

The Australian

Tech services for non-experts are Larry Bloch's key to success

- Morris Kaplan
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SOUTH African-born Larry Bloch, co-founder of web services company Netregistry, is a dotcom survivor in an industry yet to reach maturity.

Bloch reckons he was David in a David and Goliath competitive struggle with the listed Melbourne IT, and says he had nothing to lose in taking on the big player. "Eight years ago we had nil market share, they had 100 per cent. So I took out my slingshot.

"That situation has reversed somewhat. We account for around 30 per cent of the market, Melbourne IT around 20 per cent." Meanwhile, the boom in online business has attracted dozens of new Davids.

"Market share is important in this game. It's about building a customer relationship from the moment they acquire their .au domain."

Launched in 1997, Netregistry offers a range of online services to business from domain name registration, website and content development, to online and search engine marketing.

After a "serious stumble" during the 2001 dotcom bust, the company regained its balance and since 2003 has been achieving 80 per cent annual growth.

With a headcount of 120, most of whom are customer service and call centre staff, the group is set to book almost \$8 million profit this year on "roughly" \$40m revenue.

Bloch says the industry's future is bright. "We started with the mantra that every small business needs a domain name; they just don't know it. Now it's about attracting the right customers.

"The online industry is maturing. There was a land rush that fell over, then a period of rebuilding, now it's accelerating. It has got a long way to go. We're only in our late teens of maturation."

He says his end-to-end service offering is a key differentiator in a highly competitive market. "At the point at which you come to us we want to offer everything you need in order to get from a business idea to online operations.

"The domain name, the hosting service, the website, the shopping cart, the online payment gateway, right through to marketing solutions including email marketing, prospecting for customers, to search engine marketing."

In this age of digital marketing when a website is no longer a static information channel, Bloch says Netregistry has room to expand. For small business a huge amount of productivity can be obtained through basic customer management and online marketing. "Business owners or decision-makers shouldn't need to be concerned about the technology, the backend. We want the business owner to focus on the key issues: what is my product, how much do I sell it for, who do we sell it to? A small business owner should not be an expert in Google search."

With domain name registrations soaring, Netregistry is riding the wave of start-ups and online business expansion.

Search engine marketing (SEM) is one of the hottest topics discussed by business owners worldwide. It is an aspect of online marketing that increases awareness for websites through search engine results pages (SERPs).

SEM covers a variety of methods, including search engine optimisation (SEO), paid search ads, contextual advertising and sponsored listings. Just as direct marketing consists of a variety of marketing techniques such as brochure mailings, telemarketing and door-to-door, SEM is an umbrella term that covers multiple types of online marketing.

SEO involves a variety of techniques to move a business's website up in search results on Google, Bing and Yahoo. Every business owner knows they'll get far more free traffic if they're on the first page of search results on Google.

SEO is essentially the process of tweaking a website to fit what Google is looking for. Success, however, is not a mere click away.

Bloch says the internet is littered with forgotten e-commerce sites, digital start-ups and "revolutionary" ideas. "No business is successful overnight -- the internet didn't change that."

In other words, no email campaign can achieve results without nurturing the mailing list. It takes consistent and persistent effort over time. Then the clicks begin to snowball.

In Bloch's view, more backend operational aspects will migrate to a service model as advertising dollars start to accumulate.

"Everybody knows that advertising is migrating online. It's a performance-based marketing medium. The one question business is always asking is: how do I measure the return on my marketing effort? Digital marketing is highly measurable."

Growth triggers in this industry are business start-ups, business growth, expansion of domain portfolios and moving along the value chain. "Probably the single most important metric is market share around .au domain names. That's key for us. A lot of our business is captured off that initial domain name. For us, it's about maintaining growth in new subscriber acquisition taking into account churn."

An advantage of speaking to tens of thousands of customers each year is that it enables identification of solutions for most industry categories. "We follow up our direct mail campaigns. We ask how can we help you find more customers? Everybody loves talking about their business."

Bloch says aspiring entrepreneurs could learn from success stories. "I would say many come to a point in their business, a moment when you're faced with something difficult where you might back off and take another path. That's the time to back yourself, often against the odds."

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