Regional Community Portals: Success Factors for Planning and Implementation

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Abstract

Several government-funded projects throughout Australia have involved the establishment of community portals in an attempt to stimulate interest by local business communities. This paper presents a case study of a community portal, focusing on planning and implementation issues specifically in relation to two key stakeholder groups of businesses and consumers. Both businesses and consumers were surveyed with results identifying two key success factors, firstly the need to focus on not only the establishment phase of the portal but also the longer term growth and development of the portal and secondly, the importance of considering the needs of all stakeholder groups at initial planning and implementation phases, rather than focussing on one stakeholder group. Overall the results question the viability of regional community portals if they are to be self-funding.

Introduction

The e-commerce revolution has been seen as the most fundamental change experienced by society since the industrial revolution (Evans and Wurster, 2000). This change promises to be just as significant in regional communities as it will be in urban areas. With support from government funding, regional communities have begun to develop the necessary infrastructure to take advantage of the opportunities offered by the new economy.

Portals are websites offering a variety of internet services from a single location, with community portals having a focus which brings together people with a common set of needs or interests (Hagel, 1999). Regional community portals have a geographic focus. In theory, regional portals exist to meet the needs of a diverse population of stakeholders, including residents and potential visitors as well as providing an e-commerce incubator for local businesses. However, in practice, these portals are at the embryonic stage of development and tend to focus on the needs of businesses. In the longer term this will impair the viability of the portal through limiting its relevance to the broader community.

The success of a community portal depends on both high traffic and the loyalty of its members (Hardaker and Graham, 2001). To attract a critical mass the portal must meet the needs of its stakeholders (Hitchman, 1999). As consumer usage of the portal increases, a greater number of businesses will participate. Growth in business participation enhances the capacity of the portal to deliver value to consumers and encourages business participants to expand their e-commerce initiatives. This in turn attracts more users and more advertisers and results in what Hamel (2000) calls a ‘virtuous circle’. Hence, a clear need exists to identify the factors that influence participation by the two key stakeholder groups of businesses and consumers in regional community portals and, in turn, create a ‘virtuous circle’.

The Maranoa Online regional community portal in Australia provides an interesting case study of the difficulty of balancing business and consumer needs when establishing portals. Maranoa Online (MOL) is a government-funded project involving the development of a not-for-profit regional community portal with an e-commerce facility for local businesses.
Funding was given for an initial period of two years with the goal of being self-funding after that time. MOL commenced operation in February 2000 with a mission to ‘provide the Maranoa community with an easy and non-threatening way of learning about, accessing and utilising the Internet’ (MOL, 2001). While the objectives of MOL make broad reference to all community members, specific targets were set only for businesses. This business focus appears to have been driven by the imperative to be self-funding, with businesses seen as the key revenue source. Failing to translate the mission statement into objectives for all stakeholder groups represents poor initial planning and undermines the chances of successful implementation. A key objective of MOL was to ‘sign up’ 50 businesses by the end of 2000. By January 2001, 63 businesses had subscribed. This figure represents about 6.7 percent of the total number of businesses in the region (947). While initial projections for business subscriptions were met, considerable potential exists for increased consumer involvement. Total visits to the site have consistently averaged around 580 hits per week, despite an immediate population of over 15 000 people. Hence, the purpose of this paper is to explore the factors that influence success of regional community portals, focussing on the key stakeholder groups of businesses and consumers.

The Literature

As regional community portals have only recently emerged, research into these portals is scant. However, authors have attempted to model the new technology adoption and diffusion process for businesses and adoption and use of the internet. Several theories of technology adoption by both businesses and consumers have been proposed including diffusion of innovation (Rogers, 1995; Carr, 2000), theory of reasoned action (Ajzen and Fishbein, 1980), theory of planned behaviour Ajzen (1985, 1991), the decomposed theory of planned behaviour (Taylor and Todd, 1995) and the technology acceptance model (Davis, 1986; Davis, Bagozzi and Warshaw, 1989). Factors identified as influencing adoption include ease of use, trialability, observability, relative advantage, knowledge, and usefulness.

The adoption of the internet by businesses in Australia is growing rapidly. Approximately 52 percent of businesses in regional areas access the internet, with 13 percent having a home page (ABS, 1999b). The most frequent use of the internet is to display company information (88 %), with less than 6 percent adopting more sophisticated uses such as transactions (ABS, 1999b). Key characteristics stimulating a business to go online include innovative culture, competitor use of the internet, access to skills, customer and supplier support and a knowledge of the benefits of e-commerce (Yellow Pages Australia, 2000). Further, access to wider markets, a fit between company products and internet demographics and the low cost involved were other reasons to go online (O’Keefe et al., 1998). The most frequently cited barriers to adopting the internet were a lack of skills or training, a lack of interest, the cost of web development, a low rate of internet use by customers and suppliers, satisfaction with existing business arrangements, time and a belief that their products and services do not lend themselves to the internet (ABS, 1999b; Yellow Pages Australia, 2000).

