

FROM WEBSITES TO PORTALS: SUCCESS FACTORS FOR BUSINESS COMMUNITY PORTALS

Fisher, Julie, Monash University, PO Box 197 Caulfield East, Victoria 3145, Australia,
Julie.fisher@simms.monash.edu.au

Craig, Annemieke, Deakin University, Deakin University, Geelong Campus, Pigdons Road,
Waurm Ponds, Vic, 3127, Australia acraig@deakin.edu.au

Abstract

Many Governments are using funding initiatives to encourage businesses, particularly small businesses to adopt e-commerce technology. One currently popular approach in Australia, has been to fund internet portal developments with a specific community or business focus. The success of such portals however, as with many Web developments has been mixed. This paper reports on the establishment of a B2B portal in Australia. The paper explores issues and expectations from the perspective of the business people involved. A survey was conducted amongst the participants of the portal shortly after it was launched. Then follow-up interviews were conducted with business owners 2 years later just before the portal closed. The researchers sought to understand what the business community expected from the portal and to identify what factors contribute to success. The research found that in addition to the factors identified through the literature that, technological readiness of business owners, understanding the business community, realizing business value and managing participant's expectations are also factors impacting on success. A model is proposed to describe the success factors. .

Keywords: e-commerce, portal, small business.

1 INTRODUCTION

Consumers and businesses wishing to use online e-commerce have an ever increasing number of websites to choose from and so for businesses, it is becoming ever more difficult to attract buyers to their individual sites. The growth in portals has in part been as a response to this. Clarke III & Flaherty (2003) note that most Web site traffic now passes through portals. For the purpose of this paper, the definition used by Chan and Chung (2003) is used where they define B2B portals as somewhere where buyers and sellers are linked up.

For small business in particular there has been significant reluctance to engage in e-commerce both in Australia and elsewhere (Poon & Swatman 1999; Yellow Pages, 2000; Wrycza 2003; Riemenschneider 2003). A recent Australian report found that although there was a growing awareness and understanding of the benefits of e-commerce "...many businesses, especially small businesses, are resistant to actively engaging in e-commerce, specifically buying and selling over the Internet" (Department of Communications Information Technology and the Arts 2000, 3). Australian governments recently, in response to this slow uptake of e-commerce, have supported the growth of portals as a means of encouraging small business, to move to e-commerce (NOIE, 2000/2001, 1; Thompson 2002). Small business in Australia is defined as those businesses employing less than 200 people (Yellow Pages, 2000). The Australian National Office for the Information Environment (NOIE 2000/2001, 2) in describing their portal strategy explain that portals are "designed to encourage an industry or a region to move online by providing a facility for communication and information sharing over the Internet". Government sponsorship of such projects for SMEs is not confined to Australia as it is an approach also being taken in Europe (Wrycza, 2003). While there has been significant investment made in the establishment of numerous portals, there is little reported evidence of their success or failure. Nonetheless investment in portal projects by governments worldwide continues to grow.

This paper reports on research that sought to understand the success factors for a small business community portal. The research investigated one business community portal from launch to closure. A survey of businesses involved was conducted three months after the portal was established and then, two years later, in depth interviews were conducted with 24 of the businesses listed. During the interview phase the portal was closed having attracted participation from less than 0.01% of local businesses. It is therefore timely to examine what went wrong and examine what we can learn from the experience of this portal and improve success for future portal developments. The question this research sought to answer was: What are the factors that make a business portal of this kind successful? The question was explored through an examination of what went wrong for one business portal.

2 BUSINESS COMMUNITY PORTALS

A business community portal, for the purpose of this paper is defined as an internet facilitated gateway for a defined group, or community, of business subscribers, providing standardized access to other subscribers, resources and functions. Customers can easily navigate to and can see and access a range of goods and services offered by the portal community. Business community portals differ from other portals in that they generally are not owned and managed by one organisation and are not necessarily set up to make a profit. Such portals are usually developed to meet the needs of a defined business community group for the purpose of conducting and generating business. Such portals are often based around a particular industry but also can be defined geographically. For example a portal has been developed to support the needs of the wine industry in South Australia's Barossa Valley, a portal may focus on promoting a region such as the South West Region portal in Western Australia or a portal might support a community group such as artists or businesses in a specific region. Green (2000) describes commercial portals as "the focal point for carefully crafted multi-million dollar e-commerce

