

Online Communications Index 2005

Making the Most of the Corporate Website

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Introduction

Two things are clear when a free search engine outperforms expectations on the Nasdaq, is prepared to take on Microsoft not only in certain technologies but also in acquiring talent, is a deep threat to the established publishing industry and is a critical tool for most, not only in their use of the Internet but also now for their desktops: The Internet is serious business and it is becoming extremely busy. As such very little value can be derived from merely having a website tacked on as an after thought at the end of a business process (the last place to publish one's annual report or marketing material) or yet another channel to have to manage. To enhance the corporate brand and derive value from investments necessarily made in the online space requires some dedicated strategic thinking and a method of evaluation. The Online Communications Index evaluates the effectiveness of the online strategies being pursued by major South African corporate players.

A list of the top 100 JSE listed companies by market capitalization (as on 5th April 2005) was selected for the assessment. In the course of conducting the survey 4 companies were excluded. Three methods were used by BlueRiverStone to rank the 96 companies in the survey: technical quality of the sites; their usability under three different scenarios of use and the ability of the companies to deliver an e-mail response to the questions.

Scoring

Each of the three categories technical quality, website usability and email responsiveness was marked out of 100. The final score is produced with a 40% contribution from the Technical Quality score, 40% contribution from the Usability Score of the Investor Relations scenario and finally a 20% contribution from the Investor Relations email Score (or if only a PR email had been received its time score was included). This puts the emphasis in the final score on self service.

Exclusions

There were 4 companies from original 100 that were excluded from the analysis for the following reasons:

African Life Assurance	no website
METUZ Holdings LTD	delisted
Liberty Holdings:	effectively the same website and email contacts as Liberty Group
Pick 'n Pay Holdings	same as Pick 'n Pay Stores

With regards to emails:

Remgro and Venfin were typically dealt with in the same email

Afrox and Aprox Healthcare were contacted using a mutual webform except for the IR contacts.

Section1: Overview of Results

Technical Quality

Technical quality underpins the quality of service experience. Ideally the website technology should be transparent and not “obscure” the experience of the website with either irrelevant displays of technical prowess or errors and failures. In line with developing a user-centric evaluation BRS used Software Research’s eValid (www.e-valid.com), a browser-based website assessment tool. It delivers a number of metrics, such as page size, broken links, site structure etc., all of which relate to the overall performance of the website and its quality.

The tool operates like a search engine spider and difficulties in analysing websites will indicate poor search engine optimisation not to mention difficulties in being able to do proper performance and quality evaluations of the website.

Two important dimensions were used to rank each website:

- **Ease of user navigation:** determined by the average size of pages encountered, how many links there are per page, how reliable those links are and how likely one is to encounter a really slow loading page. A high score for ease of navigation means that users will have few well chosen links delivering quick responses as they work through the site, and that they will find very few broken and very slow loading pages.
- **Quality of website maintenance:** based on the relative age of pages found on the website and the relative likelihood of encountering an available page. A well-maintained site has very-current information (young pages), and very reliable information (no unreachable pages). Combined, a quality score on these factors indicates that great care has been taken to assure the currency and availability of the information.

Website usability and Email Responsiveness

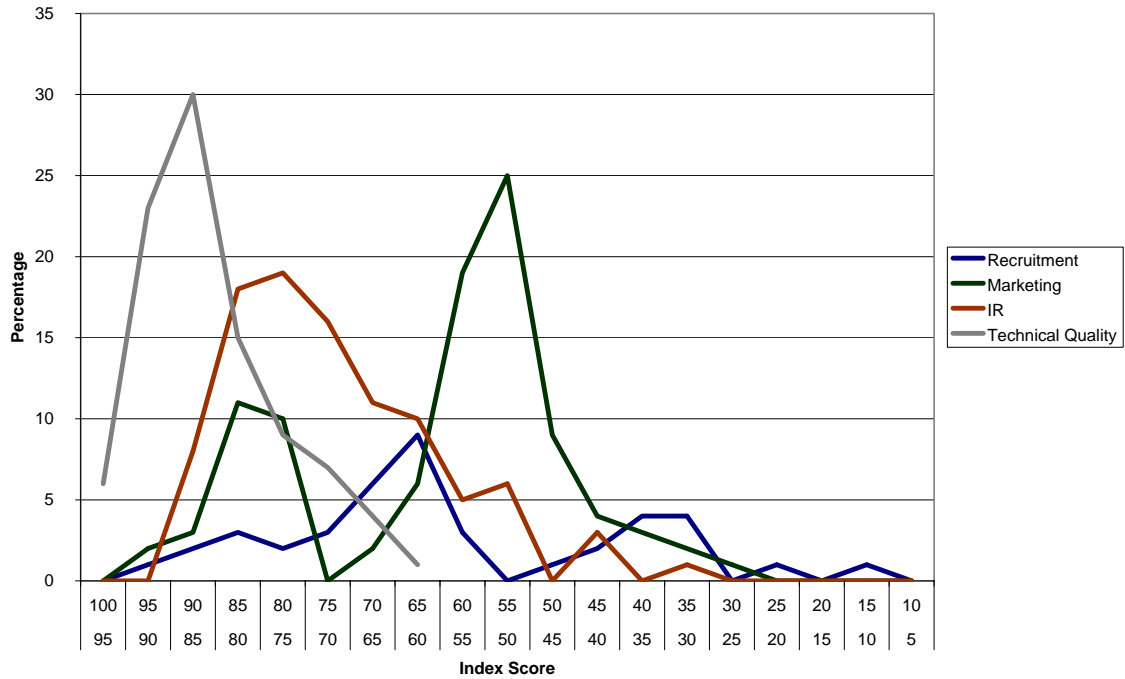
The web usability index followed a scenario based assessment. The power of the scenario based method is that it assesses website design from the perspective of users. This year the assessment was expanded to include three different scenarios of use. The first scenario related to how useful the site would be to a private corporate investor or researcher who is gathering some company background investment information and investigating corporate governance disclosures of the companies concerned.

