media for businesses on the Internet. Yet 74% of respondents do not consider the time invested on social networks as "profitable" for their business or do not know how to evaluate it.

71% say they have connected their websites to their pages on social networks.

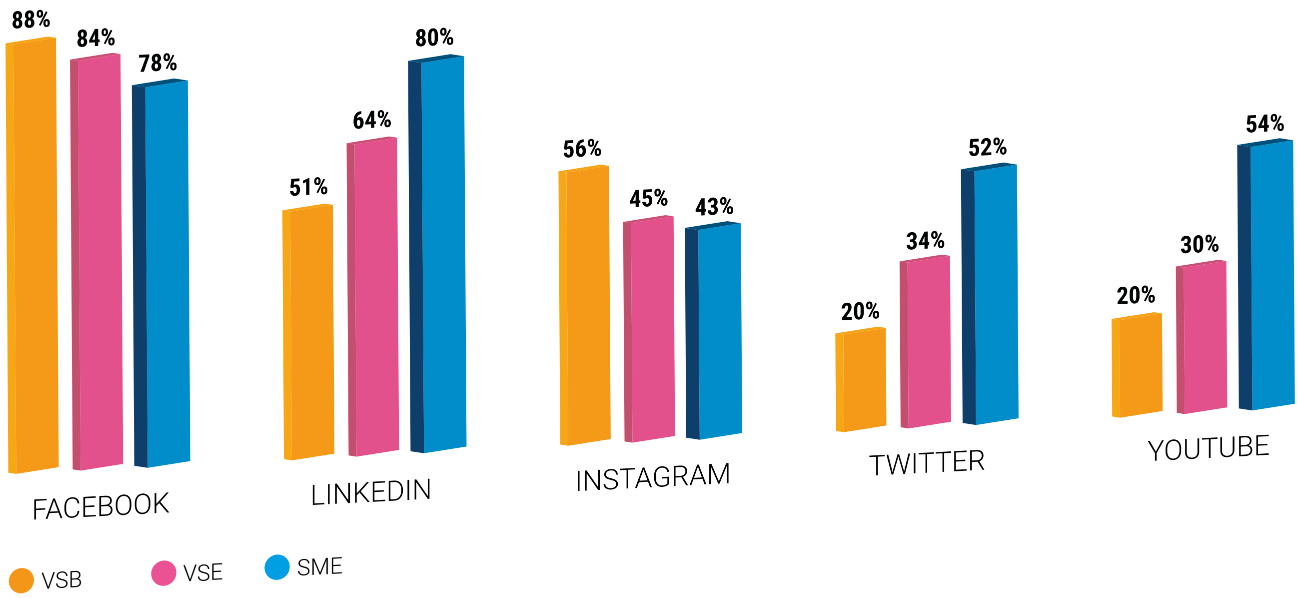
Facebook unbeatable

The social networks most used by companies are Facebook (87%), Instagram (55%) and LinkedIn (53%). Practices, however, are related to size: 88% of VSBs are on Facebook compared to 78% of SMEs, and 51% of VSBs are on LinkedIn compared to 80% of SMEs.

These contrasts are also found on Twitter (respectively 20% and 52%) and YouTube (20% and 54%). Notably, VSBs (56%) use Instagram more than VSEs (45%) and SMEs (43%).

70% of the companies surveyed said they have not set up a publication schedule (71% of VSBs and 48% of SMEs) while one-third have one (29% of VSBs and 52% of SMEs).

Facebook and Instagram are the most commonly used social networks.



