

EBUSINESS PLAN WORKBOOK



Use this eBusiness plan workbook to guide you in preparing your eBusiness plan. You should fill out this workbook as completely as possible in order for your eBusiness Specialist to assist you in the preparation of your plan. The SIUC Small Business Development eBusiness Center looks forward to helping you integrate the internet and technology into your business processes.

**Small Business Development Center
eBusiness Center
Dunn-Richmond Economic Development Center
150 E. Pleasant Hill Road, Suite 110
Carbondale, Illinois 62901-6890
(618) 536-2424
sbdc@siu.edu
www.siu.edu/~sbdc**



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E-BUSINESS RESOURCE GUIDE

INTRODUCTION

The SIU E-Business Development Center was made possible by a grant from The Illinois State Department of Commerce and Community Affairs as well as support from Southern Illinois University at Carbondale. The SIUC E-Business Development Center initiative is to provide technology/marketing counseling, comprehensive training programs in the area of E-Business start-up, Web Page Design, Internet marketing, and E-Commerce.

UNDERSTANDING E-BUSINESS

What is E-Business?

E-Business and E-commerce are often used interchangeably. The difference lies in the integration and end user. E-business is the conduct of business on the Internet, not only buying and selling but also servicing customers and collaborating with business partners. E-commerce is considered more of a presentation layer dealing with getting the message out to the consumer, along with means to create an ordering interface. E-business is concerned with the total internetworking of organizational systems for the purpose of producing totally automated business commercial processes.

Steps of E-business Development Process

There are five phases in the development process of establishing an E-Business. The E-Business Plan Workbook will walk you through the five phases and steps in developing your E-Business.

Five Phases of E-Business

- Phase I: Opportunity Analysis
- Phase II: Website Development
- Phase III: E-Marketing Program
- Phase IV: Implementation
- Phase V: Expansion/E-Commerce

Phase I: E-Business Opportunity Analysis

The purpose of Phase I in the E-business development process is to assess how ready your organization is for E-business. You will conduct an analysis on the potential benefits your E-biz will bring to your organization as well as the investment required.

The necessity of your E-business may stem from the customers who want you to have a Web presence or from the competitors who do their businesses online. In any case, you need to conduct a customer/competitor analysis to find out your customers' needs and wants and determine the market readiness for your E-business. Phase I is the strategic planning stage of your E-business development process. This phase prepares you for further development of your E-business plan by positioning your E-business successfully with competitive advantages.

Step 1. Assess Your E-Business Readiness

- Find out reasons for establishing an E-business
- Conduct a cost/benefit analysis

Step 2. Identify a Unique E-Business Opportunity

- Conduct a market analysis for your E-business
- Find out online customer needs
- Decide if your product or service is a good fit for the Web
- Check out your online competition
- Review traditional business/marketing plans for your E-business fit
- Develop your E-business concept

Step 3. Prepare a Unique Selling Proposition

- Identify online customers for your E-business
- Find out your competitive advantages
- Identify Critical Success Factors for your E-business
- Select a domain name for your business

E-BUSINESS DESCRIPTION: Domain Name

Steps to develop a good domain name

Step 1: Develop a clear, simple statement describing your business.

Step 2: List all the words that relate to your business idea.

Step 3: Brainstorm business name word combinations.

- Short
- Memorable
- Not easily confused with others
- Hard to misspell
- Relates to your core business
- Sounds solid to your target audience

Step 4: Check domain name availability.

Step 5: Check trademark availability.

Step 6: Purchase relevant domain name(s).

Step 7: Apply for a trademark.

Types of Domain name

- Product Specific
- Company Name Specific
- Region Specific

Web resources for Internet domain names

www.networksolutions.com, www.GreatDomains.com, www.register.com,
www.000domains.com

- What is the domain name for your E-business?

The necessity of your E-business may stem from the customers who want you to have a Web presence or from the competitors who do their businesses online. In any case, you need to conduct a market/customer/competitor analysis 1) to determine your target online customers and competitors 2) to identify your customers' needs and wants 3) to find out your competitive advantages. This opportunity analysis will bring to you a unique selling proposition that prepares you for further development of your E-business plan by positioning your E-business successfully.

1. Analyzing Internet Market

The Internet is a tremendous source of secondary data for market planning. It also has the ability to conduct primary market research online through Web surveys, online focus group, experiments, and more.

www.cyberatlas.com provides a variety of Internet market statistics, including size, demographics, geographics, market research, and growth.

Other resources: www.activemedia.com, www.commerce.net, www.dataquest.com, www.findsvp.com, www.forrester.com, www.frost.com, www.isoc.org, www.mids.org, www.asiresearch.com, www.nielsenmedia.com, www.ora.com

2. Analyzing Internet Customers

Segmenting Internet customers help you to decide where unmet online customer needs reside and who should be your target customers. Also, understanding online customer decision processes may help you generate new ideas about how to meet your customers' needs.

www.forrester.com – **Technographics**: segmenting consumers according to motivation, desire, and ability to invest in technology, i.e., fast forward, new age nurturer, mouse potatoes, techno-strivers, hand shakers

Other resources: www.future.sri.com, www.ad-up.com, www.geocities.yahoo.com, www.thirdage.com, www.snowball.com, www.demographic.com, www.marketingtools.com, www.emarketer.com

3. Customer Needs and Wants Online

Customers are online because of:

- Convenience
- Costs
- Choice
- Customization
- Interactive Communication
- Control

OPPORTUNITY ANALYSIS: Online Customer

- Who will be your online target customers? (Explain how you would segment your potential online customers and provide your target customers' profile.)

