

Launching a Successful Online Business and EC Projects

Chapter 7

Learning Objectives

1. Understand the fundamental requirements for initiating an online business.
2. Describe the process of initiating and funding a startup e-business or large e-project.
3. Understand the process of adding EC initiatives to an existing business.
4. Describe the issues and methods of transforming an organization into an e-business.
5. Describe the process of acquiring websites and evaluate building versus hosting options.

Learning Objectives

6. Understand the importance of providing and managing content and describe how to accomplish this.
7. Evaluate websites on design criteria, such as appearance, navigation, consistency, and performance.
8. Understand how search engine optimization may help a website obtain high placement in search engines.
9. Understand how to provide some support e-services.
10. Understand the process of building a webstore.
11. Know how to build a webstore with templates.

Getting into E-Commerce and Starting a New Online Business

- **GETTING INTO E-COMMERCE**
- **STARTING A NEW ONLINE BUSINESS**
- **AN E-STARTUP IS A STARTUP**
- **CREATING A NEW COMPANY OR ADDING AN ONLINE PROJECT**
 1. Identify a consumer or business need in the marketplace.
 2. Investigate the opportunity.
 3. Determine the business owner's ability to meet the need.

Getting into E-Commerce and Starting a New Online Business

- **Some Tips for Success**
 1. Do your homework.
 2. Aim for excitement.
 3. Whittle, shape, iterate, repeat.
 4. Get real.
 5. Avoid creating a gizmo.
- **Cloning**

Getting into E-Commerce and Starting a New Online Business

- **PLANNING ONLINE BUSINESSES**

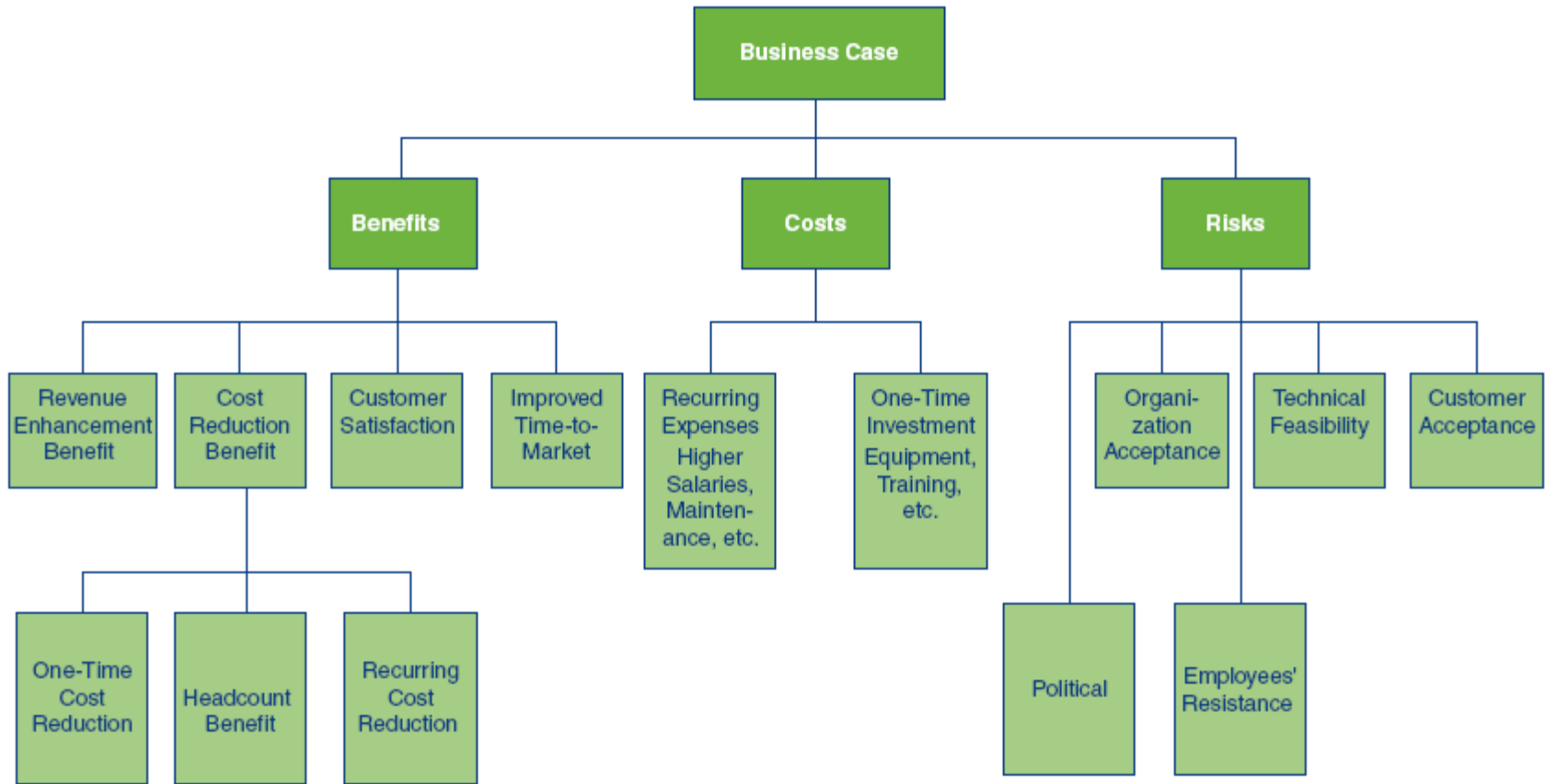
- **business plan**

- A written document that identifies a company's goals and outlines how the company intends to achieve the goals and at what cost

