

# The Advantages of Web-Based Businesses for Entrepreneurs

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**Abstract**— Entrepreneurship is generally regarded as a force of change, innovation and development in modern economies. Entrepreneurs bring new and better products to markets, restore allocated efficiency through arbitrage and reinvest their profits. In this paper we explore the various dimensions and advantages of taking a business online & the various possibilities of expansion and growth it offers. Internet can open doors to a completely new segment of marketing and promotion of a product at minimum cost of resources. The internet allows one to increase productivity and sales and at the same time cutting on daily costs of business. This cuts the time and costs of daily management of resources. Thus the main objective of our research is to understand the need and importance of internet and web-based businesses in entrepreneur world. It has totally proved to be advantageous, catering to people of various age groups from very young to old.

**Index Terms**— Entrepreneurship, Web-Based Businesses, Internet, Entrepreneur, Online, Business, eBusiness, E-commerce.

## 1 INTRODUCTION

THE lure of doing business on the Internet is strong for most companies and most budding entrepreneurs. In 2008, Internet retails sales totaled almost \$142 billion, according to the U.S. Census Bureau. Online businesses are quite profitable and with a global internet connection, it is fast and easy. Even skeptical people who once doubted the practicality of the idea are now recognizing the potential of doing a business online. Some of the easy to see benefits are considerably lower start-up cost and it has the potential of reaching every person who is connected to the internet. With a rising internet population people are becoming more and more dependent on online solutions for their everyday problems.

The pace of change brought about by new technologies has had a significant effect on the way people live, work, and play worldwide. New and emerging technologies challenge the traditional process of how a business can be managed. Many believe the advantages of web-based software applications are so compelling that it will eventually supplant the stand-alone desktop computer and the new model in business will be software as a service (SaaS), not as a product. Small businesses and entrepreneurs should consider the attractiveness of the web based software approach in planning for their future software requirements.

## 2 ADVANTAGES OF WEB-BASED BUSINESSES

The advent of the internet has definitely made things simpler and faster. What couldn't be perceived a few decades ago is happening right now. A click is all it takes to do buy goods and services - and to start an online business. Business today owes a great deal to the internet. An online business helps one connect with customers around the world over and thereby establish a name in this competitive market. An online business has several advantages that helps one curb costs and maximize profits.

### 2.1 Web-Based Businesses Reduces Costs

Web-based software requires no initial capital investment to

buy shops or software for a number of individual desktops. There is no software to download or install on site. A business on the internet does not require fancy shops, or other such operation costs. The cost is incurred as the service is used, preserving scarce cash to be used more productively within the firm for more critical needs such as building sales or acquiring productivity enhancing equipment. The browser-based approach provides greater flexibility, enabling the small business to scale up or down quickly and easily as needs change. Both initial and ongoing maintenance cost savings are realized with the online approach. In fact, all the maintenance costs are avoided because maintenance is taken care of by the provider. One of the main advantages of incorporating the Web into a business model is that it can potentially reduce the cost of starting up and operating a business. Brick-and-mortar business owners must rent buildings or offices, hire employees and create or purchase inventory to stock store shelves. An eBusiness doesn't need to pay rent or keep a large amount inventory on hand, and automated shopping systems reduce the need for employees.

### 2.2 Time Conversation

Unlike any other business that requires a lot of travelling to meet customers and securing orders, an online business cuts those costs and saves time. This means the businessman gets to spend time with friends and family. An online business does not require one to be physically present to secure a deal or an order. By communicating online, one can reach a number of customers instantly. Although the mode of payment may vary in different countries, they are all done online. An online business gives the flexibility to work according to will. The owner of the business is in complete control to decide and allocate time for leisure and time for work.

### 2.3 Availability Round The Clock

Unlike brick-and-mortar stores and other businesses that often have limited operating hours, Internet businesses are available to potential customers 24 hours a day. If the online business features products for sale, customers can make purchases from

home at any time of the day or night; if a service is provided, customers can contact you or request an appointment even if you're not at the computer. Customer service is more convenient as well since customers don't have to wait until office hours to let the owner know about their problems that they've had with the products or to ask any questions they might have.