- Describe your online target customers' needs and wants and their online buying behavior.

- Is your current product or service a good match with your target customers' needs? Describe how it matches.

OPPORTUNITY ANALYSIS: Online Competition

4. Analyzing Your Online Competitors

- Review competitor's Web sites
- Analyze related news groups
- Examine publicly available financial documents
- Use an information delivery service such as Info Wizard, My Yahoo or Point Cast
- Solicit opinions in chat rooms

- **Do most of your competitors have a Web site? List the direct online competitors for your E-biz and describe their E-biz strategies. You can check which competitors get most traffic online by visiting www.mediametrix.com or www.alex.com**

- **What are current competitive strengths and weaknesses of your E-Business?**

PHASE II: WEB SITE DEVELOPMENT

Phase II is the technology side of your E-business development process. In this phase, you will determine what kind of Web presence you want to have and how to develop your Web site, e.g., in-house or outsourcing. Also, you will select an Internet Service Provider (ISP) for your E-business and develop actual Web content based upon the goals of your Web site.

Step1. Determine Web Site Type & E-Business Model

- Determine financial needs and secure your resources
- Determine type of Web site for your E-business
- Decide on the E-business models such as information sharing/corporate site/E-commerce site (direct selling or intermediaries)
- Forecast revenue for advertising, referral, or sales

Step2. Decide on How to Construct Your Web Site

- Review various options of in-house and outsourcing Web site development
- Review different types of Web hosting services
- Select an Internet Service Provider
- Estimate developments costs

Step3. Develop Content for your Web site

- Specify goals of your Web site
- Determine what content to include in your Web site
- Edit your content to ensure a Web-friendly style
- Contact your ISP for hard ware advice on having your pages designed

In this phase, you will determine what type of Web site you want to have and how to develop your Web site, e.g., in-house or outsourcing. Also, you will select an Internet Service Provider (ISP) for your E-business and develop actual Web content based upon the goals of your Web site.

1. Determine Type of Web site

“How big of an E-business commitment does your firm want to make?”

The type of your Web site should be determined by goals, budget of your Website, and nature of your business.

- Option 1: You can simply participate in Internet forums (discussion groups located on commercial online services), news groups (Internet version of forums), BBS (Bulletin board systems are specialized online services that center on a specific topic or group) or web communities
- Option 2: You can create an electronic presence online by buying a space on a commercial online service
- Option 3: You can have your own Web site for informational purposes such as a corporate Web site
- Option 4: You can build an E-commerce site which allows you to sell online

2. Determine major revenue sources for your E-business. (You may generate multiple revenue streams.)

- You may generate revenues by selling advertising to other firms. The product is ad space on a Web site e.g., all the major portals such as AOL, Yahoo, MSN, Lycos, Excite, Go.
- Direct selling: You may manufacture products and sell directly to the consumer or business customer
- Intermediaries: You may be a broker, agent, or an E-tailier

WEB SITE DEVELOPMENT: Type

Online resources for funding your E-biz

www.garage.com, www.nvst.com, www.theelevator.com, www.edi-online.com,
www.compareitall.com, www.startupzone.com, www.inc.com, www.bcentraol.com, www.e-loan.com, www.livecapital.com

Goals of Website Development

Direct sales, advertising income, customer support, public relations (image building)

- What is the goal of your Web site? What do you want to accomplish?

- What will be the major source of your E-business income (e.g., advertising, referral, or sales income)?

- What type of Web site do you want to create?

Web Site Development Tools

Once you determine the type of your Web site, next step is to decide on how to build your Web site. You can build your Web site internally using:

- Online Web site development sites: www.geocities.com, Netscape composer
- Offline software available in the market: Netscape Communicator, Microsoft Frontpage, Macromedia Dreamweaver

Or you can also outsource your site development by:

- Hiring a Web designer: See the resource guide for the list of local Web designer
- Buying a package service form ISP, which includes access, hosting Web design, and maintenance services

Local: Shawnee LINK, Allied Access, Advertinet, Global Eyes Communication, ONEMAIN.com, Digitalsmiths

(The SIU SBDC does not endorse companies represented. Refer to the phone book for a complete listing of service providers in your area.)

Global: AT&T, Network Solutions, Yahoo, DellHost, IBM Global Small Business (See page for detail)

Advantages and Disadvantages of In-house Development

Advantages

- Money savings
- Knowledge increase stays with the company
- Greater control over the final product
- Ease in updating

Disadvantages

- Can't spare key people to learn HTML to level of excellence needed.
- Don't have in-house graphics expertise or tools.
- Can't spare key people to develop Internet marketing strategy without outside help.

WEB SITE DEVELOPMENT: Tool

Web Resources

<http://budgetse.com> provides pointer to a variety of Web development resources such as www.primenet.com, www.infotique.lm.com, www.pagefolio.com, www.consulnet.com, www.webdeveloper.com

ISP package services

www.commint.com, www.twf.com, www.thelist.iworld.com

- Evaluate online development sites/offline development software programs that you are interested in. (For costs, see the SBDC E-biz Resource Guide.)

- Examine professional outside Web site designers.

- Determine Web development tools for your E-business.

