



UNIT-1

How Online Business can Benefit You

Learning Outcomes

By the end of this unit the learner will be able to:

Unit 1

How Online Business can Benefit you

A Brief History

Over the past several decades, the consumer shopping experience has slowly shifted from bricks-and-mortar style shopping to the Internet. Some stores, like Amazon and Dell, are completely virtual. As well, traditional stores like Walmart and Costco have added online shopping to their business strategy to stay competitive. Online sales are estimated to reach 1.4 trillion dollars per year in 2015, with an average growth of about 19% per year. (Source: <http://www.invesp.com/ecommerce.jpeg>)

Think of some businesses that are online-only.

Businesses are also using technology to enhance the customer experience, such as by adding QR codes to product tags so that customers can view more information on their smartphone right in the store. Some stores also offer apps that allow consumers to pay with their mobile device, or push information to the user's smartphone depending on where they are in the store.

Although you may think of giant retailers when you think of online businesses, there are a large number of niche and specialty businesses on the Internet as well. The increasing affordability and accessibility of the Internet means that just about anyone can start their own successful online business. For some people, it's a way to make a little bit of extra money. For others, their online venture may eventually replace their full-time job, sometimes generating even more income than they were making by working for someone else.

Benefits of Online Businesses

Online businesses offer plenty of benefits to entrepreneurs. In general, online businesses have a low start-up cost and a low risk. Online businesses also offer more flexibility in terms of time commitment; many entrepreneurs run their online business during evenings and weekends.

The nature of the Internet also offers online business owners more flexibility. For example, let's say that you're a freelance artist and have just purchased your first brick-and-mortar storefront. You design a logo, put up signs, and create expensive artwork to show visitors what you can do. A month after launching, you realize that your logo is hard to read, your samples are too high-end, and the area of town that you're in is hard to reach. Fixing all of these problems is going to be expensive and might mean the end of your business. However, for an online freelance artist, location isn't a factor, and re-designing the website and electronic samples will take far less time and money.

Words of Warning

An Internet business requires just as much dedication and commitment as a traditional business. Despite what you might see in advertisements, starting an online business does not usually mean overnight success and a huge influx into your bank account. However, having a solid plan in place and a clear vision of where you want to go will help you launch a successful online business.

Laying the Groundwork

Who Are You?

Identifying the Possibilities

You don't need a super-cool or highly technical idea to create a successful online business. What you do need is something that you are passionate about and something that other people will buy. A good place to start is products or services that you have wished for or dreamt about. Keep your idea broad so that you can narrow it down once you've done some research.

Consider the history of the Lug brand of travel bags. In 2004, a young couple was travelling from Dallas, Texas to Toronto, Ontario. On their 23-hour road trip they came up with an idea for a line of super-organized travel bags in fun colors. Their idea turned into a multi-million dollar company that has been featured on television shows like Oprah and in magazines like Vogue and Good Housekeeping.

Doing Your Research

Once you have an idea, it's time to find out what the market needs. Look at:

- What other online businesses are doing (and not doing)
- Where customers in your area of interest are shopping and what they are shopping for
- The culture of your area of interest
- How you can create a niche for yourself by offering something that is unique in terms of cost, customization, or use

Further Reading:

- ✓ *The Everything Online Business Book: Use the Internet to Build Your Business,By Rob Liflander,2000*
- ✓ *Starting an Online Business,By Greg Holden,2010*