## 2.4 Omnipresence

An online business enables the owner of the business to extend his/her services to every corner of the globe. Unless one expands the physical business to open additional stores or offices in new locations, the business is largely limited in the number of potential customers that it can reach. Since Internet-based businesses are accessible from around the world, these businesses do not have the same limitation. Though one may have a specific market that is to be focused on, with proper planning potential customers can be drawn in from around the world just as easily as local customers are. Small brick-and-mortar businesses are likely to depend on making sales to customers that live in a relatively small, localized area. An eBusiness can reach remote customers that may live in other states or even other countries, so operating online gives small business owners global reach. This ability allows entrepreneurs to exploit niche markets and make specialized products more viable.

## 2.5 Flexibility and Ease of Customization

An Internet business gives you more flexibility in how you manage your business as well as how you present it to your customers. Monitoring the usage statistics of the business website allows you to see which products or portions of the site are the most popular, adjusting your inventory or overall site design to better align with your customers' interests. Redesigns of your business website are much easier than the remodeling of a physical location, especially since you can develop the redesigned website without affecting the existing site at all. Incorporating social media aspects, review systems and other customer interaction tools into your website can also increase the amount of time that potential customers spend on your site and increase the likelihood that new customers will return. Effective communication in the form of regular feedbacks regarding offers and discounts will ensure that your online business becomes the preferential choice of customers the world over.

## 2.6 Reduced Transaction Time

In normal or old-fashioned business there are times when you will have to wait for your project to get finished before you

effort for advertisement and promotion of your product. So, you see that the time taken for all this is a lot. For E business, this can be reduced. Promotion can be done easily, you can take orders and transfer product to customers at ease. The after sales services will get better response and the customers that have been hooked will be dedicated if you provide proper after sales service.

## 2.7 Increased Productivity

By spending less time and money on running business one will be able to invest more on growing your business and efficiently run and manage his/her projects. Money saved in marketing and physical office needs can be better spent in growing and managing business efficiently. More employees can be hired thus aiding to the growth of the business.

## 2.8 Cost Effective Marketing

For any other type of business, it costs quite a bit to advertise or promote a product. The website for an online business doesn't cost much, the only costs incurred are that of designing and domain costs. One must see to it that the layout and format of the website is easy to understand. It should be duly noted that every person who browses the website is a potential customer. Updating the website to get the better out of the business doesn't involve any major costs which are prevalent in other businesses. With the traffic generated on the website, profits will definitely maximize exponentially. Advertising a business that only exists online can be more effective since ads containing a link to your business will bring potential customers directly there instead of requiring them to visit a physical business location. Online advertising campaigns often cost less than print ads as well, with the cost typically based on the number of people who actually view or click the ad instead of a blanket price set by the company or publication running the advertisement.

As you build your business online you can take advantage of how easy it is to connect with your customers on the Internet. Developing a social media presence and offering coupons, site-specific specials and other incentives allows you to reach potential customers using methods other than traditional advertising and also presents you with an opportunity to interact directly with them.

## 3 LIMITATIONS

Since the customers in an online business are located the world over, getting used to working with various time zones is important.

Consumers are sometimes wary of purchasing products online. You cannot establish a rapport with customers in person when you run an Internet business, so you need to do what you can to establish trust in other ways. Even with all of the precautions you take, a segment of the buying public may not feel comfortable providing its payment information on the Internet.

Since the Internet reaches millions of people every day all over the world, it is essential to stay ahead of the competition. One

launch it to customers. After the launch of your products there will be another phase where you will have to put in a lot of

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of the problems with doing business on the Internet is that it can be expensive to copyright or patent your website ideas globally. If you work hard and create a successful Internet business, there is a good chance that someone will try to copy it and draw business away from you. The inability to protect your ideas can be a disadvantage of doing business on the Internet.