WEB SITE DEVELOPMENT: Internet Service Provider

Internet Service Provider

To connect your Website to the Internet, you have to choose an Internet service provider for your eBusiness (Web hosting).

Choosing a Provider

When you are choosing a provider, you should look for:

- Network Utilization
- FTP Access
- Traffic Reports
- Pricing Issues
- Local Ownership vs. Global Ownership
- Customer/Technical Support

ISP

ISPs provide services such as Web page design, domain name registration, email account, site management, online and toll free tech support, and free business banner exchange service for a low set-up fee and \$20~50 monthly fee.

Web Resources

Online resources for ISP list

www. Yahoo. com/Biz and Economy/Company/Internet Access Provider or www. thelist.com

ISP comparison chart for basic business Web hosting service

www.qfsys.com

Comparison of Internet service provider prices

www.europa.com

WEB SITE DEVELOPMENT: ISP Evaluation Worksheet

Name of ISP #1	
Web URL	
E-mail address	
Years in Business	
Features and services	Site development/site management/site report/e-store/ Front Page extension options
Customer-service	
Responsiveness	
Pricing	
Network utilization (Downtime and outages Connection speed)	
Technical support	
Storage/data transfer Capability (FTP access)	
Customer-staff ratio	
Local vs. global ownership	

WEB SITE DEVELOPMENT: ISP Cost Worksheet

Name of ISP #1	
Contact person	
Telephone number	
E-mail address	
Account setup or Activation fee	
Monthly service plan / Usage cost estimate	a. Dial-up access
	b. High-speed access
Software Included/optional/NA (check one)	a. Bundled Internet startup package
	b. Browser upgrade
Upgrades in access	a. Dedicated/leased line
	b. Toll-free line usage
	c. Wireless access
Training Included/optional/NA (check one)	a. Classes
	b. Manuals
Web access Included/optional/NA (check one)	a. Basic hosting services
	b. Premium hosting services
Telephone company service Not needed/needed (check one)	a. Installation of additional telephone lines
	b. Upgrade to better line

Best Web hosting services for small business recommended by PC magazine for less than 50\$ /month

AT&T Small Business Hosting Services	\$25-250
www.ipservices.att.com	
BCentral	\$19.99-38.98
Microsoft Corp	
www.bcentral.com	
DellHost	\$14.95-1,498
Dell Computer	
www.dellhost.com	
IBM Global Small Business	\$24.95-200
www.ibm.com/services/webhosting	
Interland	\$19.95-200,000
Interland Inc.	
www.interland.com	
Verio	\$24.95_100,000
Verio Inc	
www.verio.com	
Web 2010	\$19.99-99.99
Shaver Communication Inc.	
www.web2010.com	
Concentric-Host	\$19.95-375.95
Nextlink Communication Inc.	
www.xo.com	

WEB SITE DEVELOPMENT: Content Design

Contact your ISP for hardware advice on having your pages designed.

Layout/Color/Theme

- What look are you going for?
- How do you want visitors to feel or to perceive your company or product when they visit your site?

Images/Graphics

- Images: photos, clipart, commissioned work, animated art, few or many?, Digicam?
- Logo: existing into electronic form or design from scratch?

Pages

- Main page, company info page, products page, order page, guest book, etc.
- Make your site information rich
 - Contact Info (be sure to include phone numbers, mailing address, email links, etc)
 - FAQ's (frequently asked questions)
 - Company History
 - Information to support the use of your products

Navigations

Cohesiveness

- **Describe layout of your Web site.**

• What graphic elements do you want for your Web site?

Organization's logo, trademarks, and branding themes

Navigation elements

Special interest items

• What do your competitors' Web sites offer?

• Describe the content to be included in your Web site.

WEB SITE DEVELOPMENT: Content Design

- Compose an outline of your pages. Draw a tree so you can visualize how they relate. How do the information elements fit together for logical access patterns?

WEBSITE DEVELOPMENT: Design Worksheet

This page is optional. Only for in-house development

Manpower	
Electronic content you can provide	
Time to design your site	
Time to create and program your site	
Extra fees for software development	
Size of your site	
Amount of traffic your site generates	
Management and control of your content	
Security	

WEB SITE DEVELOPMENT: Site Construction

This page is optional. Only for in-house development

- Try layouts and sample pages for approval and generate sites. Arrange for hosting and post pages to site. (Test pages, links and scripts to assure a well run Web site. Publish the URL and list with search engines.)

- What information on the site should be regularly updated and how does your business plan to keep it updated?

PHASE III: E-MARKETING PROGRAM

Once you complete Phase II of the development process, Phase III is the planning stage of your E-marketing programs. You will develop pricing, distribution and promotion strategies adapted to your E-business, including online advertising and search engine strategies. Developing your Internet marketing goals and strategies before your actual Web site development will allow you to check how well your Web site can serve the goals of your E-marketing programs, before you actually make long-term financial commitment.

Please complete the Phase III workbook pages as completely as possible as you will use this information to move through the implementation of your eMarketing Program in Phase IV.

Step 1. Clarify your E-Marketing Objectives & Develop Strategies

- Develop E-Marketing objectives and show how the use of Web will strengthen your existing business
- Develop product, price, promotion and distribution strategies adapted to your E-Marketing plan
- Develop time line chart showing E-marketing activities alongside traditional marketing activities and necessary costs

Step2. Develop an Evaluation System

- Review the various measurement options for your E-marketing objectives and budget
- Rate each option for its relevance to your current needs
- Download or install a shareware program that measures Web traffic or
- Hire an outside agency to design a customer package that meets your evaluation needs

PHASE IV: IMPLEMENTATION

In Phase IV, you will implement your E-business by building, testing and registering your Web site as well as executing various E-marketing programs from Phase III. If you are selling on-line, you should also set up a shopping cart program, an account payment system and tools for online customer service.