- **business case**

- A document that justifies the investment of internal, organizational resources in a specific application or project

EXHIBIT 15.1 The Cost-Benefit Elements of a Business Case



Getting into E-Commerce and Starting a New Online Business

- **FUNDING A NEW ONLINE BUSINESS**

- **First Round of Initial Funding**

- **angel investor**

- A wealthy individual who contributes personal funds and possibly expertise at the earliest stage of business development

- **incubator**

- A company, university, or nonprofit organization that supports businesses in their initial stages of development

Getting into E-Commerce and Starting a New Online Business

- **Second Round Fina**

- **venture capital (VC)**

- Money invested in a business by an individual, a group of individuals (venture capitalists), or a funding company in exchange for equity in the business

- **Additional Funding: A Large Partner**

- **The Initial Public Offer (IPO)**

Adding E-Commerce Initiatives or Transforming to an E-Business

- **ADDING EC INITIATIVES TO AN EXISTING BUSINESS**
 - A webstore
 - A portal
 - E-procurement
 - Auctions and reverse auctions
 - M-commerce
 - Social commerce

Adding E-Commerce Initiatives or Transforming to an E-Business

- **TRANSFORMATION TO AN E-BUSINESS**
 - What Is Organizational Transformation?
 - How an Organization Can Be Transformed into an E-Business
 - Business Process Reengineering (BPR)