The second scenario was e-recruitment related. In other words how well did the website facilitate recruitment of potential candidates. The third scenario was marketing related, how well did the site convey its areas of business and support doing business if not actually providing for online transactions. These three scenarios are generic enough to apply to all of the websites we assessed., The marketing related scenario though ought to have the greatest variety in responses given the variety of industry sectors and types of organizations included in the study.

Around each scenario was built a score card. Two assessors independently assessed the websites using the score card. These scores were combined and validated by a third person. The score cards evaluated six criteria:

- **Accessibility:** the ability of the user to easily infer the web address from the listed name of the company.
- **Navigability:** the ease with which important information can be found on the website. This was assessed through the number of clicks required to find the content.
- **Dynamic functionality:** the ability of the website to cater for the diverse requirements of users.
- **Additional content:** other related information also considered important, but not necessarily essential was sought out.
- **Communication integration:** the ability of the website to enable the user to use different communication mechanisms (e.g. phone, fax, e-mail, post, personal visit) if they wished. This was assessed through the presence of appropriate contact details.
- **Corporate identity:** this was assessed through the ability of the website to provide a coherent and consistent corporate image that both projects the core nature of the corporation and presents a professional website. This criterion was the most subjective of the six.
- **Partnerships and alliances:** to what extent does the website link to or refer to partnerships, alliances, resources or third parties relevant to the scenario.

Website Analysis for 3 Senarios



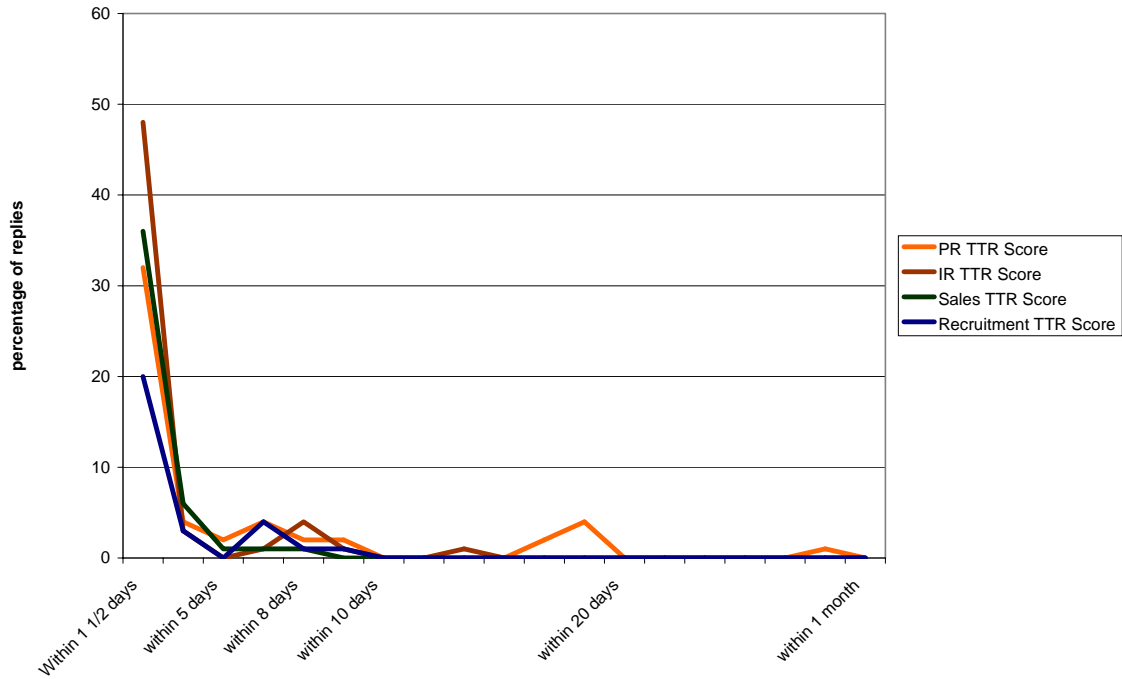
General observations

The technical quality out ranked all of the usability measures indicating that the pattern for usability to lag behind technical proficiency of websites is still apparent. In fact there is no correlation between technical quality scores and any of the usability scores. This indicates that the usability issues are harder to detect and fix. But more than this it is clear that few companies' online strategies in Investor Relations, Recruitment or Marketing are being driven by those departments - whose focus should be on understanding and making provision for what their users want to accomplish on the website.