From a consumer perspective, in the year to May 1999, 650 000 Australians made about 3 million online purchases, with more than half from overseas Web sites (ABS, 1999a). In regional Australia, home access to the internet was 26 percent in May 2000 (NOEI, 2000). Further, while online purchases are estimated to account for less than 1 percent of total retail sales, around 19 percent of sales in real world stores are influenced by internet research consumers have undertake (Heun, 2000). Before a consumer can actually visit a web site they
must have physical access to the internet, a willingness to change current behaviour patterns and the ability to use a computer. Once these factors are present a consumer's next decision relates to which website (or portal) to choose. Research has highlighted the important features of an effective website to be: good feedback between the consumer and the site, the ability to attract repeat visits, ease of use (Kent, 1999); good design including page loading speed, business content, ease of navigation, and customer focus (Turban and Gehrke, 2000); and frequent changes to the website and cross-links to other sites (Dholakia and Rego, 1998). Specifically in relation to online retailing, convenience, site design and financial security are the most important factors influencing consumer satisfaction (Szymanski and Hise, 2000).

In addition, given the not-for-profit nature of regional community portals, the key success factors for non-profit portals were investigated. Notably, wide consultation and community involvement, skill development, ongoing marketing and support and assistance to Internet users were identified as key to the success of not-for-profit portals (NOIE, 2001).

Method

Based on the literature review and exploratory research, two self-completed questionnaires were developed, for businesses and consumers. Given the size of the target population of all businesses and consumers in the Maranoa, (947 businesses and 5,568 households), the most economical sampling frame was to use Australia Post to deliver to all businesses and households. This mailing was supported by media releases and resulted in the return of 63 completed business questionnaires (response rate of 6.5%) and 495 household questionnaires (response rate of 8.8%). Results considered reasons for participation in MOL, effectiveness of initial communication strategies and possible improvements to the portal.

Results

The majority of business respondents used computers and had internet access. The main reason given for not having internet access was a lack of both education and commercial need. The level of awareness of MOL was mixed with fifty percent having some knowledge. Of those who had heard of MOL, most (57%) rated their knowledge as poor to very poor, with only some (17%) rating their knowledge as good to very good. When the perceptions and knowledge of MOL were examined in relation to subscription, it was found that subscribers knowledge of MOL tended to be consistent with their perceptions ($\chi^2 = 6.25, df = 4, p = 0.008$). That is, if they had good knowledge their perceptions were good and if they had poor knowledge their perceptions were poor. This pattern changed with the non-subscribers where there was less consistency between knowledge and perceptions ($\chi^2 = 23.12, df = 12, p = 0.027$), with those with average or poor knowledge of MOL still having good perceptions.

Respondents were asked to indicate their perceptions of MOL. Forty-two percent indicated poor to very poor perceptions of the site, whilst thirty-three percent indicated the site was good or very good. This predominance of negative attitudes was further reflected in the results for subscription with twenty-two percent of the respondents being subscribers to MOL (5). Businesses were also asked to indicate how many of their customers they believed would use the MOL portal. Just over two thirds suggested none (35%) or 1 percent (35%).
Reasons given for not subscribing included (in order of means on a scale of one to five, the closer the mean to one, the more the respondent agreed): target market outside the Maranoa (m=2.8); no perceivable benefits (m=2.9); costs are too high (m=3.0); too much time involved (m=3.1); lack of customer demand, and not wanting to encourage customers to access the business electronically (m=3.4). Whilst there were no statistical differences in the ranking of these statements, it would seem that the main factors affecting subscription are that the target market for MOL is seen as local only and therefore not attractive for some businesses.

Reasons for subscription included (in order of means - the closer the mean is to 1 the more the respondent agreed, a five point scale): the ability to provide local content to the target market (m=2.3); a desire to for an online presence (m=2.4); a belief that an online presence would improve access to target markets (m=2.4); increase proactivity and competitiveness (m=2.4); assist the business to market their website (m=2.5); a low cost option (m=2.5); and finally, a belief that an online presence was cheaper than traditional advertising (m=2.7). There were significant differences between subscribers and non-subscribers in relation to three of the motivations for subscription. Specifically, subscribers believed more strongly than non-subscribers that the benefits of MOL subscription included: providing cheaper advertising than traditional media (Z=−2.743, p=0.009); a low cost decision (Z=−2.95, p=0.08); and that MOL allowed the provision of local content to their target markets (Z=−2.50, p=0.015).