Step1. Develop a Detailed Budget

- Review your traditional business budget
- Estimate E-business costs

Step2. Construct Web Site

- Design the structure of Web site
- Generate Web site
- Arrange for Hosting and post pages to site
 - Register the domain name
 - Test pages, links, and scripts to assure a well run Web site
- Publish the URL and list with search engines
- Maintain your Web site

Step3. Execute E-Marketing Programs

- Implement E-marketing strategies
- Set up an account payment system and a shopping cart program, if you sell online
- Deliver products/services/information efficiently
- Provide excellence service to your customers
- Measure Internet marketing results in a timely manner

E-MARKETING PROGRAM: Objectives & Strategies

Define your eMarketing objectives. Your eMarketing objectives should consider your overall marketing objectives as well as your business strategies. Examples of eMarketing objectives include increasing sales, exceeding customer satisfaction, brand building, or image building. After you define your E-marketing objectives, the next step is to develop detail E-marketing strategies and action plan that can help achieve your E-marketing objectives.

<ul style="list-style-type: none">• What are the objectives of your E-marketing program?

<ul style="list-style-type: none">• Show how the use of Web will strengthen your existing business strategies and marketing strategies.

E-MARKETING PROGRAM: Budget

- **Factors influencing eBusiness marketing budget are:**
 - eBusiness Marketing Task Force- an outside agency, in-house staff, or do it yourself
 - Individual marketing communication activities
- **Planning your eBusiness marketing budget may include any combination of the following:**
 - Estimates on Internet service and development costs, including upgrade expenses
 - Estimates of purchasing, configuring, and operating an in-house server
 - Many ISPs offer package services that include access, hosting, Web design, and maintenance services
 - A budget spreadsheet with cost breakouts for each eBusiness marketing plan element
 - An assessment of the impact of the eBusiness marketing program on other traditional media expenditures
- **Ways to determine a budget – your eBusiness marketing budget may be based on:**
 - Creating an effective online presence
 - Last year's eBusiness marketing budget
 - A percentage of company sales
 - A percentage of the total marketing budget
 - A reallocation of marketing dollars
 - What other companies in your industry are spending (www.adscope.com)
 - A graduated plan tied into measurable results

- **Develop your eMarketing budget.**
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E-MARKETING PROGRAM: Online Promotion

The Web can rarely stand alone as a brand-building tool. Instead, it must be carefully integrated into the broader marketing communication strategies, enhancing your existing promotion strategies. The online communication should be consistent with the overall marketing goals and your current marketing efforts.

Followings are examples of online tools you can use to promote your eBusiness:

- Paid Advertising
- Direct Marketing
(E-mail publishing)
- Search Engines
- Public Relations
- Linking Strategies

Traditional marketing efforts are also important part of your eBusiness promotion. At a minimum the domain name must appear in all organizational advertising campaigns, press releases, corporate literature, trade shows, letterheads, and business cards.

Another strategy in enhancing your Web site visibility lies in developing alliances with other sites that share a similar target audience and exchanging banner advertising and links.

E-MARKETING PROGRAM: Online Advertisement

All paid-for space on a Web site or in an e-mail is considered advertising. Today many website owners have switched to selling advertising to cover costs because the typical Internet user refuses to pay for information.

- Banners and buttons
 - Banners and buttons (pop-up window) occupy designated space for rent on Web pages
 - Evolution of banners: click-through, animated GIF, interactive banner
 - Web banners help build brand awareness
 - Tickers are banners that move across the screen
- Sponsorships integrate editorial content and advertising
- Interstitials (roadblocks) are Java-based ads that appear while the publisher's content is loading
- Using online e-mail or sign-on Web casting services such as PointCast and Ifusion, which automatically download customized information to recipients
- **Banner advertising is one of the simplest ways of advertising on the Web. The Following are a few basic strategies for banner advertising:**
 - Keep banners small- a banner should never slow down the speed of the content related page
 - Invest in design- an ugly banner will not be successful. Use a concise design to display the message
 - Avoid complex messages-a short compelling message is best
 - Make it readable-display the message in such a way that it is readable
 - Avoid complex animations-animations are cute, but they take too much time to download
 - Make sure the link works-the best banner ad is useless if the link leads to nowhere
 - When you exchange banners with other Web sites, don't have more than two banners on each page. Review banner exchange services like www.linkbuddies.com

There are many specialists who offer online advertising and search engine promotion services to eBusiness owners.

