

For Small Caps, Getting Small Businesses Online Is a Winning Proposition

About Small Cap Stocks Article of the Week

Allen Caron reports

In today's overwhelmingly online world, it may come as a surprise to learn that 52 percent of small businesses (SMBs) in the US are not online - or at least they don't have a website. As explained by Damian Rollison, VP of Product and Technology at UBL Interactive, Inc * (OTCMKTS: UBLI), since 2009 there's been less than 1 percent growth in SMBs gaining websites. However, local search continues to grow, with 85 percent of Internet users looking for local information online.

As more companies realize the power of local search, they may increasingly turn to the Internet. In fact, nearly a quarter of businesses in a recent survey said they planned to put more money into designing or developing their website.

Since 45 percent of consumers look more favorably on SMBs that have a website, there's plenty of incentive to jump onboard and get a website. Companies without an Internet presence may be missing out on the wide variety of marketing and small business tools offered by today's B2B business services companies.

Within the small cap world, there are a wide variety of companies offering services to SMBs to help them gain or amplify their Web presence. Charlotte, NC-based UBL helps businesses get listed online in various Web directories. Their universal listing service means that companies can enter their business' information one time and get listed on hundreds of directory sites, saving time and avoiding the potential disaster of having incorrect information online. This could be a savvy move for companies, even if they don't have a website, since so many people are looking for correct information about local small businesses online.

In 2012, UBL changed their name from "Name Dynamics Inc" to better reflect their focus. In June of this year, the company acquired Local Insight, a Chicago-based company that helps businesses improve their local search results.

UBLI closed October 21st at \$0.17, down \$0.03, with a market cap of \$1.95 million. Its 52-week trading range is \$0.05 - \$0.25.

For companies that need space to host and share files either internally or with customers, cloud computing can be an excellent option. IceWEB, Inc (OTCBB:IWEB), based in Sterling, VA, provides cloud services for SMBs. Their IceBOX service is a scalable and secure cloud solution for companies that need internal storage.

IWEB recently completed its acquisition of Kansas City-based Computers and Tele-Comm Inc and KC-NAP. The acquisition adds a full service data center to the company, along with a fiber

network for providing broadband Internet services. IWEB closed October 21st at \$0.0206, down \$0.0024, with a market cap of \$7.33 million. Its 52-week trading range is 0.02 - 0.08.

Of course, it's not just the United States that has many small businesses with no Web presence. Iomart Group Plc (LON:IOM), based in Glasgow, Scotland, provides cloud-based Web hosting services for SMBs across the UK. 60 percent of UK SMBs don't yet have a Web presence, according to The Guardian.

Advertising 100% uptime for customers, Iomart owns its own data centers and network infrastructure - something many cloud companies don't have.

The company recently completed two acquisitions: the company's acquisition of Hampshire-based Redstation was completed in September of this year, while their acquisition of Backup Technologies, a cloud-backup company, was completed on October 1st. IOM closed October 21st at GBX \$273, up GBX \$3.00, with a market cap of GBX \$286.38 million. Its 52-week trading range is GBX \$190.11 - \$424.50.

London, England-based blur Group plc (LON:BLUR) is an international small cap that helps businesses of all sizes around the world find service providers, including Web designers and content creators. By connecting businesses with service providers, blur's Global Services Exchange allows companies to find competitively-priced providers through s-commerce, or social commerce. Companies without an existing website could use blur's Exchange to find designers and developers to help them grow their Web presence.

New technology investment in a website could be a smart move for SMBs without a web presence. Since so many companies are lacking a website, there's a potentially large market for small cap companies operating in the online business services market. Savvy investors seeking an industry with growth potential may wish to consider exploring these small cap companies.