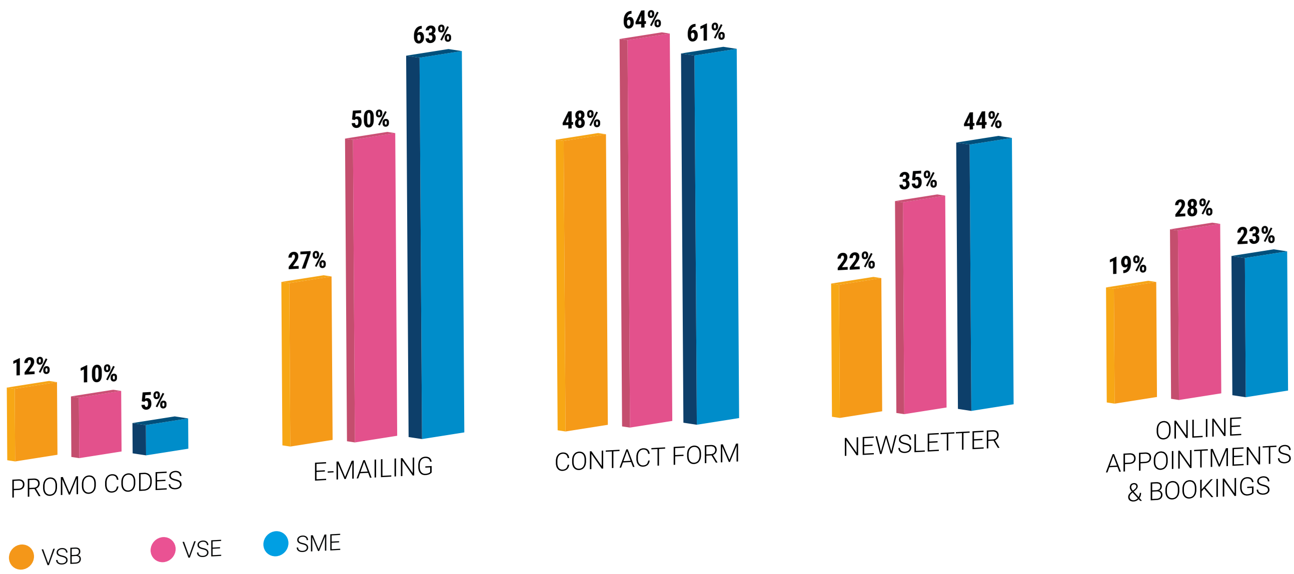
6- Business Development

⅓ of respondents do not take any sales development action

Some companies have developed specific tools to create, maintain and enhance a customer base via the Internet. The contact form is the most popular sales development tool, used by 49% of respondents. Then comes emailing with 30%. But it is less used by VSBs (27%), while SMEs use email a great deal (63%, ahead of contact forms and newsletters).

Newsletters follow the same trend: on average, 24% of respondents issue one. But this figure falls to 22% for VSBs while it jumps to 44% for SMEs. Booking modules, online appointments (20%) and promo codes (12%) remain marginal whatever the size of the company.

SALES DEVELOPMENT TOOLS



More than a quarter of respondents do not carry out actions to develop their customer databases

53% of companies prefer to use a contact form to build customer databases.

However, 26% of respondents admitted that they are not doing anything in this respect.

28%

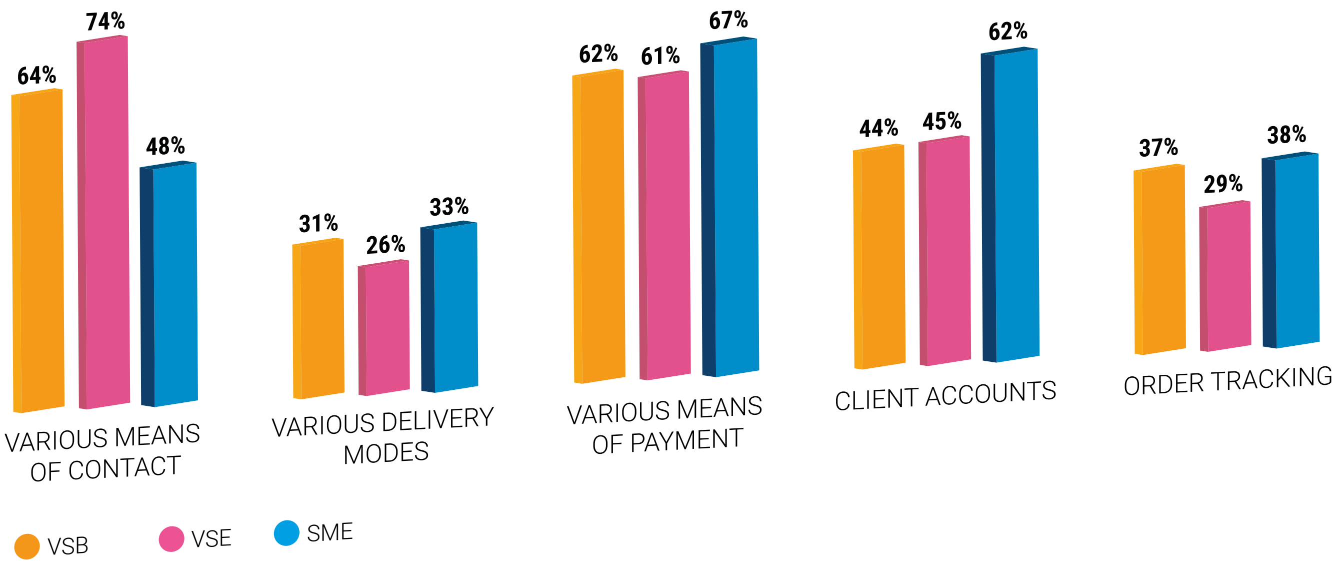
OF RESPONDENTS CHECK THE EFFECTIVENESS OF THEIR ONLINE LOYALTY INITIATIVES AND DEVELOPMENT AT LEAST ONCE A MONTH, WHILE 38% NEVER DO SO.