Adding E-Commerce Initiatives or Transforming to an E-Business

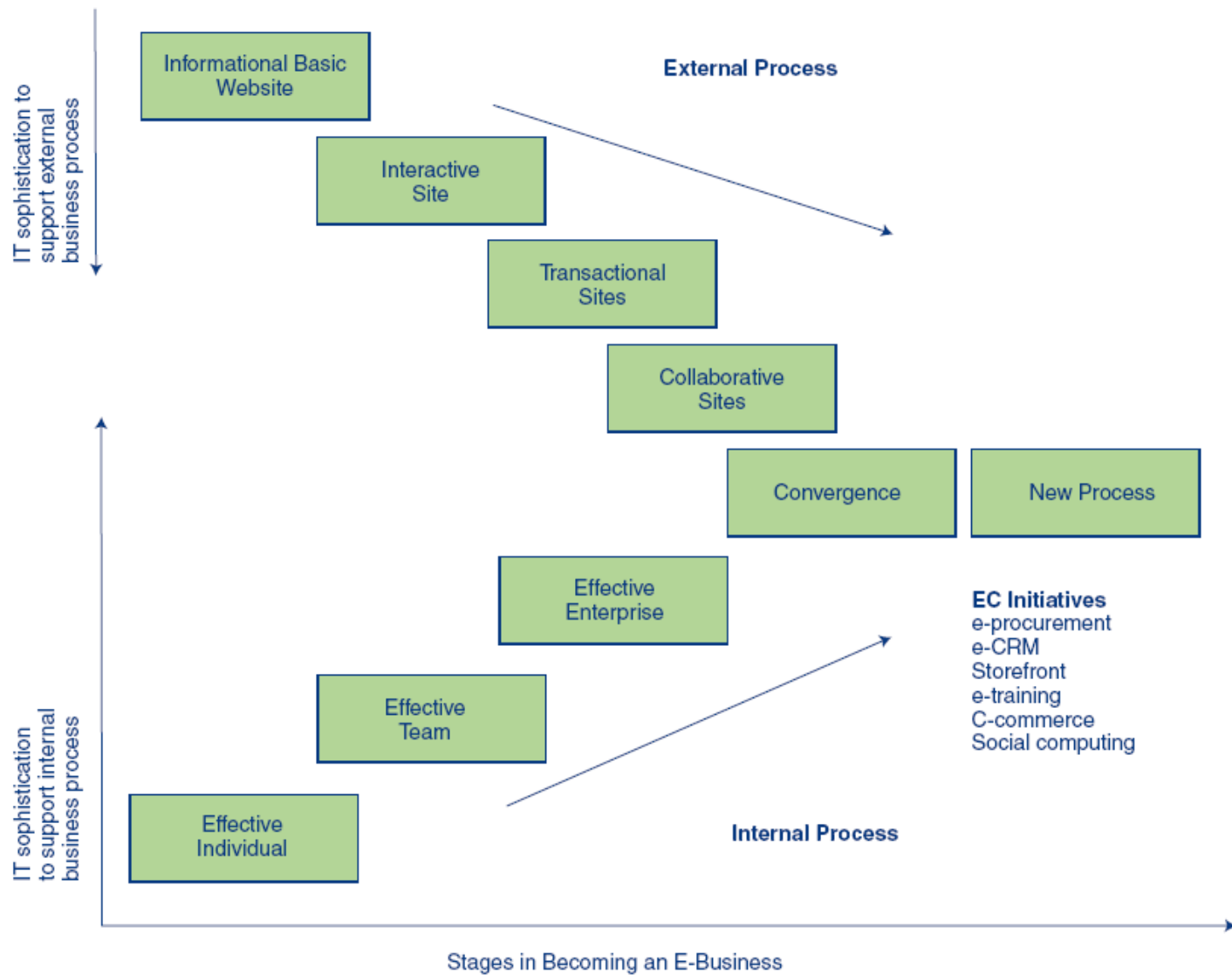
- **business process management (BPM)**

Method for business restructuring that combines workflow systems and redesign methods; covers three process categories—people-to-people, systems-to-systems, and systems-to-people interactions

- **Software Tools for Facilitating the Transformation to E-Business**

- **Change Management**

EXHIBIT 15.2 Road Map to e-Business Transformation



Building or Acquiring a Website

- **CLASSIFICATION OF WEBSITES**

- **informational website**

- A website that does little more than provide information about the business and its products and services

- **interactive website**

- A website that provides opportunities for the customers and the business to communicate and share information