#### 4 FACTS AND FIGURES

E-commerce statistics confirm the explosive pace at which this industry has developed as worldwide B2C e-commerce sales amounted to more than 1.2 trillion US dollars in 2013. Current e-commerce statistics state that 40 percent of worldwide internet users have bought products or goods online via desktop, mobile, tablet or other online devices. This amounts to more than 1 billion online buyers and is projected to continuously grow.

Digital payments are also closely connected to e-commerce. Alternative payment methods such as digital wallets or online payment providers have seen increased adoption rates and rapid growth in the past few years. eBay-owned PayPal is one of the current market leaders with more than 14 billion US dollars in mobile payment volume alone. Digital payments are not only convenient for the mobile shopping experience but also for the increasingly available paid digital content like streaming music, online video subscriptions and apps. For example, global mobile app revenues are projected to surpass 30 billion US dollars in the coming year.

The graphical representation titled Figure 1 can be used as a great example to demonstrate the rate of growth of e-Commerce websites and businesses done online.

Thus the statistics conclude the fact that Web-Based businesses have an enormous growth scope, and are growing at a rapid pace.

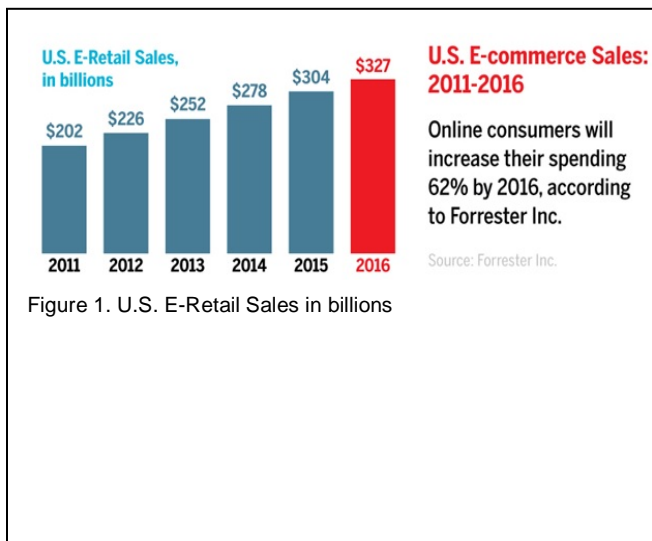


Figure 1. U.S. E-Retail Sales in billions

#### 4 CONCLUSION

The advent of the internet has definitely made things simpler and faster. What couldn't be perceived a few decades ago is happening right now. A click is all it takes to do buy goods and services - and to start an online business. Business today owes a great deal to the internet. An online business helps you connect with customers the world over and thereby establish a name in this competitive market. An online business has several advantages that help you curb costs and maximize profits. The year is 2010 and it is already being said that in a few years to come all monetary transfers and manual financial complications will cease to exist. In simpler terms, currency is being replaced almost at all spheres of usage by virtual money. The reason being the worldwide web or internet, as we know it more commonly, not only is it easily accessible today round the globe but extremely feasible if considered in term of the manual labor and the time required to initiate the required processes in order to run a business.

The internet today has not just restricted itself to solving the previous difficulties but has proved to be a master in security, which is indeed the most important requirement any business requires irrespective of its size or kind.

The flourishing and steady rise in online business has been growing at par with development in the Information Technology business. It must be said without hesitation that the both go hand in hand. The market today has innumerable software development organization's and still growing ,who in order to compete for best position and more projects keep delivering with the best product in time ,customized according to the requirement of the client or the business house in need. The product details may range from online banking sites, medical sites, movie information, communication vendors, newspapers, magazines, health care facilities, educational data, entertainment options, government sites, electronic device information etc. The availability of such a huge range of available resources at hand has also helped online business to grow to a stage where it is today. Furthermore several new business sites are now being opened every second in an attempt to reach out to more and more people.

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