7- E-commerce

Most respondents that operate e-commerce use solutions proposed by service platforms.
These solutions determine payment methods, contact options and delivery terms, for example.

62% of respondents place particular importance on the diversity of means of payment, while 64% place particular importance on the means of contact.
A little less than one out of two respondents proposes a customer account (44% for VSBs and 62% for SMEs).

E-COMMERCE WEBSITE FUNCTIONS



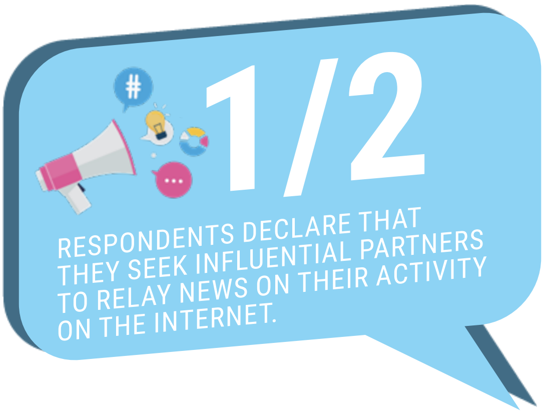
Order tracking is not widely used (37%) and 30% of companies offer several delivery methods.

8- Visibility and e-reputation

Visibility is a real expectation but efforts are random

Visibility and e-reputation are central to a successful online presence. The two factors also correspond to the main expectations of companies as mentioned above. **Having one's own domain name and email address is the basis for controlling one's reputation.**

53% of respondents use an email address linked to their domain name (as a reminder, 90% stated they have their own domain name). The proportion is lower among VSBs (50%) than among VSEs and SMEs (81%). One-third of respondents use a gmail.com address for their company



Online reviews and ratings little taken into account

More than half of respondents (59%) systematically reply to comments and ratings concerning their businesses, regardless of the size of the company. 16% are not bothered.

36% conduct online customer satisfaction surveys, of which 14% do so systematically. This figure reaches 21% for SMEs. 64% of respondents never do so, and this proportion "falls" to 44% for SMEs (but still remains considerable).

⅔ of respondents do not advertise online

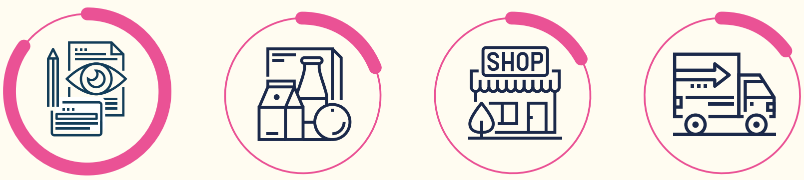
67% of respondents (regardless of the company's size) said they do not do any online advertising. When they do advertise, it is to:

- **28%** PURCHASE ADVERTISING SPACE ON SOCIAL NETWORKS
- **10%** PURCHASE SEARCH ENGINE KEYWORDS
- **4%** PURCHASE BANNERS ON WEBSITES WITH HIGH TRAFFIC (4% WITH A PEAK AT 14% FOR SMES)

Paper widely used to make oneself known online

84% of respondents massively use their business cards and other paper documents to publicise their Internet address. All other offline mediums (goodies, car stickers, shop windows, etc.) suggested in the questionnaire are only marginally used. It should be noted, however, that 46 % of SMEs include their Internet address on their packaging or advertising objects.