- **attractors**

- Website features that attract and interact with visitors in the target stakeholder group

Building or Acquiring a Website

- **transactional website**

A website that sells products and services

- **collaborative website**

A site that allows business partners to collaborate

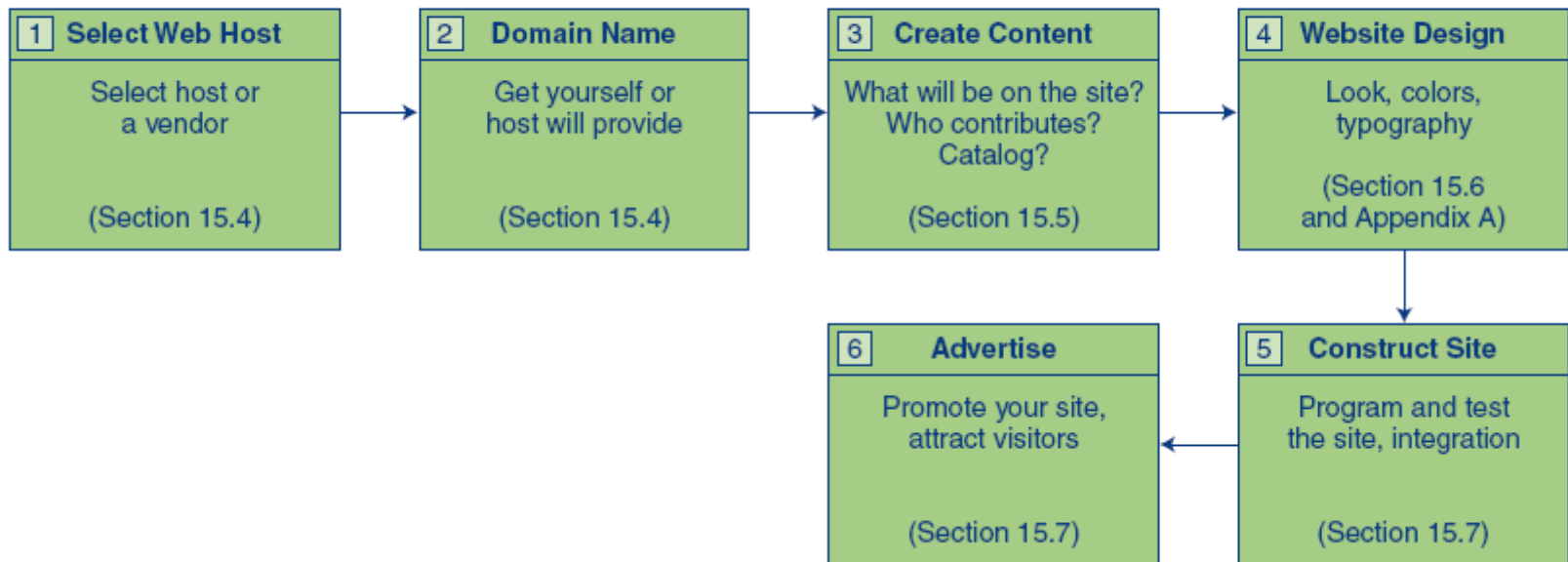
- **social-oriented website**

A site that provides users online tools for communication and sharing information on common interests

Building or Acquiring a Website

- **BUILDING A WEBSITE**
 - **Steps in Building a Website**
 1. Select a Web host.
 2. Register a domain name.
 3. Create and manage content.
 4. Design the website.
 5. Construct and test the website.
 6. Market and promote the website.