- **Web resources for online Ads service:**

www.flycast.com: allows its customers to monitor the click through rates of their banner ads in real time

www.webtrack.com, www.sisoftware.com: Internet advertising rates directory

www.coder.com: the banner generator

www.clickthrough.com: online full service advertising agencies that help business clients find appropriate sites for their banner advertisement

www.netratings.com: provides statistics on top banner ads on line

www.linkexchange.com reports click-through statistics to its members

(Click-through ratios: the number of times a user has actually clicked on your ad banner to visit your site as a percentage of total appearances of the banner)

www.banner-net.com: Internet banner network

www.cybersitter.com, www.intermute.com- ad filtering

www.webcom.com, www.ad-network.com, www.dobleclick.com , www.ad-up.com,

www.directrix.com, www.adweb.cocomn.utexas.edu, www.adage.com,

www.adweek.com, www.webpagethatsuck.com, www.zdnet.com

E-MARKETING PROGRAM: Online Advertisement

- What do you want to advertise online? (goals of your online advertising)

- Whom do you want to reach with your online advertising? (target audience)

- Which of the above online advertising activities are you considering? State how you will differentiate your products and services from those of your competitors. (advertising tools)

- Design your advertisement using features and benefits. If you are using an outside agency, select an agency and a site to sponsor.

E-MARKETING PROGRAM: Direct Marketing

- **Direct marketing** is direct communication with your customers through non-personal media such as e-mail. Sending e-mails to potential and current customer (e-mail marketing) is a good way of building 'customer data base'.
- You can promote your online business by participating in the **discussion group** such as LISTSERV or newsgroup. A LISTSERV is an e-mail discussion group with regular subscribers. A bulletin board or newsgroup is an area where users can post e-mail messages on selected topics for other users to read. LISTSERV pushes content to subscribed users, whereas the bulletin board requires users to visit the page and pull content. The benefits of participating in the discussion groups are twofold: you can be known as an expert in your business and receive traffic to your Web site using signature file.
- In the **signature file**, you should include the sender's name, contact information (usually e-mail), a short hook to get the reader to visit your Web site, link to your web site, and a dividing line to separate the signature file from the rest of the message.
- Another way of promoting your online business via e-mail is to send your messages to your potential customers via **e-mail lists**, which can be purchased from list brokers. These firms do not usually hand over the list but will send a company's e-mail message to massive distribution lists. You should search for lists that are guaranteed to be 100% opt-in. Opt-in means that users have voluntarily agreed to receive commercial e-mail about topics that might be of interest to them. Opt-in lists can generate response rates of up to 25% compared to 1% click-through rates on banner ads. E-mail should be sent in an entertaining, educational, or interesting manner.
- Fortunately, there is now a whole new breed of Web-based email list management tools available for example [eGroups](#), [Topica](#), [Listbot](#), [Sparklist](#) and [Oaknet](#). However, these new tools have vastly varying capabilities, and pricing and choice can be a difficult one. It is very important to choose correctly the most appropriate system for your needs, for although it is usually possible to transfer your mailing list from one service to another, it can often be quite difficult, and you may lose a significant number of subscribers in the process.
- **Other Web resources for direct marketing:**
www.netcreation.com: e-mail list management
www.netcreations.com: offers direct e-mail only to interested recipients

E-MARKETING PROGRAM: Sales Promotion/Search Engine

- **Sales promotions** are popular banner ad content. One huge benefit of online promotion is its ability to gather names for your e-mail database. Marketers report three to five times higher response rates with online promotions than with direct mail. Coupons, sampling, bargains, special sales, financial incentives, and contests/sweepstakes are widely used promotional tools on the Internet. www.coolsavings.com, www.valuepage.com: top two Web sites offering online coupons.
- **In order to attract customers to your Web site, you should:**
 - Register your site to search engines
 - Improve your site's ranking on the search engine's list
- **Search engines** robotically spider or index your site: Alta Vista, Excite, HotBot, Lycos, Infoseek, WebCrawler, Goto.com and Northern Light. On the other hand, **directories** are created by humans. Sites must be submitted, evaluated, and if selected, assigned to an appropriate category or categories. Examples include yahoo and excite.
- Additions of **meta-tags including keywords** associated with the contents of the Web page enhance the chances of a Web page being identified by a search engine. For best results, you should develop different versions of each doorway page, each optimized for a particular search engine. There are constantly evolving strategies associated with finding a higher order display position with the most popular search engines
- Promoting a Web site to the search engines can be automated by services such as www.did-it.com. It studies how the search engines rank Web sites and then optimizes their clients' Web sites to achieve a higher ranking
- **Search Engine Positioning Services:** www.all4one.com, www.jimtools.com, www.affinisoft.com, www.webposition.com, www.searchpositioning.com, www.greenflash.com, <http://submit.linkexchange.com>

E-MARKETING PROGRAM: Sales Promotion/Search Engine

- Describe any promotional activities for your eBusiness.

- List search engines and commercial online services that you want to register your Web site. Describe your keyword strategies for search engines.

- If you are using an outside service, list names of search engine positioning services you want to evaluate. Select one best fit to your promotional goals and budget.

eMARKETING PROGRAM: Public Relations

What do people offer on the Web site to build public relations?

- **Content sponsorship:** most free online content that is meant to inform, persuade, or entertain is public relations.
- **Brochureware:** is used to describe sites that inform customers about products or services without providing interactive features.
- **Interactive features** such as games and electronic post cards can be used to entertain.
- **Community building:** online events, chat rooms and discussion groups can be used to build community.
- The public knows there is no filtering process in place, which means that your message may have less credibility than traditional editorial coverage.