strategies.” (126). Clarke III and Flaherty (2003) suggest that “all portals could be considered web sites, but all web sites are not portals...Portals feature customisable architecture that allows users to integrate data from disparate sources.” (17) Van Riel et al (2001) suggest that portals have emerged as new type of “interactive ICT-based service” (359). They argue that portals have a number of advantages including “easy access to several related services, access to almost unlimited content and excellent retrieval facilities” (359-360). Community web portals grew from what Staab et al (2000) describe as “communities of interest” (473) on the web, where portals were developed to meet the interests of a particular group.

The success of such ventures, for small business in particular, has been mixed however. Large commercially based portals have significant financial resources at their disposal providing for regular updating and support (Green, 2000) but this is not usually the case with the smaller business portals and it could be speculated that this is why government has targeted such initiatives for funding.

3 SUCCESS FACTORS FOR BUSINESS COMMUNITY PORTALS

For small business in particular, joining a portal is often the next step after launching a web site. The opportunity to participate in an e-commerce venture such as a portal at limited cost to the business and with someone else providing the expertise and infrastructure is attractive (Thompson 2002; Chan & Chung 2003). With the added enticement of being able to reach a larger market the arguments for small business to join become compelling. Establishing and maintaining a business community portal however, has its own challenges. Both Damsgaard (2002) and Thompson (2002) note that many portals have failed and yet governments continue to support and encourage such ventures. There is little published research on success factors for establishing business portals.

Clarke III and Flaherty (2003) argue that because many companies do not understand what a portal is, it has been difficult to implement web based portal strategies. They argue that acquiring and keeping users is the key to building a successful portal “..the portal must incorporate the three major drivers of portal user acquisition and retention: customisation, flexibility and relevance” (Clarke III & Flaherty 2003, 20). Damsgaard (2002) expresses a similar view suggesting that “the dependency between users and portal services is mutual. A portal cannot exist without a community of users, and the users will only visit the portal if there is a set of relevant services which they demand” (410). Amongst the other difficulties portal developers face are financial issues surrounding the initial development and then funding ongoing support of the portal. Technical support for small businesses can present problems. Adding to the complexity Staab et al (2000) note that with many people participating in the development process even for a small portal can end up being a "a jungle of interest rather than a convenient portal to start from" (474). The issues drawn from the literature and identified in Table 1, were used to evaluate the portal that was the subject of this research.

Key Issue	Supporting research
Funding	
Initial set up costs for development and establishment.	Chan and Chung 2003
Maintenance of the site including the content and the provision for ongoing technical support	Thompson 2002
Revenue generation to continue financial viability	Meisel and Sullivan 2000; Thompson 2002; Clarke III and Flaherty 2003
Collaboration	
Community participation in development, collaboration between developers and stakeholders and ownership of the portal by the stakeholders	von Campenhausen and Lübben 2002; Staab, Angele et al. 2000; Murray 2002

Trust among partners in the portal	Chan and Chung 2003
Development	
Initial design of the portal, interface, content and functionality. The quality of the site and its currency.	Meisel and Sullivan 2000; Clarke III and Flaherty 2003; Lawley, Summers et al. 2001
Issues surrounding initial and on going development, technology standards and platforms adopted.	Chan and Chung 2003; Meisel and Sullivan 2000; Murray 2002

Table 1 Issues in portal development

4 RESEARCH

The research reported in this paper was undertaken in two stages. The first stage involved a survey of businesses participating in the portal in the first three months of operation. In stage two interviews were conducted with business owners still involved in the portal two years after its launch.

A State Government grant of \$AUD247, 000 was won in July 2000 by a local organization (Portal Sponsor) whose charter is to promote business in their region. The funding was used to develop a business-to-business portal potentially accessible to the 18,000 small to medium sized enterprises in the region. The purpose of the portal was to promote e-commerce trading amongst these businesses, moving them “from awareness to active participation”. It was also expected to attract customers from outside the region. The portal was launched mid 2001.

Access to the home address of the site was public but further use of the site and participation in e-commerce activity required a login and password. The developers expected that the portal would ultimately provide secure financial transaction capabilities although this was not provided when the site went live. The aim was to have 300 businesses listed with the portal within 12 months of establishment (2002). In late June 2003, with 179 businesses listed, the portal was closed having failed to generate sufficient interest amongst the local business community.