EXHIBIT 15.4 The Process of Building a Website



Website Hosting and Obtaining a Domain Name

- **WEB HOSTING OPTIONS**

- **storebuilder service**

A hosting service that provides disk space and services to help small and microbusinesses build a website quickly and cheaply

- **A Dedicated Hosting Service**

- **Web hosting service**

A dedicated website hosting company that offers a wide range of hosting services and functionality to businesses of all sizes

- **mirror site**

An exact duplicate of an original website that is physically located on a Web server on another continent or in another country

Website Hosting and Obtaining a Domain Name

- **ISP Hosting Combined with Web Designer**

- **ISP hosting service**

A hosting service that provides an independent, stand-alone website for small and medium-sized businesses

- **self-hosting**

When a business acquires the hardware, software, staff, and dedicated telecommunications services necessary to set up and manage its own website

Website Hosting and Obtaining a Domain Name

- **REGISTERING A DOMAIN NAME**

- **domain name**

A name-based address that identifies an Internet-connected server; usually it refers to the portion of the address to the left of .com and .org, etc.

- **Domain Name System (DNS)**

A hierarchical naming system for computers, services, or any resource participating in the Internet; it is like a directory

Content Creation, Delivery, and Management

- **content**

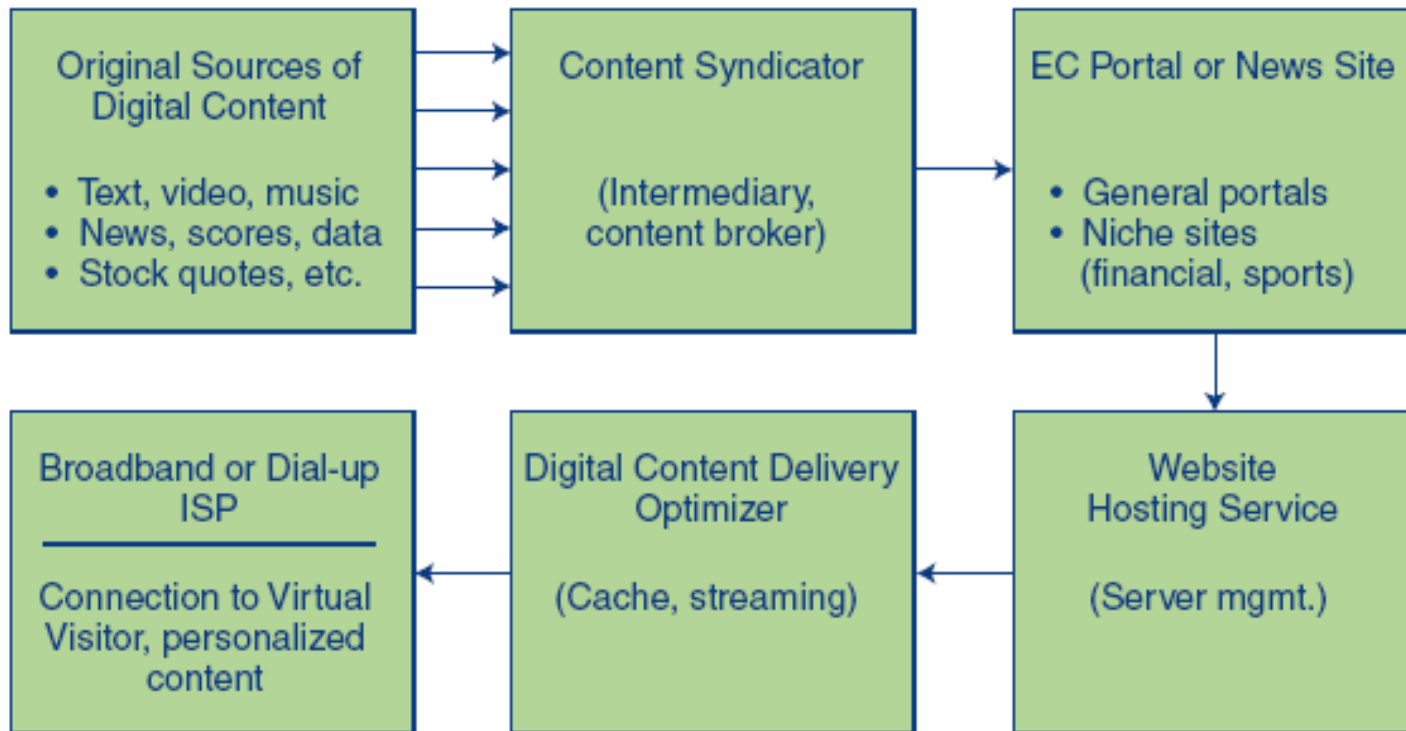
The text, images, sound, and video that make up a Web page