Web resources for online public relations:

A guide for press relations: www.netpress.org

Media directory: www.webcom.com, www.baconsinfo.com, www.burrelles.com

Press clippings: www.lucepress.com, www.mediamap.com, www.pressaccess.com

News distribution: www.businesswire.com, www.clarinet.com, www.gina.com,
www.prnewswire.com

Newsletter writing and distribution: www.imakenews.com, www.infoscavenger.com

- **Describe public relations strategies for your eBusiness. How do you want to be perceived by your customers? How these activities will help you building the image you want?**

E-MARKETING PROGRAM: Performance Measurement

With your eBusiness, you may want to measure your performance hourly, incorporate feedback daily and reallocate marketing resources weekly for best results.

- Review impact of e-mail campaigns and alter the offer if returns are not being met
- Review performance vs. objectives and demand immediate changes when targets are not met
- Reallocate marketing dollars if returns are not being met

To evaluate your eMarketing performance quantitatively, you need to measure:

- Traffic of your Web site
 - For example, [www.mediametrix](http://www.mediametrix.com) provides traffic report by generating
 - Growth in monthly unique visitors
 - Growth in days per visitor/month
 - Growth in depth of visit (unique pages/month)
 - You may install a software program that measure Web traffic
 - Or you may hire an outside agency to design a customer package that meets your evaluation needs.
- Site ranking vs. competitors
- Financial results such as revenue and profitability
- Press Coverage

You should also include some qualitative factors such as:

- Customer e-mail and telephone calls
- Customer suggestions
- Number of complaints
- Customer profitability
- Vendor feedback on site design/easy of navigation

E-MARKETING PROGRAM: Implementation

In this phase, you will implement your E-business by executing various E-marketing programs. If you are selling on-line, you should also set up a shopping cart program, an account payment system and tools for online customer service.

You may upgrade your Web site to a higher level or enhance your E-marketing programs in the future.

For successful E-Business Implementation, you should:

- Conduct necessary education and training
- Review current distribution and supply chain models
- Understand what your customers and partners expect from the Web
- Reevaluate the nature of your products and services
- Extend your current systems to the outside
- Track new competitors and market shares
- Develop a Web-focused marketing strategy

High-performing eBusiness...

- Understand customer behavior
- Identify high-value segments
- Deliver relevant personalization
- Optimize hourly, daily, weekly
- Separate customer acquisition from retention

PHASE V: eCommerce/Expansion

Phase V is the expansion stage of your E-business development process. You may expand your current E-business by upgrading your Web site to a higher level, or just simply by enhancing your current E-marketing programs.

- Execute enhanced E-business marketing programs
- Move to a higher level of E-business by adding new features to your Web site

How to build your e-store will depend on:

- The nature of your business
- How sophisticate you want your Web site to be
- The availability of relevant skills within your organization.
- Your budget for eBusiness

The heart of any Web store is the software that it runs on. There are a number of free or inexpensive storefront creation software packages available, usually hosted by the vendor or a partner ISP. These products typically provide wizards that walk you through the process of setting up a Web store and then generate the site automatically.

When choosing an E-commerce solution (E-store), you should examine three basic areas:

- How easy the store is to set up,
- How easy it is to process orders through it
- How easy it is to administer on a day-to day basis.

a. Set up

A storeowner with no HTML or CGI experience should look for software that creates a complete store via wizards and templates. Regardless of technical skill levels, there are several features that you should look for. Those are:

- The ability to import product data from a database file
- The use of cookies to track visitors in a store
- The specification of sales taxes and shipping charges
- The range of advanced features and services that are provided such as domain name registration, automatic search engine submission, auto responders and chat rooms

b. Order Processing

The first two order processing features to check for are:

- The availability of a virtual shopping cart
- Ability to transfer data securely using SSL or SET

Once your merchant account is in place you need to be able to **verify each payment**. For this, you need **real-time credit card processing scheme, such as SET, CyberCash, Verifone and First Virtual**.

CyberCash and Verifone both use a helper application called a "wallet." In the process of setting up the wallet, the user provides their credit-card information and receives an encrypted code that refers to their credit card. Credit card numbers are only stored in the Wallet, not at the merchant's server and not by CyberCash or Verifone. When making a purchase at a participating Web store, the wallet passes the code to the merchant. The merchant then hands that code, along with the purchase price, to the wallet issuer who verifies the transaction with the credit-card company and transfers the funds to the merchant along with an authorisation to ship the product.

First Virtual issues a VirtualPIN to the customer, after they have provided their credit-card number over a voice telephone call. No credit card information is ever transferred over the Internet. Customers can then use their VirtualPIN in lieu of a credit card number. For each purchase, First Virtual sends the user an e-mail message asking them to confirm the transaction. Once First Virtual receives the confirmation back, the credit card transaction is processed off the Internet and an e-mail sent to the merchant authorizing them to ship the goods.

An alternative credit-card processing scheme, supported by card-issuing banks, is the **Secure Electronic Transaction (SET)** protocol developed by Visa and MasterCard and now backed by American Express. Designed for cardholders, merchants, banks and other card processors, SET uses digital certificates to ensure the identities of all parties involved in a purchase. SET also encrypts credit and purchase information before transmission on the Internet. However, despite the hype from the banks and the card issuers it is likely to be at least 2001 or 2002 before SET becomes widely established. A detailed explanation of how SET works can be found in the "Technology Watch" section.