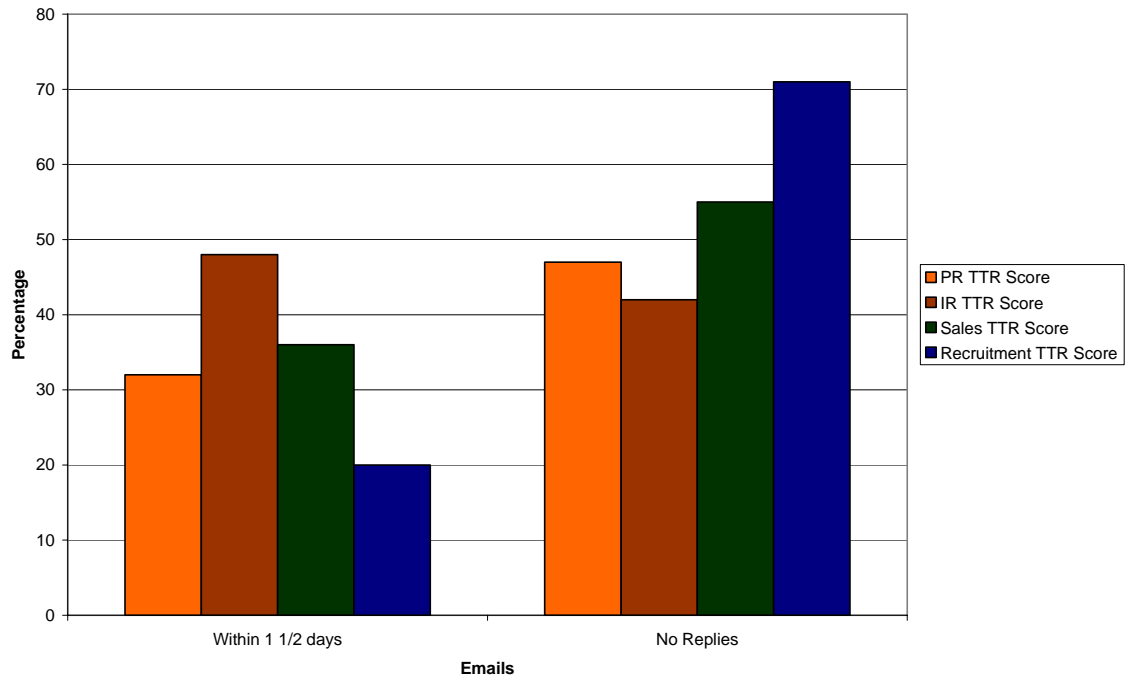
E-mail responsiveness

Researchers assessed the ability of the company to respond to a standard e-mail or webform enquiry in a timely manner as well as the quality of the response both in terms of the format and content. Using the three scenarios the most appropriate email addresses, or if no email was available then a webform, was found from the corporate website or if not, then from a third party online resource.

Email Time to Respond 4 Enquiries



Profile of Email Assessments



Section 2: Detailed Analysis

Investor Relations

Since King II great emphasis has been made on the quality of disclosure as a means of ensuring good governance, particularly in the transparency, accountability and responsibilities of the organization to its stakeholders. King II avoids the heavy burdens and rigidity of a Sarbanes-Oxley, but demands instead robust explanations for non-compliance.

Disclosures then must be significant, relevant and of interest to a broad range of stakeholders besides shareholders. To satisfy these criteria a disclosure must be understandable to multiple audiences, clear in respect of the entities and periods to which it refers, and it must provide for easy comparison both to past and expected performances. Finally disclosure has to be timely, not to mention capable of being verified.

Of all the channels, the corporate website in conjunction with email communications are probably the most effective in being able to satisfy these requirements. For example by making the website the primary publication tool and deriving other formats of reports through something like XBRL companies have turned the typical publications process around to deliver huge benefit.

A well architected corporate website and email communications policy, should serve as a first stop resource for all of those that have access to the Internet including journalists and researchers that will translate company content into other media. The timing of disclosures is limited by how quickly they can be published by the company on its website and/or emailed to the stakeholder database.

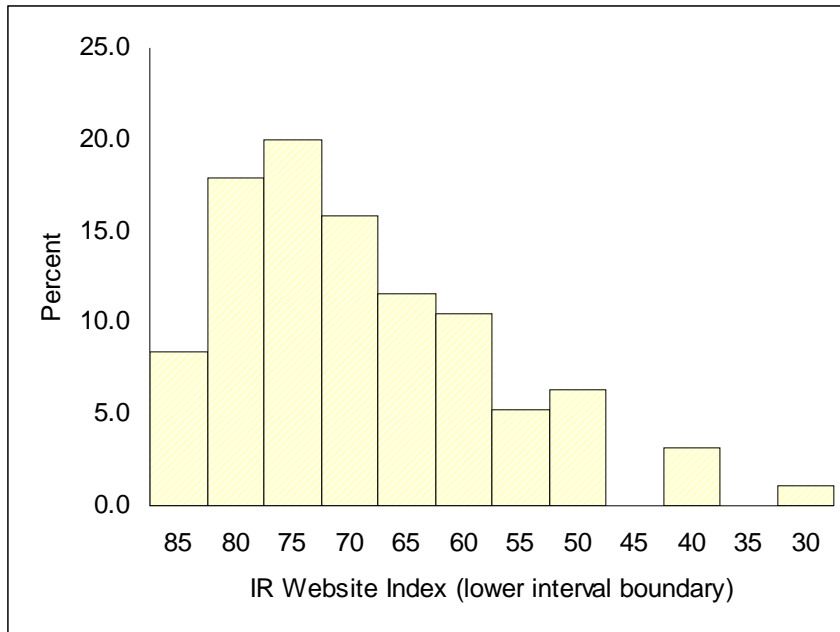
Pre-conditions for being able to make comparisons are the availability of content and consistency in its format. Provided companies have strict policies on retaining published material, the website with a decent search facility is a de facto archive. The multimedia environment of the Internet allows for a wide range of content formats, from digital documents to video conferences, to be integrated. Furthermore applications can be built into the website to facilitate comparisons by users.