Business cards and other paper documents	Packaging or advertising objects	Storefront, window, signs, etc.	Vehicle branding
84%	17%	16%	14%



9- SEO

Difficulties in obtaining good positioning on search engines

Just like visibility and e-reputation, companies neglect or manage SEO in a way that is too low-tech.

They focus primarily on "free" organic SEO, but this requires long-term efforts on the part of the company.

35%

Only 35% of respondents **say they are well positioned on search engines**. A proportion that reaches 55% for SMEs but caps at 32% for VSBs.

65%

65% of respondents take action to improve their organic SEO. On the other hand, purchases of paid keywords are rarer: 11% for VSBs and 21% for SMEs.

"Photofit" of the Internet presence for each segment in the study

The "Photofit" presented here is designed to highlight the predominant features, trends and practices based on our analysis of each segment in our study.

THEME	VSB	VSE	SME
1 **Issues**	Internet is useful or essential ***(93%)***	Internet is useful or essential ***(95%)***	Internet is useful or essential ***(96%)***
2 **Motivations**	To present my business ***(63%)***	To present my business ***(68%)***	To present my business ***(63%)*** and communicate with my customers and prospects (***53%)***
3 **Types of presence**	Social networks ***(79%)***	Website ***(85%)***	Social networks ***(83%)***
	Website ***(66%)***	Social networks ***(78%)***	Website ***(78%)***
4 **Investment and ROI**	Budget of less than €1,000 per year ***(89%)***	Budget of less than €1,000 per year ***(62%)***	Budget of less than €1,000 per year ***(51%)***
	I spend less than one hour a day on the Internet ***(55%)***	I spend less than one hour a day on the Internet ***(58%)***	I spend more than one hour a day on the Internet ***(61%)***
	I earn less than 10% of my turnover thanks to the Internet or I do not know how to estimate it ***(54%)***	I earn less than 10% of my turnover thanks to the Internet or I do not know how to estimate it ***(62%)***	I earn less than 10% of my turnover thanks to the Internet or I do not know how to estimate it ***(68%)***

