



# Articles

Why Your Business Address Matters



A small business owner has many decisions to make when setting up shop. Your business address may seem to be a mundane decision but could actually be among the most important. If the business is home-based, is it best to use a home address or a post office box? What value comes from stepping it up with a professional address through a virtual office or by renting office space? You may be wondering if the business address itself really matters. To help sort it all out, read on.

### **Does the business address matter?**

Before discussing the nuts and bolts of business addresses, consider all of the operations and documents where your address will be used:

- Opening bank accounts
- Registering a business domain name
- Creating accounts with suppliers and vendors
- Receiving statements, invoices and bills
- Filing for legal contracts, licenses and permits
- Communicating with customers
- Marketing and advertising (website, business cards, etc.)
- Listing the business on Google Places, Bing Places, Yelp, the Yellow Pages and more

As you can see, the address you choose is really not a small matter. Even if your business is web-based and all client contact is through the phone, email or messaging app online, many business operations necessitate an address, be it home address, post office box, or an alternative. Let's look at some of the more important items in more detail.

## **Search Engine Optimization (SEO)**

Businesses vie for favorable spots on search engine results pages (especially Google). Recently, the top Google results (highlighted at the top of the page) have dropped from seven to three listings, making the competition even tighter. Some evidence shows that including a physical address on a website is valuable for local SEO ranking. It could contribute to the website's overall "trust" score as well, part of the algorithm Google uses for ranking.

The consistency of name, address and phone number, or NAP information, also plays a part in optimizing for local searches. For example, if the abbreviation for street (st.) is used in the business address on your website, the same abbreviation should be used in other online listings such as Google My Business. Some recommend that contact information, including an address, should be included on each page of the website, where consistency is important, too.

## **Google Maps**

There are simply some things that cannot be utilized without a physical address. One is Google Maps. As consumers, we have become accustomed to easily accessing a business's location. Sometimes it can be the reason for choosing one business over another. Google recognizes only real addresses, not post office boxes. Google's algorithm is believed to prioritize proximity. What does this mean? Google determines how far a searcher is from a registered address on Google Maps. If a potential customer is looking for a flower shop and Joe's Flowerama is 10 miles away but Fanny's Floral Shop is two miles away, Fanny's will pop up on the Google search ahead of Joe's. Bob's Backyard Flowers, which uses a post office box, will not pop up at all.

## **Online Directories**

All businesses receive a free page on both Google My Business and Bing Places for Business.

However, when a business owner creates an account, the address where the business mail is received must be entered. The address may not be a post office box. (With that said, there is a way around listing your business if it uses a post office box. Rather than listing an address, a business owner can define a service area, using postal codes, cities, counties or states. The areas the business serves may become an important ranking factor in local Search Engine Optimization.)

## **Credibility**

Of course, a business owner can show consistency with a post office box as easily as with a street address. The same may not be true with credibility. Customers may feel a higher level of trust when they see a real-world address on a website. People who

see a post office box on a website or in an email signature may perceive that the business is “hiding” behind the box or that they can’t reach you as quickly. Using a physical address can appear more “upfront” or credible.

A difference in perception may also exist between the home-based business and the business based in a professional office building. Anyone can quickly “Google” a business address these days and determine whether it is in a residential neighborhood or an office park, commercial district or office building. A home address might conjure an image of someone working in their pajamas or an incorrect address being used by a fly-by-night type of operation. An office building may be more likely perceived as a “true” professional, someone who treats her business seriously. Given that you only have a few seconds to capture a potential customer’s attention, perceptions can create reality and could be the difference between a quick click or a serious view during an online search. In addition, some recommend including images of both the interior and exterior of a business on your website in order to create trust and familiarity. Again, perceptions can make all the difference in those first few crucial seconds.

### **CAN-SPAM Act**

If you plan to use email marketing to grow your business, then you need to be careful to comply with specific regulations. The CAN-SPAM Act, passed in 2003, includes federal compliance guidelines that protect consumers from unsolicited business emails. The act requires all email solicitations to include a current, physical address in a visible spot on the email. The act does include the caveat that a post office box can be used only if mail is not received at a physical location. However, once again, using a physical address lends credibility, making it less likely that the email is marked as spam or junk mail.

### **Forming an LLC**

If a sole proprietor decides to create a legal framework for her business, a physical address will be required. For example, in order for Suzy’s Photography to become Suzy’s Photography, LLC, Suzy will need to create Articles of Organization and register her business in her state. One required piece of information is the business’s address - and it becomes public record. This may be a consideration for the home-based business owner trying to protect the privacy of home and family.

In addition, when registering your business, a registered agent must be designated. The registered agent assumes statutory responsibilities - receiving service of process, or official communications such as tax forms or legal documents from the state. In some states (including Colorado) the LLC may act as its own registered agent. However, the registered agent must have a physical address (not a post office box) in order to accept the service of process.

## **Security, Privacy and Organization**

This is an area where using a post office box or other business address definitely has the advantage over using a home address. The privacy a separate business address provides cannot be overstated. Few would want to have an angry client show up on their doorstep unannounced. For the home-based business owner, an address other than your home will provide a layer of comfort for you and your family.

In addition, a separate business address helps maintain organization of home and business mail. When using a home address, all business correspondence and marketing materials will be mixed in with your personal mail. This may lead to an increased risk of mail being misplaced.

Because a post office box is located inside a post office, the boxes are securely monitored and can only be accessed with a key or lock combination. In addition, letters and packages being delivered to a post office box are delivered quicker than address deliveries. If out of town, mail can be continued and retrieved whenever convenient. If you move your home address, the business address will not need to also be changed. Keep in mind, however, that third-party carriers such as UPS or FedEx do not deliver to post office boxes, so a virtual office (discussed in more detail below) may be a better alternative.

## **Your Address Options**

So, you've decided you don't want to use either your home address or a PO box for your business. What other options do you have? A virtual office or rented office space.

A virtual office provides all of the services a professional needs to run a business, including a business address, without the expense of renting a full-time private office. Many home-based companies find this a great way to gain the benefits of having a business address while keeping overhead low. Business centers provide virtual office memberships that can include a business address, phone number, phone answering, meeting room space or any combination of these. Your address is in the form of a street address (not a PO Box), so it will overcome all of the limitations of a PO Box.

In a business center there is usually a receptionist who receives and sorts mail, but can also sign for packages and certified mail, handle items your customers might drop off for you, and give items to your customers that you leave for them to pick up. Business centers will also often forward your mail to you at another location and some even offer digital mailboxes that notify you when you receive mail and let you see what you've received without the trip in to pick it up. Most also offer meeting rooms that you can rent by the hour so that you can meet with customers at the same address you use for your business. The cost for a virtual office varies

but is usually between \$60-\$90/month. A lot less than renting office space, but also more than a standard PO Box. The added benefits are worth the investment and will usually pay off in the long run.

Those businesses that need a higher level of security and privacy, have employees or don't want to work from their home might turn to [renting office space](#), but a traditional office lease is not your only option. Business centers and coworking centers offer individual private offices with lots of services and provide another great option for your business address.

Every business plays a balancing act between cost, image and practicality when choosing an address. Making an informed decision for your business is one of the first steps on a path towards success.

**155 E. Boardwalk,  
Suite 400  
Fort Collins, CO  
80525  
970-232-3100**

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**1635 Foxtrail Drive  
Loveland, CO 80538  
970-776-3300**