But perhaps most importantly, a content rich, well designed and managed website will support many scenarios of use, allowing a range of stakeholders to define for themselves, by their browsing and searching what is of significance, relevance and interest to them. And if they cannot find what is required from the website it should at least be able to tell them whom to contact and how.

The Investor Relations score card looked at how easy it was to find the url for the corporate website. It assessed how easy it is to find, if at all, certain key pieces of content relevant to this scenario, including the annual and interim reports, statements, if not separate reports on corporate governance and corporate social responsibility. The score card assessed the dynamic functionality built into the annual report and other items like historical share price, as well as the availability of a searchable archive of reports and supporting press releases and presentations. It looked at whether an appropriate Investor Relations contact was given and how helpful these details were.

Finally it looked at the overall professionalism of the website and the nature and quality of the links it had to other sources of information that might facilitate verification of disclosures on the website.

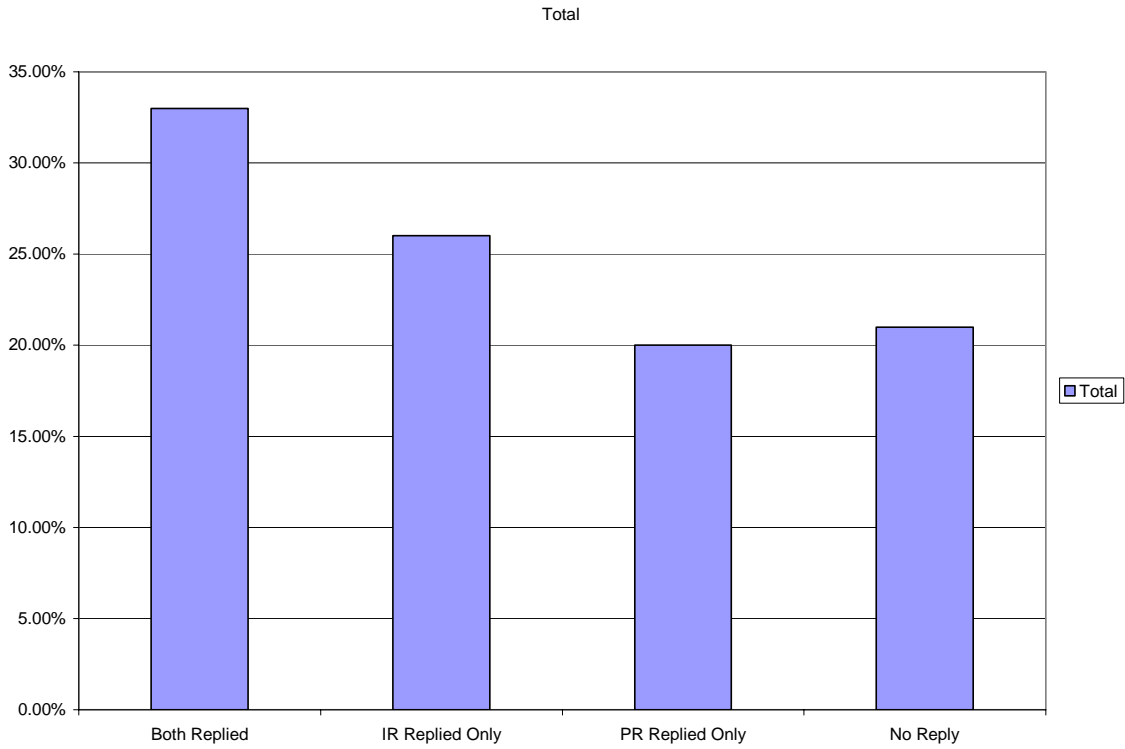
At least one email address or webform url was extracted from the website to which two different emails were sent. The first email which was directed to the most likely investor relations contact asked a question regarding the availability of the annual report and the Board Charter. The second email was directed more towards the public relations or media contact and asked for some information on corporate social responsibility.



