

# 10 Tips on How to Plan a Successful Internet Business

**Robert Rustici**

## **1. Define Your Business Type - Going Outside of the Box Will Cost You**

When planning to create an Internet Business there are three common characteristics that define their business model and approach; Ecommerce, Content (blogging) or Lead Generation. If you are considering a business type that doesn't neatly fit into one of these, it will cost considerable development dollars in the 10,000's plus to launch. In all of these cases, it is always recommended to secure your own unique URL (web address).

Ecommerce - is one of the more inexpensive options with ready made shopping cart for building a website. They have pre-built templates to get you started, and even ways to customize it to fit your style with technical skills. Some companies offering these are Volusion, Big Commerce, 3d Cart. There are also open source options from Magento or Open Cart that offer more customization, but require a developer.

Content - websites have many free options such as Blogger (you can't have your own URL), WordPress or Square Space that can be built upon to create unique websites. The more you wish to customize them does require a bit more technical knowledge in getting a custom look to your objectives.

Lead generation - websites are more custom built and typically will require a bit more development dollars. You can start simple with a Lead form and integrated into Constant Contact for follow-up and expand the website over time.

**TAKEAWAY:** A poorly defined website objective will cost you more in time and development dollars.

## **2. Understanding the Internet - Some Assembly Required**

If you are planning an Internet business just how good are your web surfing skills? Are you comfortable with spending hours researching and reviewing information on-line? It will help to become more of a "Google expert" and that means something more than entering a search term at the website. You will need to understand how Google establishes the ranking of websites and even how they too make money on the web as getting traffic to your website is very critical.

Internet web development skills are not necessary to start a business, but it does help to understand how websites are created. A good resource to start if you don't have a good understanding of the basics is the "Internet for Dummies" books. They will help explain everything from security issues to social media and get you familiar with the lingo. Also, there are many books and free information at websites about SEO (search engine optimization) the process for bringing traffic to your website from the search engines.

**TAKEAWAY:** The less you know in this space, the more potential mistakes will be made when deciding the right technology or business direction to go in.

### **3. Establishing Profit Margins - Mind the Gap**

Before you start thinking about all of the money you will be making with an Internet business, research the profit margins. For a Ecommerce website this is rather straight forward prediction. You contact the distributor of the product, find out the wholesale prices in stocking or drop shipping the items, and use Google Shopping to get a basis for the resell prices. Establishing profit margins for content or lead generation websites is a bit more difficult as there is no initial cost of goods you will be incurring, but there is your time to research, compose, and prepare the information for the website. Whether's its your time or someone you hire, no one's time is for free.

**TAKEAWAY:** You can make money with an Internet business, but it just might not be enough to live on.

### **4. Information Centric World - Will the Website Engage?**

Web visitors are looking for good information. The Internet remains a great source of information for the millions of users, so how will you contribute? Having compelling web copy that speaks to visitor you are targeting is very important. Video, graphics, photos are also critical in developing content that will encourage visitors to not only stay at your website, but refer to others. Ecommerce websites with lots of product photo details, customer reviews or installation videos will improve sales by converting interested visitors into loyal customers.

If you are planning a content website, that is the central item you are "selling" at the website. Your content will have to be fresh, interesting and varied to establish a strong presence. Google News will a key traffic source that you will need pursue.

**TAKEAWAY:** A website can never be "too engaging", the longer they stay, the more they enjoy, or the more buzz it generates are great problems to have.

## **5. Web Traffic is Vital - Is Anyone Out There?**

A common denominator to all Internet Business is having enough web traffic to sustain the business. It's simple, no web traffic, no business. Before launching the business there are ways to help predict web traffic potential. Using the Google Keyword tool, this free tool provides monthly estimate of search terms that web users use in looking for information or products. Spend quality time with this tool brainstorming search terms that define your business. The more precise in your terms the better. Create a spreadsheet planner from the numbers and develop assumptions to the potential traffic numbers.

Search Engines will be a major factor of traffic as organic (free) or paid traffic (CPC). There are many other sources such as Facebook, shopping comparison engines and buyer beware many false claims of "good traffic" from questionable companies.

TAKEAWAY: Brand new websites are challenged with no initial visitors in the beginning and even for existing website increasing web traffic is a constant concern.

## **6. Realistic Market Share Goals - Competition is Intense**

Once you have figured out the top web traffic terms discussed in the previous point, if there traffic numbers are very high, then most likely the competition is intense. There are many established players who have been doing this for ten to twenty years and if they are making money at it, they will not give up a seat at the table that easily. Use a web tool such as Compete.com to estimate the traffic of the top competitors in this space and review their trend line to getting established.

Be conservative in your traffic estimates in highly competitive spaces and target at what is called the "search tail" the more niche terms that are associated to the bigger number traffic terms. These niche terms can be more relevant to your business offerings and have an easier time in getting the search engine's attention.

TAKEAWAY: Search and study your competition, it would be rare instance if you couldn't find already established competitors.

## **7. Avoid the Scams - Taking Advantage of Gold Rush**

Fortunes have been made and can be lost with an Internet business. You may hear about overnight success, but these cases are rare or potential lies. Much like the gold rushes in the late 1800's there are many vendors selling tools to miners who are the only ones making the money. Common scams to avoid; "We can get you on page 1 of Google for just \$XX", "Be an affiliate website and make thousands in your first month", "Your own Internet business with little work".

TAKEAWAY: If it sounds like you will be making money in no time with no effort, then it's most likely too good to be true.

## **8. Internet Business Time - Visitors Decide in Seconds 7X24 World**

The Internet never closes and visitors will appear at all hours and from all parts of the world. If you are a Ecommerce website, will you ship products outside of the US and will there be live support available during business hours? Some potential customers may still prefer to talk with person over the phone before buying. How much customer service interaction would you need, if the roles were reversed with you as the customer, what would you expect?

Internet businesses should realize that decisions are often made in "Internet time" where in a matter of seconds a visitor will decide to stay engaged or move on. A key challenge for Internet based businesses is their customers are just "a click away" from moving on.

TAKEAWAY: Your website design will effect a visitor's decision to stay engaged or move on, constantly critique the look & feel for ways to improve.

## **9. Build v.s. Buy - Existing Website Sometimes are for Sale**

There are Internet businesses for sale, especially ones that don't have top ranking in the search engines and low traffic numbers. Note, there are many "cyber squatters" who are holding interesting website addresses in hopes of selling them. Be wary these are not real businesses and may only have traffic from accidental search traffic. Otherwise some owners are giving up the business for a range of reasons, and "aged" website businesses that do have some visibility within the search engines may have some value...but this doesn't always mean quality traffic is possible.

If you are considering purchasing an existing Internet business due diligence is highly advised. You can follow normal processes for purchasing existing businesses, but the exception if the website does not have any web analytics in place for over a year this is high risk. Hiring an outside consultant versed in reviewing a website traffic and channels is recommended.

TAKEAWAY: Buying existing websites can achieve results faster, but expanding the traffic will remain a concern.

## **10. Web Analytics - Marketing Insight Opportunities.**

Everything a visitor does while on a website can be tracked and monitored. The amount and detailed information a shopper or web visitor performs as they browse your website is invaluable information. This is great news for developing marketing insights into your business, and even better news is the basic web analytics tools are free from Google. Not paying attention to the rich information web analytics can provide is bypassing an opportunity for future improvements.

TAKEAWAY: The Google Analytics tool may be free, but set aside time to learn and study from it.