Web resources for processing the order: www.cybercash.com, www.2internetsecure.com, www.verifone.com

eCommerce: Product Strategies

Let's assume that your product/service/information has a good fit to online transaction and you decided to sell your product online (eCommerce). Once you decided to sell online you have to have your product available online always. Inventory management becomes very important issue in the eCommerce. Once you have your product available online, you should have a system to follow up customer feedback on your product quality to improve your product quality or to develop a new product. Some of the features that become more important in the eCommerce than the traditional product marketing strategies are:

- Personalization of products and services
- Product & service bundled
- Product package selections
- Product availability

- **If you are going to sell online, list products/services that you will offer to sell online. Develop ways of bundle your products and services and product packages available.**

- **Discuss how you are going to manage your product inventory. Also, discuss how you are going to personalize your products or services for each customer.**

On the Web, there is 'perfect price information' due to shopping agents such as www.Simon.com or www.priceline.com, which tell you the lowest price for the product. Increased consumer-to-consumer communication also force eBusiness to compete on the basis of price. You as a business owner have a choice of publishing your product price online or have your customer call you to find out your product price. Also, you can participate in the list of shopping agents for a fee or do not participate if your pricing is not competitive. It all depends on your pricing strategies of your eBusiness.

- What are your pricing objectives?

- After developing a pricing strategy using the guidelines in the 'SBDC Business Plan Workbook', explain how you are going to price your products or services online. Take your competitors' pricing strategies into your consideration.

Distribution strategies deal with actual delivery of products and services to your customers. You can deliver your products online if you are selling service products or software programs. Speedy delivery and reliable customer service, including tracking inventory, order, and delivery status are key success factors for your distribution strategies.

Below are some examples of ways to move your product/service to your customer.

- **Inventory:** Store product in your own garage or in an in-house fulfillment center. This option gives you full control over the process but requires know-how, labor, facilities and, often, special equipment, all of which may well be outside the area of expertise of the average e-tailer.
- **Drop-Shipping:** Purchase product from a manufacturer or distributor that will “drop ship” products directly to your customers. This method has the advantage of delegating the entire process, from ordering and stocking of product through picking and shipping of orders. There are, however, several serious limitations. You may have no control of when, and in how many packages of your orders are shipped. You may not know if the product is out of stock. Finally this option possibly reduces your profit potential due to extra costs.
- **Fulfillment House:** Contract with a fulfillment house or a 3rd party logistics (3PL) provider. In this option, your 3PL will provide whatever services you need or wish at an up-front, agreed-upon price. Examples include:
www.iFulfill.com which is targeted at companies with under 50 items, selling 1 to 50 orders a month without a shopping cart or secure server of their own or
www.shipper.com which is targeted at companies with \$10 to 50 million a year in sales volume with their own Web based shopping cart and credit card processing.

Attachment A: E-business Books, Periodicals, Magazines, and Software Programs

Books

B2B Application Integration: E-Business-Enable Your Enterprise

Author – David S. Linthicum, \$20

E-Business Intelligence: Turning Information Into Knowledge Into Profit

Author – Bernard Liantaud, \$22.36

E-Strategy, Pure & Simple: Connecting Your Internet Strategy To Your Business Strategy

Author – Michel Robert, Bernard Racine, Robert Michel, \$20

How to start an E-Business

Smallbizbooks.com, \$59

How to Dot Com

Smallbizbooks.com, \$14.20

Dreamweaver 4 For Dummies

\$24

UltraDev For Dummies

\$25

Frontpage 2000 For Dummies

\$20

Flash For Dummies

\$20

Periodicals / Magazines

Entrepreneur Internet World - \$45/ 12 issues, free subscription to selective industry professional (www.internetworld.com)*

Computer World - \$48/12 issues

PC Magazine (www.pcmag.com) * - \$45/12 issues
(Currently 75% discount at \$27/22 issues)

Smart Business - \$15

Emerging Business (www.ebmagz.com)* - 40\$/12 issues

Web Commerce Today (Online Newsletter)- 45\$/year

Electronic Commerce World (www.ecomworld.com) *- \$35/12 issues

E-Business Advisor (www.advisor.com) * - \$39/12 Issues

*- Also available free online

Other Free Online Resources

www.wilsonweb.com

www.sellitontheweb.com

www.ebiz.com

www.ibizmag.com

www.infoweek.com

Software Program

Adobe Acrobat Exchange

Allows for .pdf creations

\$99

Info USA Select-Phone Residential and Commercial 2001 CD

\$50

Dreamweaver Suite (Includes Fireworks)

Web Page (WYSWYG) Builder

\$150

Dreamweaver Ultra-dev

Active Server Page (ASP) Builder

\$199

Flash 5

Web Graphics Animator

\$99

Adobe PhotoShop 6.0

Industry Standard Graphics Software

\$299

Attachment B: E-Business Terminology

Address

Unique identifier to the location of a stored file, data source, or device as part of a computer system or network.

Applet

Programs downloaded over a network and launched on the user's computer.

Application

A program that performs a specific function for a user.

Audio/Video Interleaved (AVI)

Common format for video files.

Bandwidth

How much data you can send through a connection. Usually measured in bits-per-second.

Bitmap

A common image format based on a rectangular pattern of pixels.

Bookmark

A browser tool that acts as a pointer to a defined web site.

Bounce

Failed delivery of an email and its subsequent return to sender as undeliverable.

BPS (Bits per second)

The measure of data speed through a network, modem or Internet connection.

Broadband

High capacity communication paths capable of supporting a wide range of frequencies and multiple signals over independent channels usually with a speed greater than 1.544 Mbps.

Browser

Graphically interactive software used to find, view and manage information over a network.

Bulletin Board System (BBS)

A computer system which provides information and messaging services for dial up users.