4.1 Research method

The initial web-based survey was developed and an invitation to participate was issued to the 109 businesses registered on the portal in October 2001. The survey was also publicised through the Portal Sponsor’s newsletter. Of the 54 responses received, 49 were usable (45% response rate). The purpose of the survey was to understand business participants’ expectations of the portal, concerns and explore issues relating to its establishment. As the survey was sent out within 3 months of the portal’s launch the results provide an insight into respondents’ thinking at that time, and helps in identifying their early expectations of the portal and their participation in its development (see www.sims.monash.edu.au/staff/jfisher/portal_survey.htm for the email survey).

The survey consisted of 34 questions and statements comprising of:

- Likert scale questions where responses were required on a scale of 1 to 5 (1 strongly agree to 5 strongly disagree)
- Questions requiring respondents to select from a number of options
- Open ended questions requiring a free text response.

Two years later follow-up in-depth interviews were conducted with the available business owners. Only businesses with correct details on the site were contacted and a total of 16 in-depth interviews were conducted as well as 8 short interviews, representing 13% of the businesses listed. Semi-structured open-ended questions explored with business owners their reasons for joining the portal, their expectations, the value they derived and any recommendations they had to improve the portal. (A copy of the interview questions can be found at

www.sims.monash.edu.au/staff/jfisher/portal_survey.htm). The researchers also attended a number of meetings held during the early planning stages of the portal, and after its launch, and had access to a number of documents and publications relating to the project which have also been drawn on for this research. The qualitative data was analysed using a meta-matrix as described by Miles and Huberman (1994). A matrix "...is essentially the "crossing" of two lists, set up as rows and columns" (1994, 93) using the key themes identified in Table 1. The qualitative data was entered into tables and categorised according to the key themes. The use of a meta-matrix allows data to be analysed in a number of ways. Miles and Huberman (1994, 246-253) argue that using these techniques conclusions that generate meaning can be drawn (making and interpreting findings at different levels of inference). Both Miles and Huberman (1994) and Yin (1989) argue that results from cases such as this one analysed appropriately can be generalised.

5 RESEARCH RESULTS

The following sections detail the results of the survey and interview data.

5.1 Demographics of the business survey and interview participants

The businesses who responded to the survey varied in their business activity and all were small to medium-sized enterprises (SMEs) defined as having up to 200 employees (Yellow Pages, 2000). 78% of businesses have a turnover of less than \$AUD500,000 per annum. The Portal Sponsor had as their target industry sectors, transport distribution and logistics, manufacturing and associated business services. The member categories with the highest number of participants listed on the portal site in June 2003 were business services - 52 (29%), manufacturing - 17 (9%), construction and maintenance - 13 (7%) and computing or information technology - 11 (6%). The survey and interview participants were drawn from across all the business categories.

5.2 Qualitative survey results

Using the key success factors identified in the literature, Table 2 provides a summary of the results drawn from the survey, interviews and Portal Sponsor's documentation.

Success factors	Research findings
Funding	
Initial setup costs	Initial funding was sufficient for the establishment of the portal and the implementation of the electronic payment gateway.
Maintenance and ongoing support	Initial funding was sufficient for the early maintenance costs.
Revenue generation	The Portal Sponsors were unable to generate any revenue from the site. The portal participants were not prepared to pay a fee, even a relatively low fee.
Collaboration	
Community participation in development, collaboration and ownership	Business champions were appointed. Early in the portal's development input was sought from the business community. Communication however between the Portal Sponsors and participating businesses was raised as a problematic issue.
Trust among partners	A high level of trust was achieved.
Development	
Portal design, content and functionality	Implementation of the electronic payment gateway was very late. By 2003 keeping the portal content current had become an issue.

Development issues, technology standards and platforms	The Portal Sponsors undertook responsibility for the development of the software and management of the technology.
--	--

Table 2 Summary of results of identified success factors

The next section provides more detail of the results summarised in Table 2.