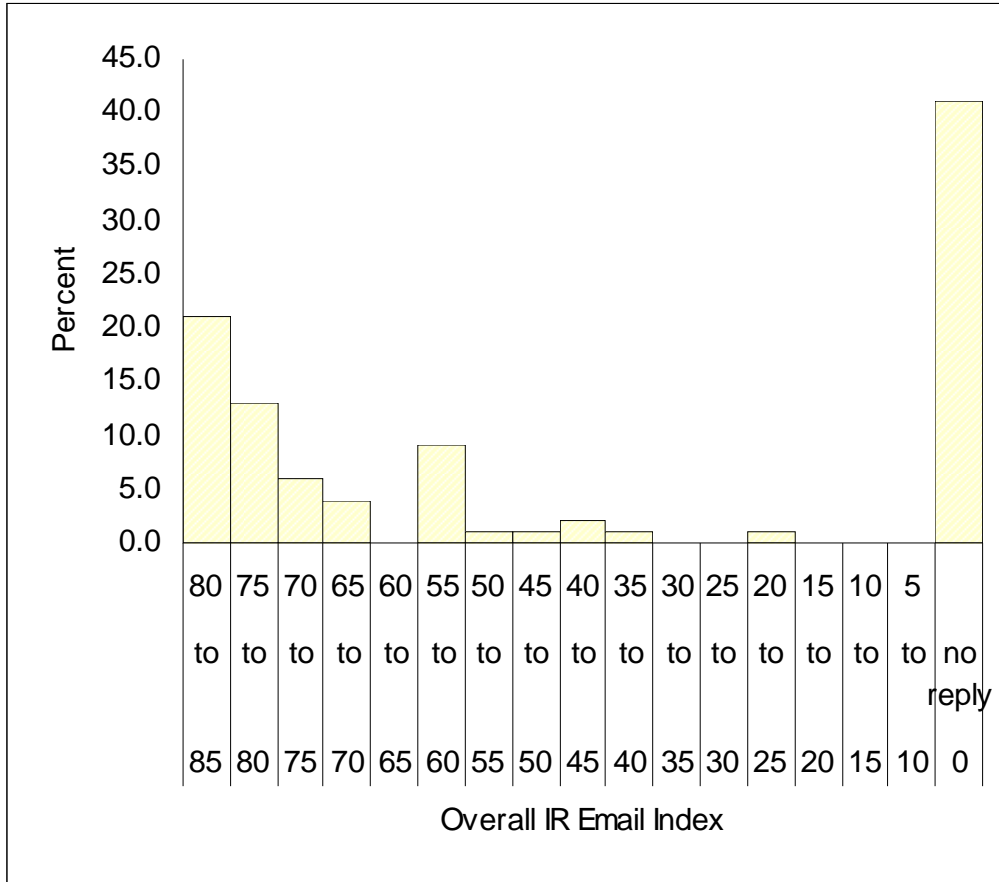
Compared to other scenarios the corporate websites that were analysed demonstrated that the Investor Relations/Corporate Affairs Scenario is the most well catered for, with 87% of the websites scoring more than 55 on the Index.

Previous research by BlueRiverStone into Corporate Governance indicates 80.70% of the 114 companies included in the study publish a full, unabridged copy of its annual report on the Internet and 57.02% include their policies and practices for social transformation, ethics, safety, health and the environment. Only 32% though said that they publish the board charter in the annual report.

In the Email assessment we had 58% reply rate to the Investor query and a 53% reply rate for the Corporate Affairs query, 33% replied to both enquiries, only 21% did not reply to either.



Besides the Time to Respond we analysed the quality of the Investor query reply emails. Emails were assessed by their Time to Respond - TTR (contributing 40%), by the quality of the Content (contributing 40%), it's ability to address all the questions posed; and lastly by an Affect score given by the degree to which the email was personalised and well laid out (contributing 20%).



Recruitment

Recruiting candidates through the corporate website has significant advantages. Apart from creating significant process efficiencies, a well worked out recruitment facility reduces the dependence of companies utilizing the services of more costly personnel agencies. Furthermore it leverages and enhances the corporate brand, developing a relationship directly with prospective employees. A website draws from all of those that have access to the internet which may be larger in fact than the 3 million regular SA Internet users. The corporate brand attracts all levels of skills regardless of geographic boundaries. Furthermore to have a careers section on the website regardless of whether there are jobs available is to have an ongoing process with a ready real time pool of high quality candidates.

The importance of the corporate website for driving recruitment was made clear for us with our work in analysing the candidate pool trends in 130 000 candidate records of 13 companies, provided by specialist e-recruitment consultancy graylink.biz. These companies spread across a range of industry sectors from retail to mining.

We found that only 15% were duplicated in one of the other sites. Across the different sites more or less the same profile in candidate pools emerged. Candidates were pretty much evenly split between male and female. Almost 70% are single. South African candidates are drawn mostly from Gauteng (60% overall) followed by the Western Cape and Kwazulu Natal (each 11% overall). The remaining provinces contributed candidates at between 4% and 2% each overall. We did find that where a company was based had an influence over where the candidates came from.

Contrary to the notion of a widening digital divide almost 60% of the candidates applying for jobs on corporate website are "African", only 18% are "White", while 12% "Asian" and 11% are "Coloured".

We found that candidates with a Secondary School education amounted to 2.23% of the entire database; Matrics constituted 28.63%; Diplomas 25.89%, Bachelors Degrees 13.13% ; Certificates 11.79%; Undergraduates 9.88%; Honours Degrees 5.23%; Post Graduate Diploma 0.43% and Masters Degree including MBAs 2.33%;. There were over 150 Doctorates too.