Capacity

The highest transmission speed that can be reliably carried through a circuit.

Compressed Files

Data files that have been compacted to save space and reduce transfer times.

Cookies

Files which contain information about a user's browsing habits which are stored on a system by Web browsers.

Crackers

Users with malicious intentions who gain unauthorized access to computer.

Cyberspace

A term taken from the 1984 novel by William Gibson call Neuromancer. Commonly used to describe the virtual world of networked computers and society surrounding them.

Dedicated Line

A private leased line from a telecommunications provider.

Dialup

A commonly used method of establishing temporary access to the Internet using standard phone lines and a modem.

Domain Name System (DNS)

A static, hierarchical method for converting Internet names to their corresponding IP (Internet Protocol) address. Build and maintains a database for the resolving of host names and IP address on the Internet. Allows users to locate a remote computer by sing the host name rather than the numerical IP address.

Domain

Subsets or logical regions of the internet which include the .com, .org, .net, .edu domains.

Download

The act of transferring data from a remote computer to a local computer.

e-mail

A method for the exchange of messages with other computer servers over a network.

e-mail address

The domain-based address used to direct email to a specific destination.

Electronic Commerce

Commonly used term to describe emerging technologies used to conduct business over networks rather than through more traditional communication paths.

Encryption

Network security based on the encoding of network data packets to prevent anyone but the intended recipient from accessing the data.

File Transfer Protocol (FTP)

A standardized system for transferring files across the Internet. Most commonly used for downloading software.

Firewall

A method of protecting one network from another network.

Frame

A named, scrollable region in which pages can be displayed.

Front End

In the client/server model, the front end refers to the client side or user.

Graphics Interchange Format (GIF)

A standard and popular format for image files on the web.

Hacker

A person with an in-depth understanding of computer systems and networks.

Home Page

The first page display of a Web site.

Hypertext

A term coined by computer author Ted Nelson to describe text that is linked, via an underlying URL, to other text, sound, video, or graphical images.

Hypertext Markup Language (HTML)

A tag language used as the standard for creation of web pages.

Hypertext Transfer Protocol (HTTP)

Communications instruction set for the transfer of data between a server and a Web client.

Information Superhighway

Commonly used term to describe the Internet and the access users will have to the networks that provide the information.

Integrated Services Digital Network (ISDN)

Communication line that carries a combination of voice and data across a single line.

Internet

The world's largest network sharing a common address scheme.

Internet Service Provider (ISP)

Entity that provides users a communication link to the internet.

InterNIC

The Internet Network Information Center. InterNIC is the entity responsible for granting and registering Internet domain names.

JAVA

Programming language developed by Sun Microsystems used for developing applets that can run on any computer.

Joint Photographic Experts Group (JPEG)

A popular compressed format for photographic images used on Web pages.

Keyword

An indexed word that defines a document.

Local Area Network (LAN)

A network of computers in a relatively small area such as an office, department, or building.

Meta Tags

Meta tags do not affect how the page is displayed, but provide information such as creator of the page, how often it's updated, the page's subject matter, and which keywords represent the page's content.

Modem

Shortened version of Modulated/DEModulator which is a device that enables a computer to transmit data over a phone line.

Moving Picture Expert Group (MPEG)

A standard method for compressing full-motion video.

Multimedia

The combination of audio, video, graphical, and /or text media types on a single document.

Network

A group of computers interconnected so they can transfer and share information between individual computers.

Newsgroups

An electronic bulleting board that acts as a discussion group for specific areas of interest.

Page

A Web site of HTML document.

Plug-In

Helper applications accessed by Web browsers to play multimedia and other resources.

Portals

A Web site or service, such as AOL, that offers an array of resources and services, such as e-mail, forums, search engines, and on-line shopping malls.

Real Time

The transmission and processing of transactional data as they occur, rather than in batches.

Search Engines

A tool, such as InfoSeek and Web Crawler, used to search for Internet information by topic.

Secure Sockets Layers (SSL)

A protocol for transmitting private documents and confidential information via the Internet. Developed by Netscape, it is supported by both Netscape and Internet Explorer.

Secure Electronic Transaction (SET)

A relatively new standard that will enable secure credit card transactions on the internet. SET employs digital signatures which enables merchants to verify that buyers are who they claim to be. It also protects buyers by transferring their credit card number directly to the credit card issuer for verification and billing without the merchant being able to seeing it.

Server

A computer that provides resources, such as files and printers, to other computers on the network.

Site

The address location of a single or group of related Web pages.

T1

An AAT&T term to describe a host to the Internet connection of 1.544 Mbps.

T3

An AT&T term to describe a host to Internet connection of 44.746 Mbps – 40 times that of a T1.

Upload

The act of transferring data from a local computer to a remote computer.

Uniform Resource Locator (URL)

The technical name of Internet addresses which include both the address of the Web server and the specific directory structure to locate an individual Web page.

Usenet

Collection of thousands of bulletin boards/newsgroups on the internet.

Wide Area Network (WAN)

A network or system of connected computers covering a large geographic area.

World Wide Web (WWW or W3)

The subset of the Internet which uses text, graphics and multimedia (audio and video) to communicate.

WYSIWYG (wizzy-wig)

A WYSIWYG application enables you to see on the monitor exactly what the document will appear like when printed.

ZIP (.zip)

A compressed file format used to reduce storage requirements and data transfer times.