5.2.1 Funding

- *Initial setup costs:* A major factor in the success of a portal is initial funding. As described above Government funding was obtained to initiate and support the project. It was expected that once the portal had become successful and all the functionality including e-commerce was provided then business participants would be willing to pay. In addition the portal sponsors offered to set up a website for those businesses that did not already have one. Not surprising most of the businesses were enthusiastic about joining the portal because there was no cost involved. For some there was the added incentive of having an individual web site built for them. Of the 16 interviewees, nine said they joined the portal because it was free.
- *Maintenance and ongoing support:* The initial funding covered maintenance and ongoing support for the first two years. It was anticipated that within 12 months of the portals' launch a fee would be charged for participating businesses. This did not occur and it can be assumed that ongoing costs were covered by the Portal Sponsors. Funding did not become an issue until early 2003.
- *Revenue generation to continue viability:* From the start the Portal Sponsors understood the need for ongoing funding and had expected that once the portal was established a charge would be levied for businesses who wanted to participate. The plan was for the fee to be charged in January 2002. This did not happen until 2003 when businesses were notified that a charge of \$500 would have to be paid if the business wished to continue their participation in the portal. 10 of the 16 businesses indicated they were not prepared to pay. Typical of the responses is this one "now they are putting up the price to \$500 per year irrespective of the company's size, and it is not worth 5 cents." Late June 2003 the portal was closed.

5.2.2 Collaboration

- *Community participation, collaboration and ownership:* For any community based initiative to be successful the contribution and commitment from the community is important (Staab 2000). The project was undertaken in conjunction with the six local councils in the area. Business champions from six businesses (one from each local council area) were appointed to the steering committee, which oversaw the development of the portal. Further involvement from businesses was encouraged through assistance given to businesses to help them develop their own web sites. Seminars were conducted to promote the portal, promotional activities organised and training was also provided for those involved early.

The survey asked respondents if they had attended a business briefing on the portal prior to joining. Only 19 (39%) said they had. The majority of respondents found out about the portal through publicity in newspapers and other sources. They did not find out because they had been invited to participate in its development or were involved early in the planning stages. Only 18% of respondents indicated that they found out about the portal through activities specifically organised to promote the project.

A major issue for those who were interviewed was the lack of communication and involvement they had had with the Portal Sponsors. One interviewee said "I'd like to see a fine a relationship between the portal and ourselves, so far as may be a monthly newsletter that would increase communication." Three of the interviewees complained that they had contacted the organisation seeking information but had not had a response. Another said "I think they have to communicate with individual companies on the portal to see what their needs are and they all have to have, I believe, marketing objectives, otherwise it's just another web site."

Another business owner who had been consulted early in the portal's development said "I was one of the inaugural people, although I'm not sure anyone listened. I wanted to talk to them about our experience of running Web applications in an e-commerce mode, but as with all this web stuff, no one listens to a 50 – 55 year old who has been around the industry for a heck of a long time."

Trust among partners in the portal: Very little attempt was made to bring the business people involved in the portal together and to therefore engender trust. A number of those interviewed joined the portal because they were strong supporters of the local organisation responsible for establishing it and wanted to encourage local business activity. They wanted to see it succeed. "Our main motive was frankly to support local business." There was a high level of trust and respect for the Portal Sponsors. In the free text responses to the survey 15 (31%) respondents said they joined to support the region or to support the Portal Sponsors. Typical of the comments were "To help improve business in the West" or "Interested in working with other small businesses in the region. The respectability/reliability of [Portal Sponsor] helps."

The survey asked participants to indicate on a scale of 1 to 5 whether their initial decision to participate was to encourage more people in the region to use each other's services. Overwhelmingly it was, 39 (80%) of the respondents either agreed or agreed strongly with the statement, only 3 disagreeing or disagreeing strongly. This suggests businesses did have trust in their fellow local business owners.

5.2.3 *Development*

- *Portal design, content and functionality:* Businesses were asked whether they had been consulted on the portal's design and as discussed earlier, very few had. Few of the interviewees had really explored the portal to any great extent and had little to say about its design although one interviewee did comment that it was hard to navigate. Another said "I don't think it works at all, quite frankly."