THEME	VSB	VSE	SME
5 **Identity management**	I have my own domain name ***(90%)***	I have my own domain name ***(96%)***	I have my own domain name ***(93%)***
	My address is in .FR ***(49%)*** and in .COM ***(44%)***	My address is in .FR ***(45%)*** and in .COM ***(49%)***	My address is in .FR ***(53%)*** and in .COM ***(36%)***
6 **Nature of Web content**	I mainly use it to present my business ***(95%)***	I mainly use it to present my business ***(98%)***	I mainly use it to present my business ***(96%)***
	I use texts and images ***(96%)***, videos much less ***(39%)***	I use texts and images ***(97%)***, videos less ***(53%)***	I use texts and images ***(97%)***, videos a little less ***(62%)***
	I update my website less than once a week ***(61%)***	I update my website less than once a week ***(58%)***	I update my website less than once a week ***(37%)***
	My content is mobile-friendly ***(85%)***	My content is mobile-friendly ***(80%)***	My content is mobile-friendly ***(84%)***
7 **Social networks**	I mainly use Facebook ***(88%)*** and Instagram ***(56%)***	I mainly use Facebook ***(84%)*** and LinkedIn ***(64%)***	I mainly use LinkedIn ***(80%)*** and Facebook ***(78%)***
	I cannot estimate the profitability of my actions ***(74%)*** or I think they are not profitable	I cannot estimate the profitability of my actions ***(79%)*** or I think they are not profitable	I cannot estimate the profitability of my actions ***(65%)*** or I think they are not profitable
	I have connected my website and my social networks ***(72%)***	I have connected my website and my social networks ***(61%)***	I have connected my website and my social networks ***(73%)***
	I don't have a schedule ***(71%)***	I don't have a schedule ***(67%)***	I don't have a schedule ***(52%)***
8 **Business development** * Or never	Tools: I prefer the contact form ***(48%)***	Tools: I prefer the contact form ***(64%)***	Tools: I prefer emailing ***(63%)***
	Customer base: I prefer the contact form ***(52%)***	Customer base: I prefer the contact form ***(68%)***	Customer base: I prefer the contact form ***(67%)***
	I check the effectiveness of my operations less than once a month* ***(81%)***	I check the effectiveness of my operations less than once a month* ***(78%)***	I check the effectiveness of my operations less than once a month* ***(83%)***
9 **E-Commerce functions**	My priority is the contact channel ***(64%)***	My priority is the contact channel ***(74%)***	My priority is the means of payment ***(67%)***
10 **Visibility and e-reputation**	My emails are linked to my domain name ***(50%)***	My emails are linked to my domain name ***(81%)***	My emails are linked to my domain name ***(81%)***
	I do not advertise on the Internet ***(69%)***	I do not advertise on the Internet ***(59%)***	I do not advertise on the Internet ***(49%)***
	I systematically manage the comments and ratings for my business ***(54%)***	I systematically manage the comments and ratings for my business ***(51%)***	I systematically manage the comments and ratings for my business ***(50%)***
	I never do online customer satisfaction surveys ***(65%)***	I never do online customer satisfaction surveys ***(57%)***	I never do online customer satisfaction surveys ***(44%)***
	I search for influential partners ***(52%)***	I do not search for influential partners ***(57%)***	I do not search for influential partners ***(57%)***
	I make my Internet address known through my business cards and paper documents ***(83%)***	I make my Internet address known through my business cards and paper documents ***(88%)***	I make my Internet address known through my business cards and paper documents ***(85%)***
11 **SEO**	My site is not well positioned on search engines ***(41%)***	My site is well positioned on search engines ***(56%)***	My site is well positioned in search engines ***(55%)***
	I focus on organic SEO ***(65%)***	I focus on organic SEO ***(59%)***	I focus on organic SEO ***(81%)***

EXECUTIVE SUMMARY

What are the strengths and weaknesses of respondents' approach to their online presence?

STRENGTHS

These dimensions of online presence have been well mastered, and the actions to be implemented concern **optimisation.**

- Respondents are well aware of the **stakes involved in an online presence,** which they consider both inevitable and as a source of benefits for their company (even if they are unable to quantify these benefits or specifically identify them). 100% of respondents consider this presence "useful", but only 70% consider it "essential". SMEs seem most convinced.
- They are also highly vigilant regarding the problems of **managing their online identity,** preferring to use their own domain name (90% have their own domain name).

POINTS TO CONSOLIDATE

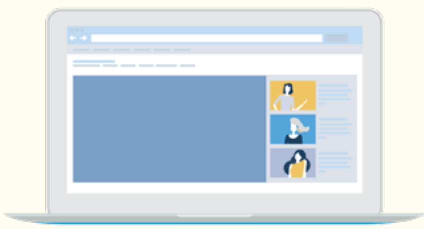
These dimensions require actions to **consolidate** the efforts already made. They include:

- **Regular publication of interesting content,** piquing visitors' interest in the company and/or encouraging them to use its services or buy its products. Although 95% of respondents present their business, only 40% propose value-added content and 9% publish content every day. SMEs stand out in this area, as they have more resources to allocate to this dimension of their online presence.
- **Use of e-commerce functions** to allow companies to generate turnover via their online presence. All dimensions are present here, but not for all respondents, in fact far from it. 64% propose several contact channels, 44% a customer account, 37% order tracking, etc. However, it should be noted that e-commerce businesses are often dependent on the functions offered by the platforms they use.
- **Presence on social networks,** often deemed essential in order to effectively reach intended targets. The use of social networks seems to have significantly grown since 2017, but only 26% of respondents consider it "profitable" or "very profitable" for their business.