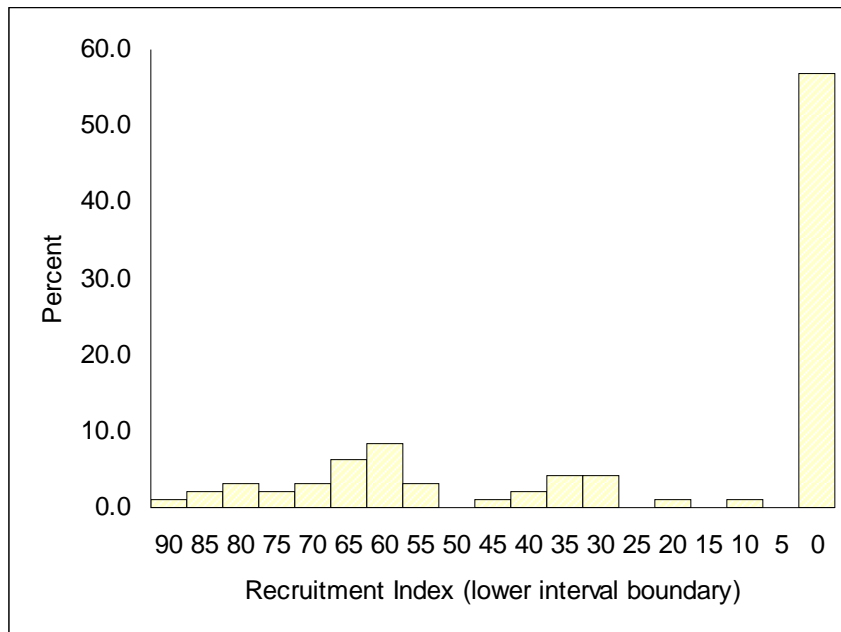
Most candidates(48%) had more than two years work experience, 17% had under two years experience and 16% are recent graduates. Their availability was mostly immediate (40%) followed by 1 months notice (34%). The remainder were flexible as to their availability.

Built into the e-recruitment process is a critical skills set, which is per force tested, namely computer and Internet literacy. Candidates need to be able to search for a corporate website and navigate their way through the application process.

In short then, indications from the data are that companies can have access to a wide range of reasonable to good quality candidates to supplement if not replace their current recruitment practice at a fraction of the cost.

The e-recruitment score card we developed looked at whether there is a clearly marked career or job opportunities link on the website. It looked in detail at the content and dynamic functionality of this section including the ability for a candidate to register, submit and manage their CV and communicate with the most appropriate contact. The score card did not test the actual process of submitting CV information, only the possibility of being able to do so. Another limitation of the score card was that it underrated the importance of consistency in the corporate brand. Several corporate websites had obviously relegated the e-recruitment facility to a third party agency with its own brand. While providing good functionality, such a strategy in addition raises issues around confidentiality – just to whom is one giving one’s CV and what are the conditions of its use? These questions are bound to have an effect on the quality of the candidates prepared to submit their CV and certainly on the nature of the relationship between candidate and corporate.

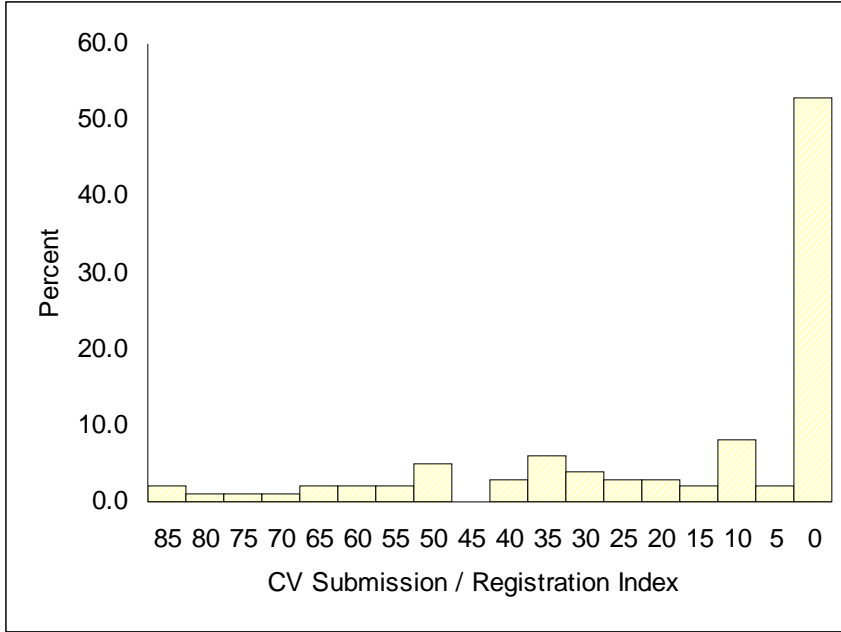
An email or webform based enquiry was also made and the scores for this section looks at both the ability of the corporate website and email communication to support a job opportunity query.



Overview

Some 58% of the top corporate websites that we surveyed had no easily identifiable careers or job opportunities sections. Of those companies that demonstrated some kind of considered e-recruitment strategy the range in quality of service based on our score card indicated that only 29% scored more than 55. Clearly only a small minority are making adequate use of this aspect of their corporate website.

