

New Age Business: Ecommerce Entrepreneurship

The news that the Internet has enveloped and engaged the imagination of children and adults alike is old; but small businesses represent a new age in ecommerce entrepreneurship. The idea of selling products and services online was part of the natural progression of the Internet's evolution. Today, ecommerce solutions make online transactions a normal part of the business cycle. Ecommerce is the strategic placement of business assets before a specified audience to generate income. The ecommerce process makes online business possible through software designed for the Internet, but with most things, the pros and cons of ecommerce are worth reviewing.

The business advantages of ecommerce include access to a wider audience and a reduction in overhead. Small businesses can market their products and services globally and reduce the expense of marketing and advertising to wider markets. The downside of ecommerce includes security concerns and the prevalence of scams. Some consumers are skeptical of sharing personal financial information, which can lessen a business's market reach. Ultimately, starting an online business offers an exciting venture and executing the appropriate steps can make or break a company's bottom line.

Steps for Starting an Entrepreneurship

Following a rough guideline for starting an entrepreneurship can certainly lessen any headaches down the road. The most important steps for starting an ecommerce business closely mirror the steps entrepreneurs take when opening a brick-and-mortar company. Competitor analysis, business planning, marketing strategies and the identification of funding sources each play a role in success, but online endeavors require an extra layer of technical work: the integration of a website that serves as the only vehicle for sales. Consequently, sharpening one's technical skills or working with Web professionals reaps the best results.

Developing a Strong Business Plan

Like any individual trying to reach a destination, a business requires a roadmap that provides structure, direction and a plan to reach financial objectives. The business plan delivers the foundation required to build a strategy to reach a target audience and translate customer contacts into sales. Similar to the lone, lost driver who refuses to request directions, a business will most likely miss an important turn, falter and fail if a strategic plan does not exist. The elements of a business plan define the business's mission and goals, market, financial strategy and competition. The ecommerce business should include strategies for launching the site and continually engaging the audience through content strategies or other means.

Checking the Competition

The potential competition a business will face plays a significant role in marketing strategies – it can also break the business idea completely in two. Selling a product or service in an already saturated market represents a powerful challenge and may ultimately lead to failure. For example, opening an online bookstore that sells the same books offered by “big-box stores” could potentially end in disaster; competing with a number of established bookstores would require substantial financial resources, brand development and advertising proficiency. Performing a competitor analysis can reveal a wealth of important information. Most importantly, tracking and analyzing the performance of competitor websites adds an extra layer of value to the competitor analysis.

Creating a Financial Plan

The financial resources available to get the business off the ground determine how quickly the business grows. The financial plan includes information about business assets and equipment, industry and economic

overviews, funding sources and income projections. In addition, the financial section includes important financial documents, such as a balance sheet and break-even analysis. The financial plan should also include figures for the design, development and maintenance of the business website and ecommerce software.

Gaining Market Support

The marketing process requires diligence, patience and analysis. Gaining market support requires persistence in identifying the appropriate audience and selecting marketing strategies that work. Businesses must have a target market to offer products or services – and a loyal market will support a business's goals through a number of online activities. Today's businesses use social networking and media to garner support from a target audience. Social sharing can result in exponential exposure for a business and drive traffic to an ecommerce website.

Developing a Marketing Strategy

The business cannot grow if no one knows it exists. This is where marketing strategy makes an appearance. Developing a marketing strategy involves identifying the target market, determining what they want and fashioning the business to meet the market's needs. Some common marketing methods include business and product branding or determining a market dominance strategy. In market dominance, the business might identify a niche, or very small market to offer products and services. This strategy can limit the competition and build a sense of trust in the customer base. Developing a strategy relies on a number of factors, including products or services offered, product appeal to a specific age group, or product cost.

- [Define E-Commerce](#) - This straightforward page offers a detailed definition of ecommerce.
- [E-Commerce Trends, Advantages and Disadvantages](#) - This page explores the pros and cons of ecommerce for businesses and consumers, how ecommerce operates in today's economy and trends in the industry.
- [How to Write a Business Plan](#) - This detailed guide from the Small Business Administration offers solid tips and strategies for building a basic business plan.
- [Writing the Financial Section of a Business Plan](#) - This guide offers an overview of the components in the financial section of a business plan.
- [Taking a Business Online](#) - This simple but detailed page offers several links that ask important questions about taking a business online.
- [Seven Steps to Starting a Profitable Online Business](#) - This article published by USA Today.com offers some tips to starting a profitable online business.
- [Reaching the Target Market](#) - This short article offers basic information about formulating a marketing strategy.
- [Measuring E-Commerce Success](#) - This comprehensive page offers a wealth of information regarding measuring the success of an ecommerce business.
- [Writing Executive Summaries](#) - This guide offers a straightforward approach to writing an executive summary.
- [FAQ Business Startup Questions](#) - This comprehensive list of FAQs offers detailed information about starting a business, business plans and legal implications.
- [Choosing a Business Name](#) - This article offers tips for selecting the perfect business name.
- [Business Structures](#) - This page offers a concise overview of the different types of business structures usually filed at the secretary of state's office.
- [Ecommerce Summary](#) – An in-depth summary of ecommerce explaining whether ecommerce is considered a good or service.
- [Ecommerce Security](#) – A list of great resources regarding ecommerce security and ethics.

Source: Shopify.com