POINTS TO DEVELOP

These areas remain poorly mastered by respondents who still need to get to grips with them:

- **Motives for being online:** many respondents are online "because you have to be", limiting themselves to the most basic levels of presence (presenting their activity, making themselves easy to find) without having developed a strategy for their company or having understood the tangible benefits they can reap in terms of business development.
- **Developing visibility and e-reputation:** inaction is the dominant trend here too for the most part (67% of respondents do not use any advertising). A minority (43%), however, have already initiated "active" strategies such as advertising and banner purchases. Practices are slightly better in terms of managing interactions with visitors: 53% of respondents say they monitor comments and reply systematically; but 64% never carry out customer satisfaction surveys. Lastly, one in two respondents say they seek out influential partners.
- **Search Engine Optimisation (SEO):** a logical consequence of the points already mentioned, SEO is most often "natural" (65%), meaning that only a minority of respondents (35%) consider that they appear on the first results pages of the leading search engines.
- **Types of presence:** in keeping with the previous point, most respondents "settle for" a website (67%) and/or pages on leading social networks (79%), but do not look to make themselves known or referenced on other websites or platforms, nor to introduce online sales. Over 2017-2020, a growing trend for social networks was observed to the detriment of websites.
- **The notion of investment and return on investment:** budgets remain globally low (62% at less than €300 per year), with respondents making up for a lack of investment with man-hours (46% spend one hour a day or more). But the general impression of respondents is that these investments in terms of time and money are only marginally profitable, with 54% considering that they generate less than 10% of their turnover through the Internet, or are unable to evaluate this figure. SMEs stand out with higher budgets, but only 32% say they generate over 10% of their turnover online.
- **Business development:** the relatively passive approach adopted by respondents (publishing rarely updated news with little visibility, and waiting for visitors to appear) is consistent with the weaknesses identified in terms of business development: contact forms are the prevailing option (49% of respondents), rarely supplemented by other more "active" initiatives like emailing (30%), newsletters (24%), promotional codes (12%), etc. This area is the weakest of the points explored here since 2017/2018.



The following table presents a simplified summary of scores by "level":

	Total	VSB	VSE	SME
Issues	🟢	🟢	🟢	🟢
Motives for being online	🔴	🔴	🔴	🟠
Types of presence	🔴	🔴	🟠	🔴
Investment and return on investment	🔴	🔴	🔴	🟠
Identity management	🟢	🟢	🟢	🟢
Content to inform and attract	🟠	🟠	🟠	🟢
Social networks and powerful partners	🟠	🟠	🟠	🟠
Business development	🔴	🔴	🔴	🔴
E-commerce functions	🟠	🟠	🟠	🟠
Visibility and e-reputation	🔴	🔴	🟠	🟠
SEO	🔴	🔴	🟠	🟠

🟢 Strength (to be optimised)
🟠 To be consolidated
🔴 To be developed

In conclusion, the findings of the two previous studies remain largely valid: somewhat unclear understanding of benefits, business culture still very anchored in the real world, lack of skills and often insufficient resources.

All these factors are inextricably linked. The lack of vision in terms of what companies can hope to gain from an online presence results in relative caution when it comes to investments, consolidated by an often justified view of the Internet as "too" technical despite the increasing number of offers designed to eliminate this technical aspect (website publishing forms, e-commerce platforms, etc.).

The paradox is that there is an acute awareness of the stakes involved, which leads to time spent on online presence despite the "belief" that the ROI will be low or uncertain. In a way, this situation reveals a fragmentation of efforts, a lack of strategy tailored to each case, but also a desire to move forward.