- **CATEGORIES AND TYPES OF CONTENT**

- **dynamic Web content**

Content that must be kept up-to-date

EXHIBIT 15.5 Digital Content Delivery Life Cycle



Content Creation, Delivery, and Management

- **Primary and Secondary Content**

- **cross-selling**

Offering similar or complementary products and services to increase sales

- **up-selling**

Offering an upgraded version of the product in order to boost sales and profit

- **Promotion**

- **Comment**

Content Creation, Delivery, and Management

- **CREATION OR ACQUISITION OF CONTENT**

- **Buying Content**

- **syndication**

- The sale of the same good (e.g., digital content) to many customers, who then integrate it with other offerings and resell it or give it away free

- **Web syndication**

- A form of syndication in which a section of a website is available for other sites to use

Content Creation, Delivery, and Management

- **Really Simple Syndication (RSS)**

A family of Web-feed formats used to publish frequently updated digital content

EXHIBIT 15.6 The Syndication Supply Chain



Content Creation, Delivery, and Management

- **podcast**

A media file that is distributed over the Internet using syndication feeds for playback on mobile devices and personal computers; as with the term *radio*, it can mean both the content and the method of syndication

A collection of audio files in MP3 format

- **Representative Content-Related Vendors**
- **Content Delivery Networks**

Content Creation, Delivery, and Management

- **personalized content**

Web content that matches the needs and expectations of the individual visitor

- **e-newsletter**

A collection of short, informative articles sent at regular intervals by e-mail to individuals who have an interest in the newsletter's topic

Content Creation, Delivery, and Management

- **content management**

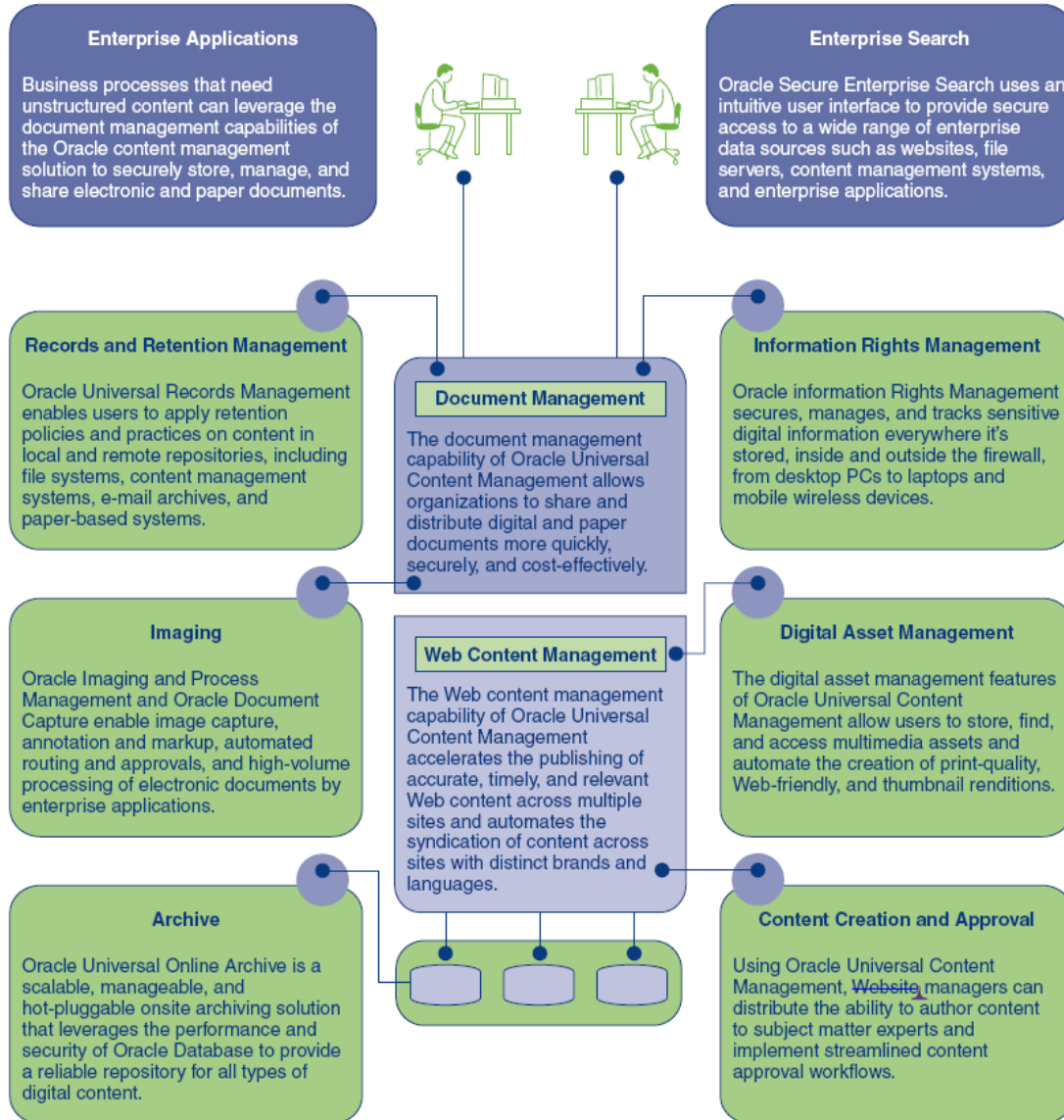
The process of adding, revising, and removing content from a website to keep content fresh, accurate, compelling, and credible