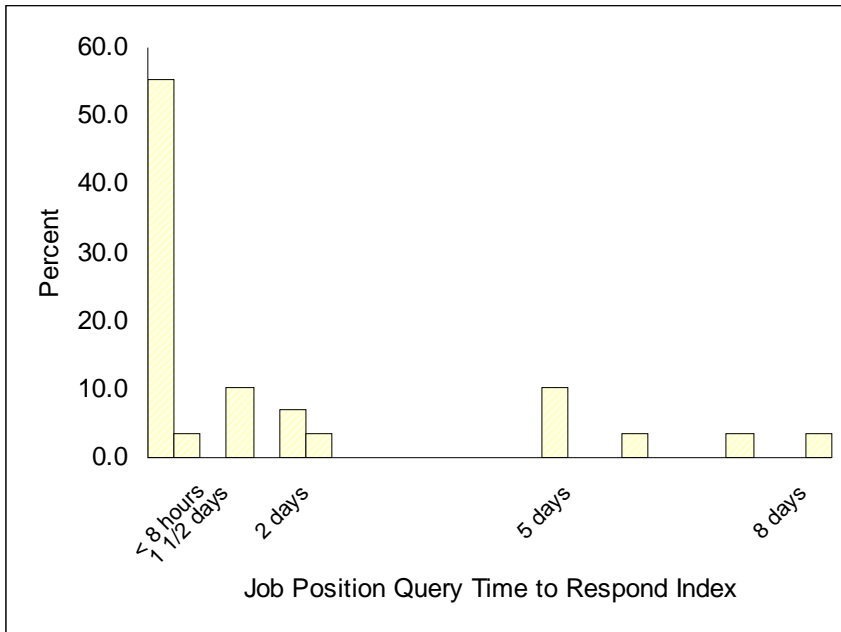
We extracted from the assessment data just the facility to submit CV information even via email or modified webform to an appropriate address or contact, to include companies without a clearly identifiable careers section. Even so performance on our index showed a wide range in the quality of functionality provided. Again slightly more than half of the websites we assessed did not have any viable means of supporting an employment opportunity query.



Email responsiveness

Some companies had well developed e-recruitment facilities but no HR contact details. It seems highly likely that this was a deliberate strategy to cut down on the expected number of ensuing emails. Nevertheless to be consistent in our assessment we applied the same measures to all companies and found likely substitute emails or general webforms.

We had a 29% response rate which makes this scenario the least well catered for in email responsiveness. As with other email queries if one is to get a response it is most likely to be within 2 days.

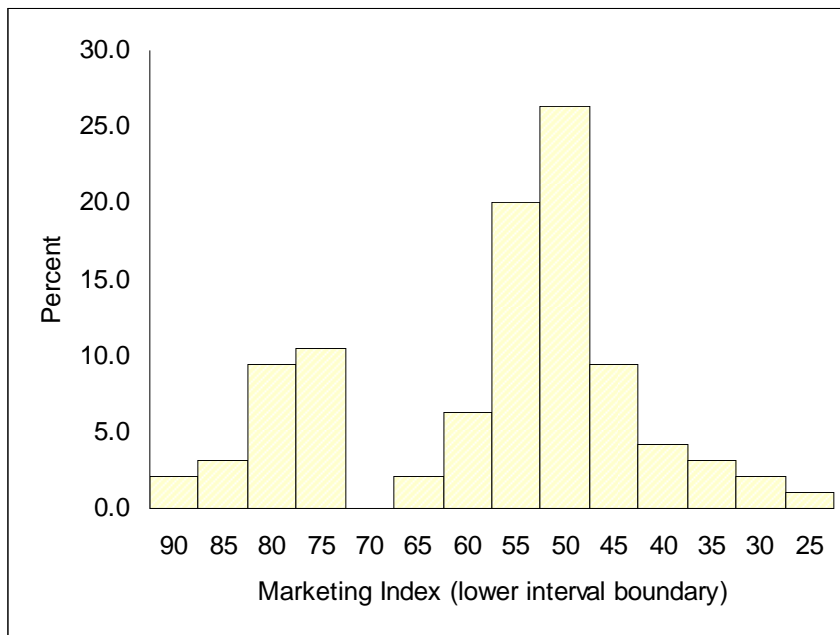


Marketing

The top 100 companies we assessed stretch across a wide range of industries some, particularly holding companies, not being directly responsible for client or customer interactions. Yet the corporate brand plays an important role in unifying the businesses it incorporates and is often better known than any one of them. As customers increasingly turn to the Internet to conduct business the likelihood of them relying on these qualities of the corporate brand at least as a starting point raises the importance of the corporate website and email communications as a means of communicating what the company does (or does not do) if not directing the enquirer to subsidiaries that do have products or services.

It was for these reasons that we included an assessment of the website from the perspective of a customer, prospective customer or more broadly some one who is interested in finding out what the company does (as a major player in the South African economy) and whether it was possible to do business with the company (or its subsidiaries).

The score card looks for pages that describe activities if not products/services even in subsidiaries. It looks for the functionality to assist in making some product/service related query if not actually transact online. Lastly it looked for an appropriate contact to which one could send a product or service query. The results of the score card are compiled into an index which seeks to compare the relative positioning of companies' website on this scenario.