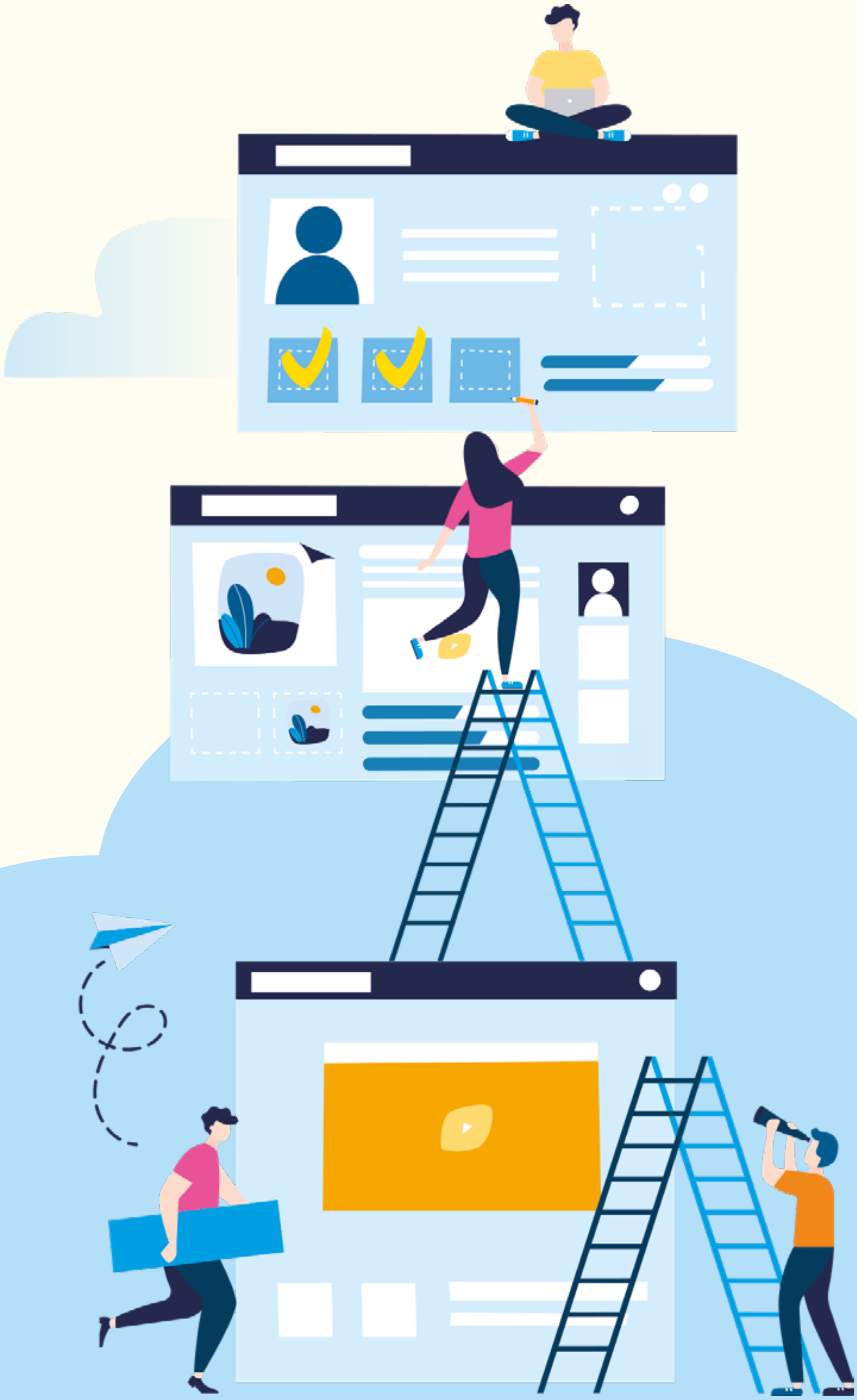
Company managers are still "followers" rather than "driving forces", adopting an Internet presence because you "have to be online" but not yet knowing how to combine it with concrete business development. It is this persistent mismatch between motivation and the system in place that creates most of the obstacles identified by our study.

More often than not, as the indicators show, the quality of an online presence depends on what services providers and platforms propose in terms of functions. The latter thus play a fundamental role in the "digital integration" of small and medium-sized enterprises.

Moreover, the pandemic has contributed to the sharp acceleration of the digital transition. Many companies that were not yet online have been forced to make the shift in 2020, and/or to develop new distribution channels via solely Internet-based platforms (restaurant owners, for example, with delivery platforms).

An online presence is therefore far from a monolithic whole: it is often empirical, protean, tailored to what the company manager sees or understands regarding the opportunities available. From this point of view, all of the players in the economic chain have a role to play in developing the digital economy, each acting as a possible "instigator" and "evangeliser" for their ecosystem (customers and suppliers). The noticeable rise of "user-friendly" technical solutions is also facilitating this "transition" set to have a lasting impact on French and global economic outlooks.

But it is not all about tools and solutions. In order for an online presence to be effective and lasting, it requires support, uptake and autonomy. Digital technology can enable company managers to develop their value proposition and their customer relations, and to reconsider the basic elements that make up their corporate culture. Therein lies the key to incorporating digital technology, and more particularly an online presence, into a company's day-to-day activity.



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