By June 2003 the portal listed 179 businesses but the information was very much out of date. The researchers attempted to contact businesses by telephone using the telephone number and contact person listed on the portal site. Where telephone numbers were no longer current the telephone details for the business were also checked against the Yellow Pages. Of the 73 (41%) businesses contacted 23 no longer existed and 19 had incorrect contact details provided. In the case of four companies the telephone number was correct however the person listed on the portal site was no longer with the company. The inaccuracy of site details was confirmed by one interviewee who said "I can't even find myself on the portal, I'm not the only one." Another also noted that the directory was out of date and suggested that "you can't rely on the listed entities to update their own records because they don't."

The portal provided businesses with the option to display online catalogues and there was a promise that within the first six months full e-commerce functionality would be available. The original proposal included a facility for those wishing to trade with other businesses in the portal to be able to do so using the electronic gateway provided. This provided local small businesses with a low cost e-commerce facility. It took however another 18 months before secure credit card transactions could be completed online. At the time the portal was closed almost no businesses had taken up the e-commerce option. When asked how often they used the portal, 21 of those interviewed said hardly ever, 12 also said they found the portal useless. 20% of the survey respondents were unsure how customers were going to use the portal. The majority of those interviewed were very negative when asked what they expected customers could do with the portal. A fairly typical response was "I don't think customers on this portal can or will do anything."

- *Development issues, technology standards and platforms:* Development of the portal was all managed by the Portal Sponsors. Training was provided for those who joined early however few of the businesses took up the opportunity and only 7 (14%) indicated in the survey that somebody from their organisation had undertaken training. Survey participants were asked if they had received assistance for the development of their web site. Only three had, the vast majority 25, said

they had not. This could be because they did not need assistance with the development of their web site given that the majority of businesses (67%) already had a web site. However 33% of respondents did not have a website and most therefore either did not find the help useful or did not take up the offer of help. One of the interviewees had been told they would be given help with the development of their web site however this had not eventuated. Of the technical issues only matters relating to ISPs were identified by the survey respondents.

6 OTHER FACTORS CONTRIBUTING TO THE PORTAL'S FAILURE

Critical mass is the ultimate reason for the portal failing however there is a need to examine why critical mass was never achieved. The research identified a number of other factors, not identified in the literature that may have contributed to the failure to attract enough businesses and the subsequent failure of the portal, these include:

- *Technological readiness:* This is the extent to which an organisation embraces technology and is ready for and willing to embrace technological change. If a business is not yet ready to embrace new technology then a portal such as this is unlikely to succeed. Research suggests that small businesses are still reluctant to move to e-commerce compared with larger organisations (Yellow Pages, 2000). This is not unique to Australia, research confirms similar e-commerce uptake by SMEs in the US (Riemenschneider, et al. 2003) as does research from Europe (Walczuch, et al. 2000).

The technological readiness of business owners was explored through questions relating to how business was currently conducted, including an established website and the extent to which the business was trading electronically. Most of the businesses still rely heavily on personal interactions. When asked, if the respondents saw themselves as technologically innovative, 70% of the first businesses registering with the portal said they were, only 12% said they were not. Prior to the portal's launch 67% of businesses had a website although for most this has only been for the distribution of information, few have yet to venture further. However prior to their involvement with the Portal 76% of the businesses had plans to move to e-commerce with only 14% indicating they had no e-commerce plans. The portal had raised awareness of e-commerce, 31% businesses indicated they were now more aware of e-commerce as a result of their involvement with the portal. The follow-up interviews confirmed the survey data, 10 of the businesses had a website, 5 conducted business via email, 4 had full e-commerce functionality and 2 were moving towards e-commerce, 5 had no interest in e-commerce.

The potential for e-commerce should have been a strong incentive for many businesses particularly those who were already technologically aware. The results of the survey and the interviews suggest that business participants who are technologically innovative were more likely to join given that the level of technological readiness of participants was higher than that found in the broader small business community (Yellow Pages, 2000). It could therefore be argued that attracting a critical mass of businesses to the portal was made difficult because those who were interested were technologically aware and joined early with the majority of small businesses not as aware and therefore yet to see the value. Research found that more than 50% of small businesses did not see how e-commerce could be of value to them (Yellow Pages, 2000).