Most households had a computer and internet access, and felt that they had an average level of competency to use the internet. For those without internet access, the main reason was the cost to get established combined with a lack of desire. Consumers were asked to indicate their attitudes toward e-business with most indicating a negative attitude (60%). Consumers who were more competent had more positive attitudes in general to e-business than those who were less competent ($\chi^2 = 15.17$, df = 2, p = 0.001). Similarly to businesses, awareness of MOL amongst consumers was quite high (47%) but knowledge was low, with only ten percent indicating they had good knowledge and sixty-two percent indicating poor or very poor knowledge. Of those who had heard of MOL slightly less than half had actually visited the site (43%), and only seven people (5%) used MOL as their home page.

Most businesses gained their awareness of MOL through word of mouth (30%) and local meetings (26%). Mass media, (newspapers 19% and radio advertising 15%) appeared to be less effective with this group. In contrast, the advertising campaign appeared to be more effective with consumers with the largest number indicating newspaper (20%) and radio (7%) advertisements as their main sources of information. The next most mentioned source was once again word of mouth (14%) followed by meetings (8%).

Both businesses and consumers were asked to identify key areas of improvement for the portal. Businesses saw the main areas of improvement as (the closer the mean to 1 the more the respondent thought the issue was important, 5 point scale): the inclusion of more cross-links (m=1.5); increasing the level of awareness of the portal (m=1.7); further training (m=2.0); provision of feedback regarding the web page from consumers (m=2.0); and increasing the use of jargon free communications (m=2.1). Consumers appeared to be more concerned with access issues over content issues. The key areas identified for improvement by consumers were: ensuring the website was updated regularly; ensuring contact details for businesses were listed and easy to find; and ensuring that the site had quick download capabilities. Least important were inclusion of more pictures and providing the ability to make online purchases. Consumers indicated that they liked the look of the site and that it did not need any improvements in this area.
Discussion

The results suggest that the MOL portal, whilst having some loyalty amongst both businesses and consumers, suffers from an inability to attract a critical mass of users. This problem is exacerbated by a perceived irrelevance of the site to consumers and confusion as to the potential benefits by businesses. The original mission of MOL was philanthropic in nature with the main goal as community development. However it would seem commercial interests may have overshadowed the needs of other stakeholders. Businesses have subscribed, but then state they are uncertain as to the future of the move. Businesses have a need for more education and training to maximise their involvement and they have difficulty in articulating the relevance of the site to both their target audiences and to their own business goals.

Similarly, consumers see little advantage in using the internet to search for information about local businesses and events in a regional community where they already know everyone and everything. The access issues still apparent in this community further compound this issue. Results showed that users of MOL had more positive attitudes and were more confident in the benefits of MOL. This may be due to the fact that many respondents had limited internet experience with about 90 percent of both businesses and consumers indicating average to poor efficacy with the internet. Hence many respondents may not understand the potential of the portal. This suggests the need to increase trial and usage of MOL among non-users.

Factors identified as influencing use were largely consistent with the literature. Key reasons in this study included the proactive need to go online by businesses and access issues and relevancy of content for consumers. Results also indicated the need for more jargon free communication perhaps indicating a lack of awareness of needs and knowledge levels of stakeholder groups in the design phase of the portal.

Conclusions and Implications

Overall the results of this study highlight the need to question the viability of regional community portals if they are to be self-funding, hence necessitating a commercial focus. The focus on business tends to overshadow the needs of other stakeholder groups. In addition, while the mission of the portal was focussed on developing the internet skills and abilities of the community, the portal is doomed to failure if large groups of community members cannot access the internet or if those who can access the internet do not have the knowledge, education and training to use the internet.

More specifically, this research investigated the key factors influencing the successful implementation of a regional community portal. Results indicated that planning was short sighted and focussed on the initial awareness stage, specifically in relation to businesses. The role of other stakeholders, in particular consumers, was neglected. Hence, problems were encountered in ensuring the long-term viability of MOL. This research has highlighted the need for the awareness phase to be followed by strong knowledge development, including education and trial for both businesses and consumers.

In addition, the implications of this research for government funding bodies and for regional communities themselves are clear. Simply providing the infrastructure and access to e-commerce is not sufficient to meet goals of self-sufficiency for regional communities. Additional steps are required including clear and measurable goals for all stakeholder groups.
References