- **Content Testing and Updating**
- **Measuring Content Quality**
- **Pitfalls of Content Management**
- **Content Removal**
- **Content Management Software**

Content Creation, Delivery, and Management

- **CATALOG CONTENT AND ITS MANAGEMENT**
- **CONTENT MAXIMIZATION AND STREAMING SERVICES**
 - Content for Large EC Sites

EXHIBIT 15.8 Oracle Content Management



Website Design

- **Guidelines for a successful Website:**
 1. Build it for users (useful for the user, not necessarily the company).
 2. Make it useful (e.g., usability test).
 3. Make information easy to find.
 4. Accommodate all users, including those with disabilities.
 5. Build a comprehensive, responsive, and effective site.

Website Design

6. Measure the site against the best of its peer group.
7. Build trust; be up front about security, privacy, and marketing policies.
8. Assign ownership to users, but work as a team with the technical people.
9. Set priorities; do the most beneficial stuff first.
10. Watch for new developments and encourage innovation.

Website Design

- **information architecture**

How the site and its Web pages are organized, labeled, and navigated to support browsing and searching throughout the website

EXHIBIT 15.10 A Simple Hierarchical Website Structure

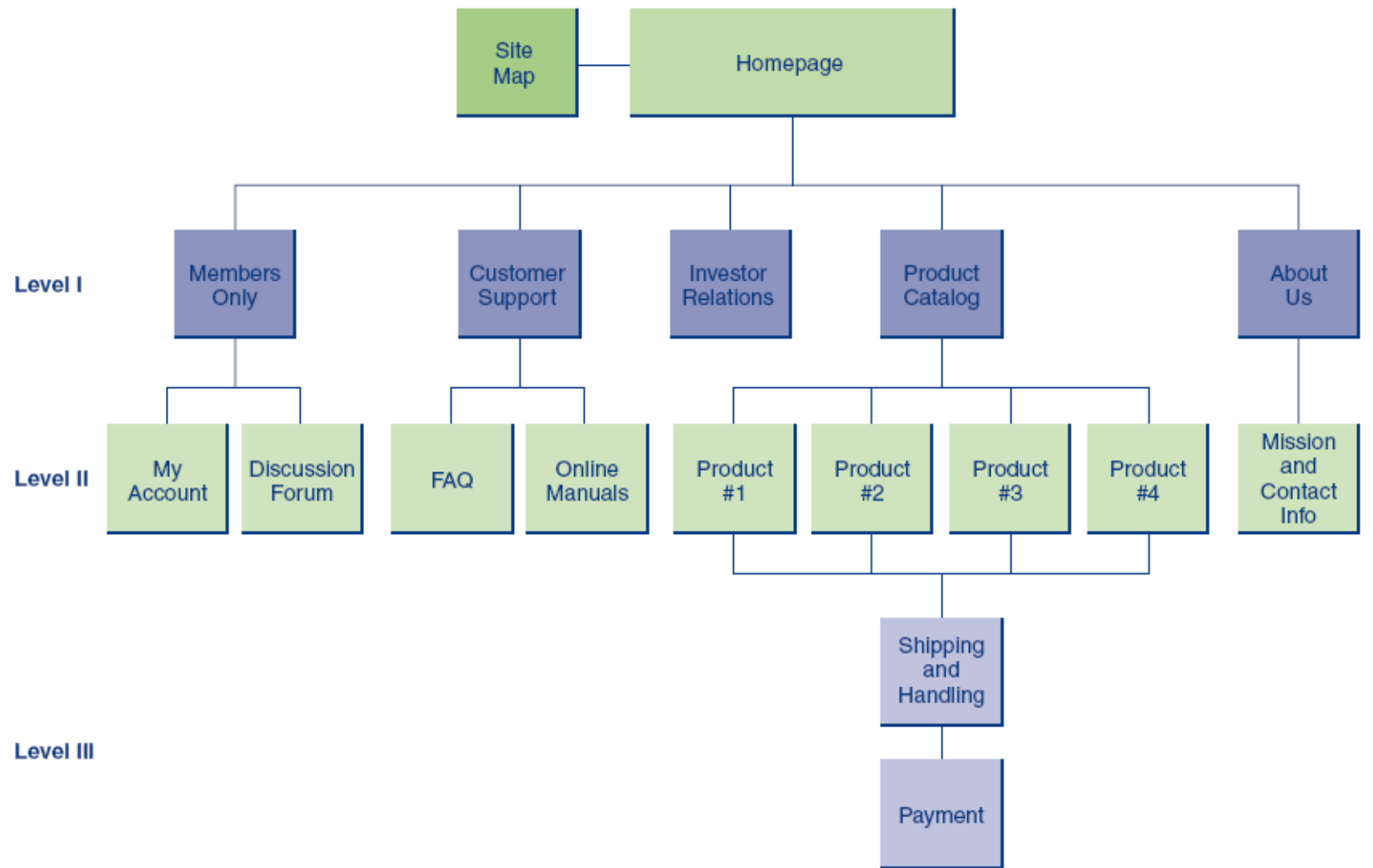
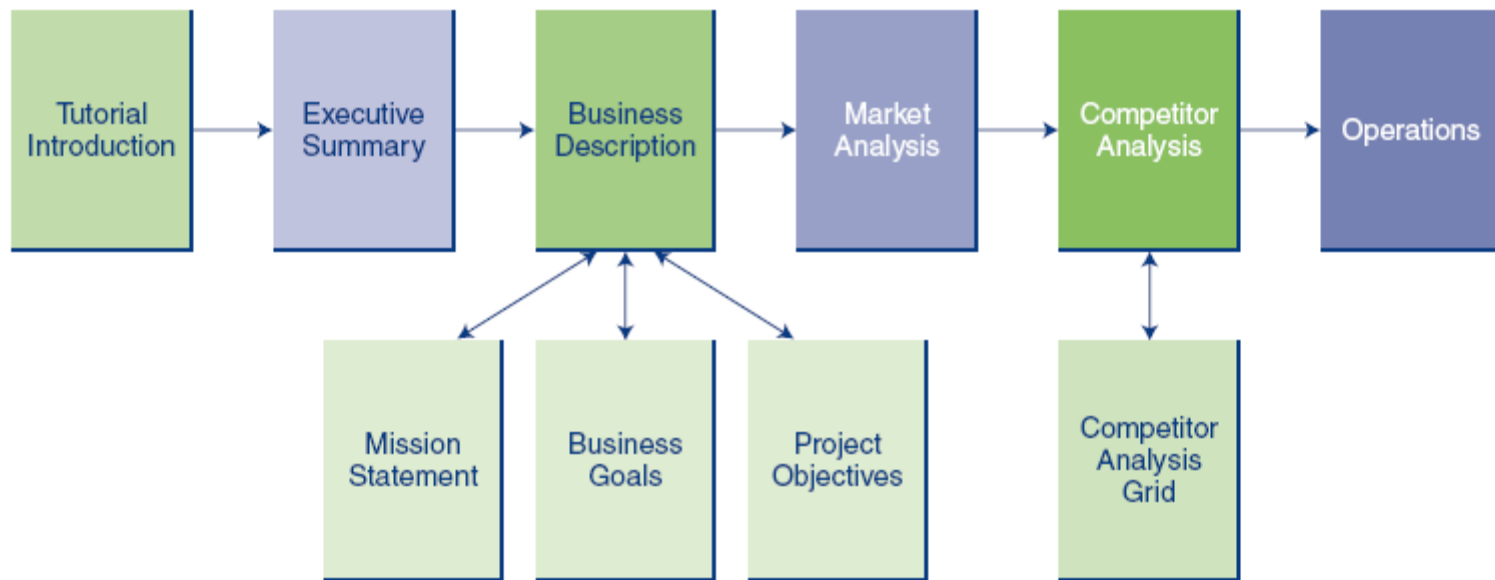