- *Business expectations:* Success of any technology is very dependent on how well the expectations of the stakeholders, in this case the local businesses, have been met. Survey participants were asked what they expected out of their participation in the portal. The most common responses were raising the profile of the business (71%), improve business in the West (80%), make it easier for customers to find the business (71%) and help the business grow (63%). Three months after the portal was launched expectations were very high. An analysis of the free text responses found that 22 (45%) of the survey respondents gave a positive response in terms of their expectations. Many were realistic but at the same time optimistic with regard to the portal's success. Typical comments were:

- “High expectation that b2b will expand due to lower cost of maintenance and speed of delivery.”
- “I could source suppliers and customers close to home.”
- “Increased exposure leading to business opportunities.”
- “An opportunity worth embracing.”
- “I think everybody thinks they are going to get instant success from the portal but realistically any success is beneficial.”

Many saw the portal as a marketing opportunity. E-commerce was another strong factor. One survey respondent wrote “It can provide a simple way to get relevant information in front of our customers. It will allow an elementary e-commerce functionality. It will raise our profile.”

For most however the expected benefits did not arrive and this was reflected very much in the comments of those interviewed with all respondents expressing some negativity and in some cases cynicism about the portal. These were typical of the responses and reflect the feeling of despondency amongst the interviewees:

- “I guess it’s been a bit of a waste of time and resources.”
- “I thought people might get more into that sort of thing and it might start working, but it never did.”
- “If I had my time over again, I wouldn’t bother.”
- “I think from our point of view we haven’t seen anything from it and it hasn’t helped us for business so we wouldn’t want to go that way.”

Managing the expectations of the business participants was not helped by the delay in establishing the E-Commerce functionality.

- *Business Value:* Continued participation and attracting new business to a business community portal such as this one relies very heavily on the perceived value the portal has or may have to a business. Early in the portal’s life there was a strong perception amongst the business owners that the portal would provide value to the business, as mentioned 63% thought joining the portal would help their business grow and 71% thought it would raise the business profile. The benefits however were not realized. Most of those interviewed did not see any value for their business. When asked had any business been generated as a result of their participation in the portal, few said that it had. Two of the respondents commented that using a search engines such as Google is a better option. There was still some enthusiasm for the concept of a portal however not this one. One participant said “I found no benefit from joining the portal. I’m not going to prejudge others and I’m looking at alternative portals. I know a lot of people in the area who have tried it and we all seem to have a common view.” Another commented “For ourselves, I don’t think there’s any future potential especially as a fee-for-service. There is no benefit for us. I think the idea of a business portal is good and if it was meeting defined needs then it would have future potential.”
- *Knowledge of the business community:* Gathering knowledge about the business community and its needs is very important in the design of a portal such as this one. Adoption of technology such as e-commerce is influenced by factors such as the size of the business and its culture (Department of Communications Information Technology and the Arts 2000). There is no indication that the Portal Sponsors fully understood the diversity of backgrounds, cultures and size of the businesses they were trying to attract and the impact this would have on acceptance of the portal. A number of the interviewees spoke of this lack of understanding. Many of the interviewees described their businesses as ‘face-to-face’ and as one interviewees said “If you are fundamentally a face-to-face business, as we are, how are we ever going to do business on the portal?” Amongst the concerns expressed by respondents in the survey was how they might deal with customers outside of the region.
- *Promotion:* a major problem and one of the issues raised by many of those interviewed was the lack of promotion for the portal. Interviewees were asked to give three recommendations on how they thought the portal could be improved, six replied that the portal needed to be promoted or advertised more widely. The comment from this interviewee reflects this “I suppose just business

awareness might be the main one. Sometimes these kinds of things just seem to suddenly takeoff, but this one doesn't seem to have happened.”

7 A PORTAL MODEL

There are few models proposed in the literature that define what constitutes a successful portal. Damsgaard (2002) proposes a 4 stage portal life cycle model for B-2-C portals, each stage builds on and is necessary for the next stage. Table 3 details Damsgaard's stages and how these might be adapted to suit a B-2-B business community portal.

Stage	Damsgaard's definition	B-2-B Portal definition
Attraction	The portal is launched and visitors are attracted to the site	Portal is launched and business participants are attracted.
Contagion	Users return to the site and encourages others to visit. Critical mass is achieved.	Business participants use the site and encourage others.
Entrenchment	Users adopt the services offered by the portal	Use of the site by businesses and others increases.
Defence	The portal is nurtured	The portal is nurtured.

