

# Effective methods of doing business online!

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With all these dot com failures so rampant, you may question, is it still viable to consider an online venture? The truth is: while spectacular rise and fall of many dot com companies have been overly publicized, sales through Internet are still increasing by 20 – 25% each year. Even economic downturn of the recent years has not hampered this growth.

Consider this:

According to an annual study of Internet trends by marketing research firm Ipsos, almost two third of Internet users in the United States have by now purchased a product or service online. That's a dramatic increase from only 36 percents of respondents in 2000. Studies show that more than 35.5 million U.S. Internet users made shopping trips to web shops during the week ending November 3, 2002, which is roughly 14 million more than almost the same time period in 2001.

While the hype over the new economy is maybe over, one thing is for sure that Internet has revolutionized the way we do business and positioned itself as one of the biggest and most unique sales channels. Many companies, finally, started to realize that their very existence may get jeopardized if they are slow in integrating Internet to their business model.

But the question still remains - is there any effective method of doing business online?

Below I have outlined some components crucial to any online venture. While these might not be the only vital components of web based business, understanding them correctly will significantly improve your chance of doing online business effectively.

## Business Plan

Business plans are like road maps. Imagine, you ended up in a unfamiliar town and you have to find an address without a map! How would you feel? Definitely, you would have been much better off with a map of the locality! The same thing goes for business plan. Though, many successful ventures may have been started without the benefit of a formal business plan, a good business plan improves your chances of success and help you avoid many mistakes.

A recent AT&T study of successful entrepreneurs shows that businesses are more successful if they have a written business plan than the ones which don't. With a written business plan you get a better picture of your planned venture. So, before starting your online venture, take some time and write down what you are planning to do.

## Product or Service

If you are a brick and mortar company merely trying to expand sales of your products or services on the Internet your task is easier! You at least don't have to mull over what to sell. But, what an entrepreneur who decided to start a new venture should sell on the Internet?

Actually, you can sell virtually any product or service through the Internet. You may say, "Wait a second, you can't sell big ticket items over the net, right?" Wrong! The car and part industries alone forecast to generate US\$ 274 billion in revenues from online trade by 2004. There are incidents of consumers buying corporate jets online!

If you are serious about starting an online business, finding a product or service that suits you should not be very difficult.

Knowledge base products like e-books, how-to-reports and hard to find information and data sell quite well on the Internet.

Drop-ship items are bountiful on the Internet.

Thanks to global reach of Internet finding manufacturer for any item that you plan to import to your country or export from your country became lot easier.

If you have expertise, online services similar to web design, travel arrangement etc. are also good sales.

Internet users are paying readily for various types of online contents. Global online content market will add up to 50 billion US\$ in 2003. You can consider this too!

## Website/ Web store

Since your customers take their decision, whether to do business with you or not based on what they see on your site, it is critical to have a professional-looking website with good related content.

You can choose your website according to your need from a vast range of choices. Starting from a completely free website you can shell out thousands of dollars for a decent e-commerce website. The choice is yours!

There are various quality portals that allow you to have products and services displayed on a single page web site for free. Many business to business portals provide with this kind of services. However, for real time transactions you will still need e-commerce web stores.

If you are not good at design or don't want to spend a fortune on your web store, you should think about getting an e-commerce store from web enablers like Yahoo, Bigstep, etc.

For a nominal monthly fee you can have the facilities required to run a full fledged electronic storefront and build it yourselves from easy to use templates.

If you go for this type of services, compare and see who has most of the features for lesser price. Some business to business portals along with your e-business web store will furnish you with necessary features to carry out over the Internet many important parts of buy and sale processes.

## Shopping carts

The integral part of e-commerce sites, which allows you to accept product purchase orders for multiple products or services, is called a shopping cart.

The term "Shopping Cart" is taken from real life shopping terminology to help users understand the actions available to them. Like in a supermarket a user can add products to shopping cart, remove products from the cart or adjust the quantity of the products as per requirement before checking out and making payments.

While looking for shopping carts for your e-commerce store, you should consider the following aspects of a powerful and functional shopping cart:

Access to the shopping cart should be clearly visible. There should be several entry points to the cart.

Add, remove and adjust quantity of the product features should be prominent on the cart page.

The item name should have a link to the description of the product.

There should be a way of saving items for future purchases.

Shipping and other costs should be clearly stated before the check out process starts.

Order forms should be simple and clear.

All payment options should be explained clearly.

Ordering process should be done through secure server. You know you are on a secure server when the URL of your browser indicates "https:". The s at the end of http stands for "secure".

## Merchant Account

90 percents of all online retail sales take place through credit card transactions. According to industry statistics, the average credit card sale is \$40 versus just \$9 for the average cash sale. To offer the credit card payment option to your online clients, you need to set up a merchant account—a bank authorized account established by your company to receive the proceeds of credit card purchases.

Even if you already accept credit cards for your offline transactions, that may not be enough. Although, you can take many precautions to reduce online credit card frauds, credit card companies still consider Internet transactions to be riskier than offline transactions. That's why finding a right merchant account provider could be a little bit more complicated than you might think. Things could be even trickier if your business is located outside of the United States.

There are many middleman merchant account providers on the Internet. Do some comparison-shopping before you sign up with any of them as conditions that they offer vary significantly.

Although, it is definitely good to have a merchant account that does not mean you can't sell products or services without having one! There are numerous other payment options available on the Internet. Most popular of them are paypal, e-gold, e-bullion, etc.

If you would like to have an effective online business, remember that old values still count. Proper planning, uncompromising customer service, integrity, hard work and persistence eventually will make your business successful.

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