

STARTING AN ONLINE
BUSINESS
A PRACTICAL GUIDE TO
LAUNCHING AN ONLINE
BUSINESS

STARTING AN ONLINE BUSINESS
A PRACTICAL GUIDE TO
LAUNCHING AN ONLINE
BUSINESS

PAUL WELWYN

www.straightforwardco.co.uk

Straightforward Guides

© Straightforward Publishing 2014

All rights reserved. No part of this publication may be reproduced in a retrieval system or transmitted by any means, electronic or mechanical, photocopying or otherwise, without the prior permission of the copyright holders.

ISBN

978-1-84716-443-8

Printed by Grosvenor Group Ltd London

Cover design by Straightforward Graphics

Whilst every effort has been made to ensure that the information contained within this book is correct at the time of going to press, the author and publisher can take no responsibility for the errors or omissions contained within.

Contents

<i>Ch. 1. INTRODUCTION TO ONLINE BUSINESS</i>	11
Is now the time to start a business?	12
Online v traditional business	13
Starting the business-choosing a partner	13
Defining your business-identifying your Unique Selling points	14
Understanding business and how it works	15
Sales, marketing and public relations	16
The technical side	16
The legal aspects of an online business	17
Controlling the financial process	17
Business operation, the supply chain and distribution	18
The managing of customer expectations and relationships	18
<i>Ch. 2. GETTING YOUR BUSINESS OFF THE GROUND- Business planning and finance</i>	23
What is a business plan?	23
How long must a business plan be?	25
What resources do you need to produce a business plan?	26
Ten quick tips on writing your plan	27
Writing your plan for the reader	27
Setting out clear objectives for your business and writing your strategy	29
Mission statements	29
Defining your business strategy	31
PESTE analysis	32
Auditing resources	33
Strategic implementation	34
Planning and allocation of resources	35

Ch. 3. THE LEGAL STRUCTURE OF YOUR BUSINESS **37**

The sole or proprietary business	37
Partnerships	37
The limited liability company	38
Patents and registered designs	40
Patents	40
Registered designs	40
Trademarks	40
Service marks	41
Copyright	41

Ch. 4. GENERAL FACTORS **43**

Location of business	43
Employing people	46

Ch. 5. FINANCIAL CONTROL **49**

Controlling and recording expenditure	49
Raising finance	58

CREATING YOUR SHOP WINDOW

Ch. 6. SETTING UP YOUR ONLINE BUSINESS **67**

Choosing a web developer	69
Future project management	70
Website security and payment methods	70
Payment methods over the web	71

The process of ordering 73

Ch. 7. EXPLOITING YOUR SITES POTENTIAL 77

Making additional money from your site 77

Selling third-party products 78

Affiliation 79

Affiliation networks 80

Product feeds 80

Ch. 8. THE SUPPLY CHAIN 83

Supplying goods and services-The Supply Chain 83

Local suppliers 83

Buying from abroad 83

Choosing a supplier of goods 84

Managing the suppliers 85

Organizing payment terms 85

Breaking off relationships with a supplier 85

Stock control 86

Bar code printer 87

Bar code scanners 87

Stock management systems 87

Invoicing customers 87

The storage of stock 88

Picking and packing stock 89

Delivery of items 89

Returns 90

Ch. 9. MARKETING 93

Products markets and pricing 93

Segmenting the market place 94

Geographic segmentation 94

Demographic segmentation	94
Occupation and social class	95
ACORN	95
Product segmentation	96
Benefit and lifestyle segmentation	96
Competitive advantage	96
Unique selling points	98
Marketing	99
Advertising	99
Leaflets	100
Directories	101
Magazines	101
Newspapers	102
Television	102
Radio	102
Advertising agents	102
Direct mail	103
Pricing a product	103
Competitor's prices	104
<i>Ch. 10. INTERNET MARKETING</i>	<i>107</i>
Search engine optimization	107
Making your site visible	107
Quality content	108
The use of key word and phrases	108
Search engine marketing	109
Purchasing traffic	110
Email marketing	111
Affiliation (as advertiser)	112
Using vouchers and coupons	112
Co-registration	113
Rich media	114
Social media	114

Blogging	114
Market places	115
<i>Ch. 11. KEEPING THE CUSTOMER HAPPY</i>	<i>119</i>
Customer services	119
Make sure that people can access your site	119
Terms and conditions	121
Customer service	121
Newsletters	122
Marketing by email	123
Content of email	124
Testing your own service-mystery shopping	125
Conclusion	127
Useful addresses websites	
Index	

Ch.1

Introduction to Online Business

Without a doubt, the ascendancy of online businesses, internet based businesses, has taken the business world by storm over the last ten years or so. Indeed, more and more people are purchasing their goods online, to the overall detriment of the high street.

At the outset, there was a proliferation of such businesses that culminated in the celebrated dot.com boom. During this period, investors behaved as people do during a housing market surge, or some other spiral, they became irrational and threw their money at anything with a dot.com beside it.

What happened after that is a mirror image of what happens after every economic bubble bursts, many of them went to the wall. A few lucky survivors, such as lastminute.com trimmed their sails and are still around.

This book will show you how your online business can work by successful planning at the outset. The book covers the following:

- Planning and financing your business
- Setting up the business online
- Maximizing revenue from other sources
- Setting up your suppliers
- Marketing your online business
- Managing customers