Table 3 Adapted portal life cycle model (Damsgaard 2002)

Drawing on the factors identified in the current literature and the new factors identified from this case study Damsgaard's (2002) model has been modified to include other factors that may have an impact on success, Figure 1 describe those factors. Note the inclusion of an additional stage to describe factors that are important before a portal is launched.

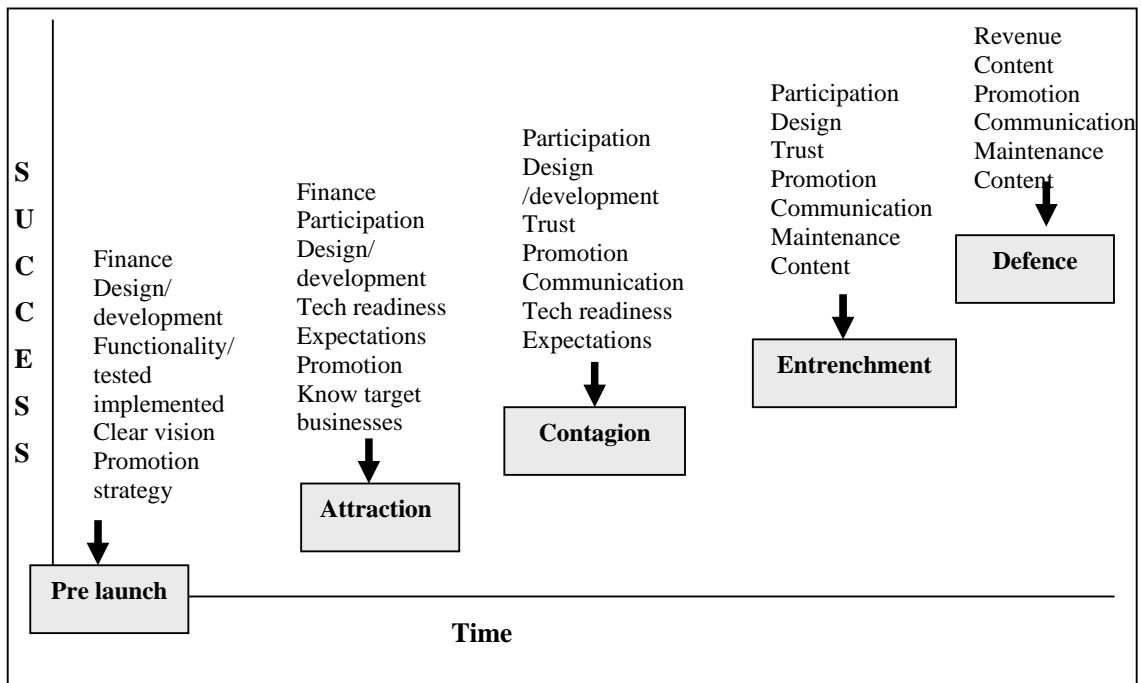


Figure 1 Model for portal success

8 DISCUSSION

It is not possible to say exactly why this portal failed or why it failed to achieve critical mass, however an analysis of the survey and interview data highlighted a number of factors critical for success. Figure 1 describes the different life cycle stages and suggests success factors for each stage. The following recommendations are therefore proposed for those seeking to establish similar portals:

- *Pre Launch:* The technology has to be competent and it has to work. The promised functionality must be there at the launch. This will help particularly in the management of business owners' expectations and will help avoid to some extent overselling the product. With this goes ensuring that the undertakings made are met and met early. Develop a realistic vision for the portal and a promotion strategy. Ensure the business participants understand and embrace the vision of the portal and what it is trying to achieve.
- *Attraction:* The portal must support and fit the business needs. This includes understanding the business audience, the size and type of businesses and what they want from it. Ensure that there is an understanding of what business participants are thinking will help manage their expectations. Provide opportunities for input and participation. There must be a change management process in place, the business users must want to join and use it. Understand the technological readiness of the business community and how to 'sell' to those who are not technologically ready and have a strategy to manage this. Promote the portal widely.
- *Contagion:* Continue to seek input from the business participants through regular communication. Build trust through activities and participation. Implement the strategy for businesses who are not yet technologically ready. Continue to promote, and promote widely.
- *Entrenchment:* The technology must continue to work and deliver; there is a need to manage the content and have a plan for how it will be regularly updated. Portal Sponsors cannot rely on the participating businesses to provide information on changes.
- *Defence:* The businesses need a clear understanding early of the level of investment required at the different stages particularly when revenue is needed to maintain the viability of the portal. Develop and implement a strategy for revenue raising and promote it.