EXHIBIT 15.11 A Simple Linear Website Structure



Website Design

- **SITE NAVIGATION**

- **site navigation**

Aids that help visitors find the information they need quickly and easily

- **Site Map and Navigation**

EXHIBIT 15.12 A Typical Navigation Bar

Home

Products

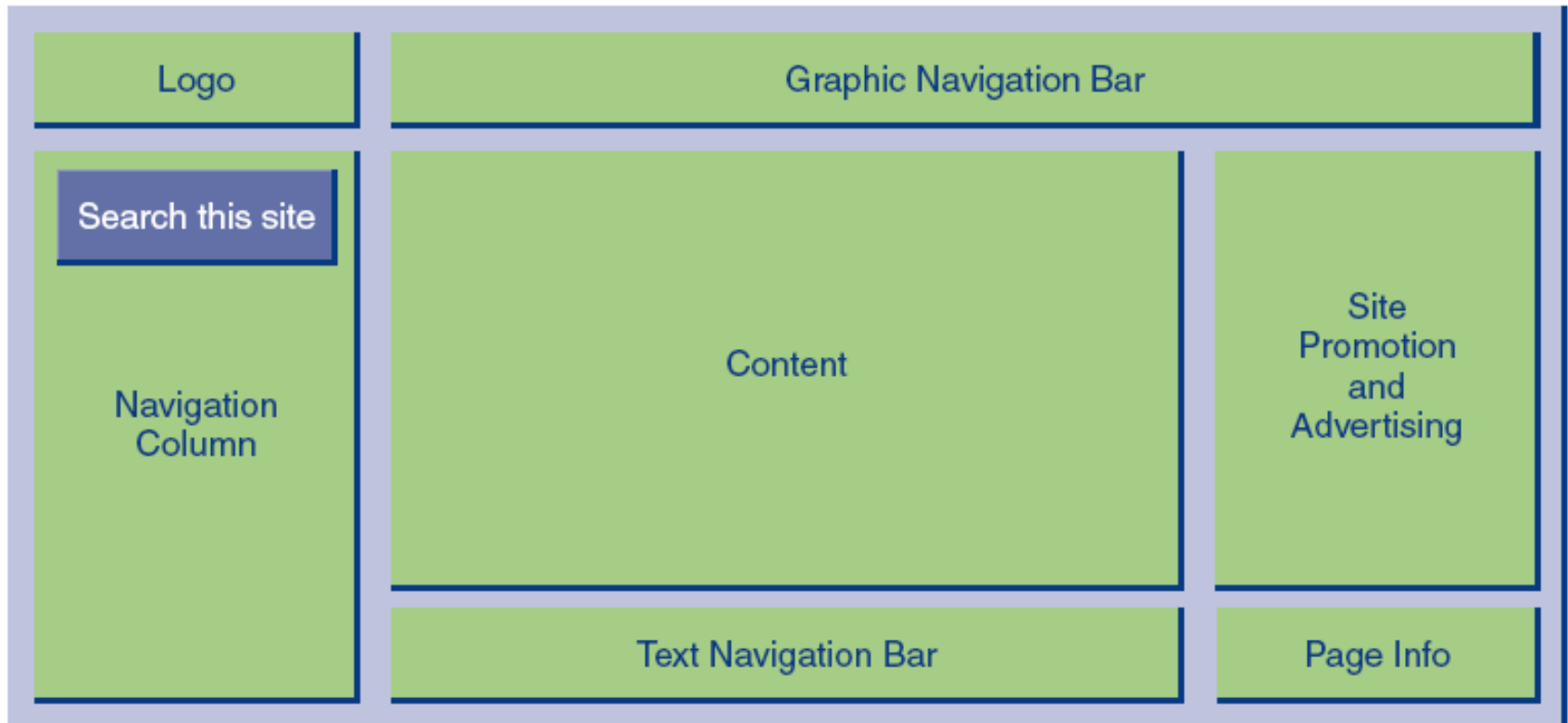
Support

Community

Guided Tour

About Us

EXHIBIT 15.13 Web Page Layout Grid



Website Design

- **PERFORMANCE (SPEED)**
- **COLORS AND GRAPHICS**
- **usability (of website)**

The quality and usefulness of the user's experience when interacting with the website

- **What Annoys EC Customers?**

Providing E-Commerce Support Services

- **WHO BUILDS THE WEBSITE?**
- **PAYMENTS: ACCEPTING CREDIT CARDS**
 - **card-not-present (CNP) transaction**

A credit card transaction in which the merchant does not verify the customer's signature

Providing E-Commerce Support Services

- **WEBSITE PROMOTION**

- **Internal Website Promotion**

- **signature file**

- A simple text message an e-mail program automatically adds to outgoing messages

- **Web analytics**

- The measurement, collection, analysis, and reporting of Internet data for the purposes of understanding and optimizing Web usage

Providing E-Commerce Support Services

- **search engine optimization (SEO)**

The application of strategies intended to position a website at the top of Web search engines

- **CUSTOMER RELATIONSHIP MANAGEMENT**

- **Using Content to Build Customer Relationships**

Opening a Webstore

- **OPTIONS FOR ACQUIRING WEBSTORES**
 - Build them from scratch
 - Build them from components
 - Build with templates (storebuilders)

Opening a Webstore

- **Selecting a Development Option.** Consider:
 - Customers
 - Merchandising
 - Sales service
 - Promotion
 - Transaction processing
 - Marketing data and analysis
 - Branding

Opening a Webstore

- **YAHOO! SMALL BUSINESS**
 - Getting Started
 - Take a Tour and See the Videos
 - Using the Templates

Managerial Issues

1. What does it take to create a successful online business?
2. Is creating a website a technical task or a management task?
3. How do we attract visitors to the website?
4. How do we turn visitors into buyers?
5. Are best practices useful?
6. What should my new business give to funders?
7. What are important factors for successful Web management?

Summary

1. Fundamental requirements for initiating an online business
2. Funding options for a startup online business
3. Adding e-initiatives
4. Transformation to e-business
5. Website hosting options for an online business

Summary

6. Provide content that attracts and keeps website visitors.
7. Design a visitor-friendly site.
8. High placement in search engines is key.
9. Provision of support services.
10. The process of building a webstore.
11. Using templates to build a webstore.