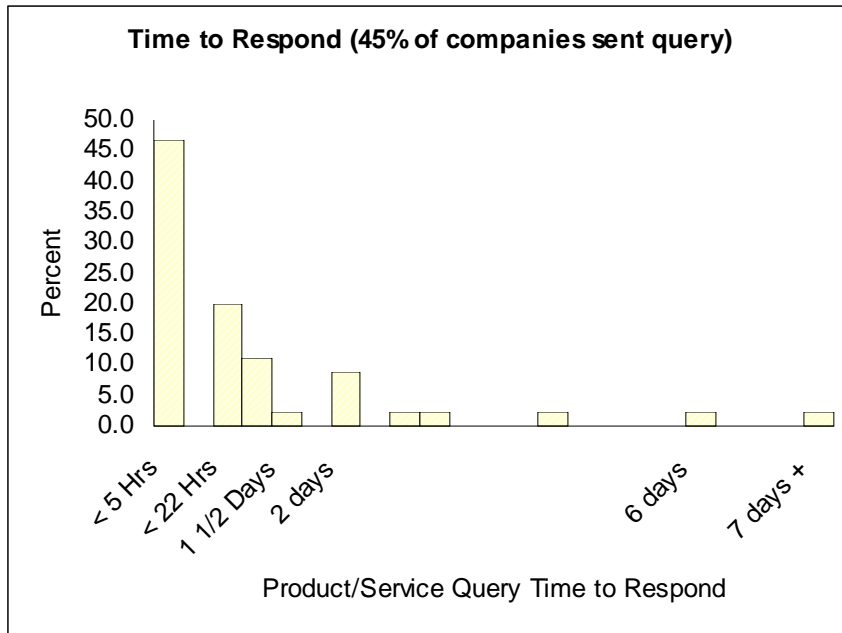
From the results two distinct groups of websites can be seen. Only a small group (27%) of the websites has relatively well developed transactional facilities. Most of these companies come from the financial services sector. The majority of the websites ranging from 25 to 65 on the Index indicate relative strengths in being able to explain what they do but stop well short of taking the next step of being able to turn that interest into a transaction.

Email Requests

The email enquiry was provided by Call Centre Nucleus (CCN) whose experience as a service provider of outsourced contact centre services has led them to conclude that email is a vital but under-utilised channel for gaining and sustaining customer interest and loyalty. A prompt and accurate response to business related emails increases trust in the brand, bolsters customer satisfaction and boosts sales both online and offline.. Of those emails or webforms that we could garner from the website under this scenario we sent a request for an over view of their products or services. Although an assessment of the quality of the response was not undertaken it was clear they varied considerably.

We counted as a response even those emails that told us that they did not have products ore services available -, basically anything that indicated that someone had read the email and a replied.

We were able to get only 45% of the companies we emailed to respond to the query.



After 2 days it is unlikely that an enquirer will receive a response from a company. Most will not respond but if they do, it will be most likely within a day. There is no relationship between the Website score and the ability to respond via email.

Conclusion

A corporate website is an ideal platform on which to collate and structure the variety of products/services if not its business interests under the corporate brand. As a singular resource and starting point for entry into the often great variety of businesses their products and services their businesses offer, the corporate brand embodied in the website should be the most obvious and best place to start.

On a very simple metric, most companies are only halfway to doing this with some notable exceptions mostly from those companies that see themselves as directly engaged with consumers through the internet channel. What is surprising is the number of well known retail brands that are not making a strong connection between the corporate brand and potential clients or customers.

Email responsiveness is even weaker with less than half being able to respond. Perhaps more industry specific enquiries will get better responses but what is clear is that most corporates are not able to respond with well structured and clear views on their business and its products and services. Of the responses that we got most were ad hoc and reliant mostly on the knowledge of one person - the respondent. This could very quickly result in an inefficient and complex communication process. Some 55% of the top 100 companies therefore are losing business due to poor online service.

Sponsors



About CCN

Call Centre Nucleus (CCN) is one of South Africa's leading service provider of outsourced customer contact centre services, specialising in end-to-end inbound customer service and technical support solutions. CCN currently supports the customer relationship management strategies of many of South Africa's leading brands and more recently clients in Europe and the UK, primarily in the automotive, technology, telecommunications, financial, retail, pharmaceutical and travel industry sectors.

By providing customer acquisition, inbound sales, order processing, e-mail management, customer care, case management, technical support and helpdesk services on an outsourced or off-site management basis, we assist clients in increasing their revenue generation capability and customer satisfaction while through increased efficiency decrease their costs.

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About graylink

graylink helps companies build sustainable competitive advantage through people.

Enabled through a combination of **e-recruitment technology**, **employer branding**, **recruitment advertising** and **candidate relationship management**, our solutions are engineered to help companies attract and retain high quality talent whilst:

- * reducing costs
- * improving efficiencies
- * delivering better practice
- * building employer brand

Our product and services offering includes:

Technology

- * **e-recruitment** and workforce management software
- * ASP delivery
- * Systems integration

Communications

- * Employer branding
- * Recruitment advertising
- * Candidate relationship management

Consulting

- * Advisory
- * Change management, implementation, training & support
- * Business process outsourcing

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About BlueRiverStone

Your Knowledge Building Partner

BlueRiverStone is an applied research company, with a particular interest in the interaction between technology and the people who use it in the context of the Internet as a key medium.

We use a wide range of quantitative and qualitative research techniques to support the development cycle for robust online channel strategies with ROI metrics and insight, including:

- **Market Research** - *directed at answering how you can attract more customers, get more business out of each customer, increase revenue, reduce expenses, and increase brand strength*
- **Trends Analysis Benchmarking and Competitor Intelligence** - *directed at determining what the trends are amongst your competitors, peers, ultimately what does business landscape look like and your position in it.*
- **Company and User Requirements Analysis** – *directed at understanding what your users value, how to match this to company requirements and convert into a strategy*
- **Information Architecture Design and Content Production**
- **Usability and Website Performance Testing**
- **Publicity and Promotion Strategy Consulting**
- **Monitoring and Periodic Evaluations**

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