9 CONCLUSION

With community, and government funding increasingly focused on initiatives to promote e-commerce particularly in the small business sector it is important to understand the factors that impact on the success of e-commerce projects such as portals. The results of this study contribute to this understanding with issues such as: the technological readiness of business owners, the need to understand the nature of the businesses, ensure the value of the portal is clearly articulated and have strategies for effective communication between those building and those participating in the portal, identified. However, further work needs to be undertaken to understand over the longer term what impacts on business such initiatives have. Further work is planned where the results and model from this case study will be compared with other similar business community portals.

References

- Chan, M. and W. Chung (2003). A framework to develop an enterprise information portal for contract manufacturing., *International Journal Production Economics* **75**: 113 -- 126.
- Clarke III, I. and B. Flaherty (2003). Web-based B2 portals., *Industrial Marketing Management* **32**: 15 -- 23.
- Damsgaard, J. (2002). Managing an Internet portal., *Communications of the ACM* **9**: 408 -- 420.
- Department of Communications Information Technology and the Arts (2000). Sink or Swim? Small business attitudes to electronic commerce. Canberra, Commonwealth of Australia.
- Green (2000). The evolution of web searching., *Online Information Review* **24** (2): 124-137.

- Lawley, M., J. Summers, A. Koronios and M. Gardiner (2001). Critical success factors for regional community portals: a preliminary model. ANZMAC, Massey, New Zealand, Massey University.
- Meisel, J. and T. Sullivan (2000). Portals: the new media companies. *The journal of policy, regulation and strategy for telecommunications* **2**(5): 477 -- 486.
- Miles, M. B. and M. A. Huberman (1994). *Qualitative Data Analysis*. London, Sage.
- Murray, M. (2002). An Investigation of Specifications for Migrating to a Web Portal Framework for the Dissemination of Health Information within a Portal Health Network., 35th Hawaii International Conference on System Sciences, Hawaii, IEEE.
- NOIE (2000/01, 1) Information Technology Online (ITOL) – Round Five Grants, 2000-2001, <http://www.noie.gov.au/publications/NOIE/AnRep/00-01/app14.htm>
- NOIE (2000/2001, 2) National Office for the Information Economy Annual Report 00-01., http://www.noie.gov.au/publications/NOIE/ITOL_mono/Appendix_A.xls.
- Poon, S. and P. Swatman (1999). An exploratory study of small business Internet commerce issues., *Information and Management* **35**: 9 -- 18.
- Riemenschneider, C., D. Harrison and P. Mykytyn (2003). Understanding it adoption decisions in small business: integrating current theories., *Information & Management* **40**(4): 269-285.
- Staab, S., J. Angele, S. Decker, M. Erdmann, A. Hotho, A. Maedche, H. Schnurr, R. Studer and Y. Sure (2000). Semantic community Web portals., *Computer Networks* **33**: 473 -- 491.
- Thompson, H. (2002). Delivering mainstreet.au.com functionality through 'local' community portals., IT in Regional Areas Conference 2002, Rockhampton, Central Queensland University.
- Wrycza, S (2003) Web Auctions – An Impact Analysis for Baltic Region SMEs, presented at ISD 2003, Melbourne to be published by Kluwer.
- van Riel, A., V. Liljander and P. Jurriens (2001). Exploring consumer evaluations of e-services: a portal site., *International Journal of Service Industry Management* **12** (4): 359 -- 377.
- von Campenhausen, C. and H. Lübben (2002). Increasing margins by joining your customers., *Journal of Consumer Marketing* **19** (6): 514 -- 523.
- Walczuch, R., G. Braven Van and H. Lundgren (2000). Internet adoption barriers for small firms in The Netherlands., *European Management Journal* **18**(5): 561-572.
- Yellow Pages Telstra. Corporation (2000). *Small Business Index*. Canberra, NOIE.
- Yin, R. (1989). *Case Study Research - Design and Methods*, Sage Publications.