

# Learning the path to start an eCommerce Business

An insightful and practical guide to start an online business for achieving greater success



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## Chapter 1: Starting an eCommerce business



*Entrepreneur:- A person who is willing to accept losses in order to make a profit.*

*You, I and everyone on this planet would be an entrepreneur - if starting a business was so easy!*

Do you know according to small business administration, more than 28 million small businesses in the US, are making 99.7% of all U.S businesses?

But not every small business reach their success goal. In reality, only about two-thirds of working firms live for around two years. And about half survive for five years. However, you may be in for a real challenge when you decide to take the plunge – quit your day job, and become a business owner.

Here are a few points that entrepreneurs must consider for starting an ecommerce business.

## 1) Deciding the product/service category



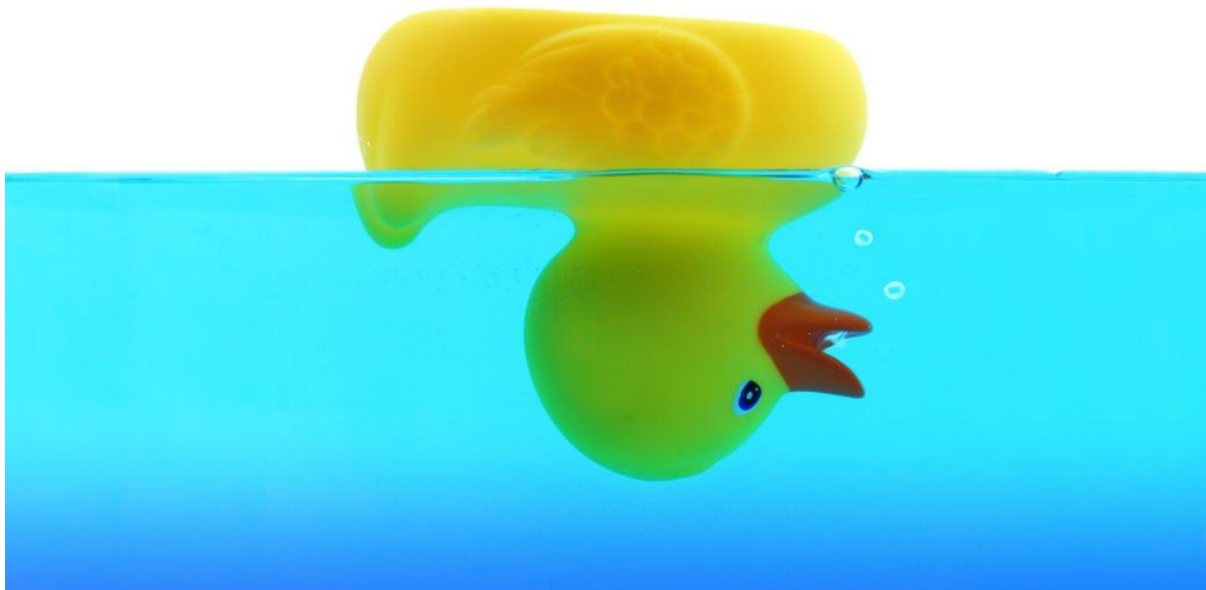
Today consumers have thousands of products and services to choose from. And there are endless opportunities for you to reach the marketplace and compete effectively with a new product or service that is somehow better than what your rivals are already selling.

Choose a product with recurring sales value, but you'll need to enter at the beginning of the product lifecycle in order to be successful. One way a retailer can create long-term profits is a consumable item that needs to be replaced on a

regular basis. Mastering to pick an upcoming trending product before it becomes a trend - is a valuable skill that comes from knowing your market.

Selling recurring products or services will strengthen your customer base as buyers will continue to come back to you to buy more as they use up the products. Additionally, happy customers are more open to recommendations for related products.

But what if, the product **FAILS!!!**



For a product to be highly successful it needs to reach the **\$50million** benchmark during the first years of its launch. However, according to the Harvard Business Review's [report](#), 75% of consumer packaged goods and retail products fail to earn even \$7.5 million during their first year.

Therefore, do invest in the product category that is already a hot-trend in your market niche. This would help you atleast sustain in the market, even if the “unique-product” fails to generate the revenue.

For example, if you’re planning to start a men’s apparels clothing business, then investing more in the dark blue T-shirt would be recommended (as it is suitable for most of your audience), instead of dark pink hoodie type apparels.

One of the best examples of recurring products to sell is [print-on-demand](#) goods. The print on demand model works on one simplistic defining principle – print after ordering. Consumers place an order and the product is created only after that order has been made.

*Let say, if you want to start your business of selling ‘t-shirts’. In print-on-demand business, you can contract a printing company to print the t-shirt’s design - as per consumers’ expectations - and only after - order is placed.*

Choosing the eCommerce model	Examples	Check or I checked
Business to Business (B2B)	Shopify, Dropbox, Xerox, Salesforce, Slack, Mailchimp etc.	<input checked="" type="checkbox"/>
Business to Consumer (B2C)	Amazon, Flipkart, McDonalds, Netflix, Volkswagen, Nike	<input type="checkbox"/>

2) On what platform you can start a retail or Ecommerce business



First and foremost, in this era of digitization - you need to go beyond brick and mortar. Now that you have selected product niche you want to pursue your small business – its time to take it to the next level. You can expand strategically and earn profits by deciding the best-selling platform for your goods and avoiding those with high fees or long-term commitments.

Ecommerce sites also allow a new and diverse customer base to be reached. But not each of them is created equal. Some have tremendous seller capital, while others are charging multiple fees without having a large number of customers you need to push your items.

Name any of the well-known online marketplaces Amazon, Shopify, eBay, WooCommerce, Walmart, etc, these are Budget-friendly resources for small business owners. Fortunately, many online platforms either have a free plan or free trial, so credit card commitments are not yet required. This means you can try your hands on, and move ahead which is right for your business.

And with prices starting at just \$9.99 a month for an ecommerce website, it doesn't always have to be a big hit for your budget.

## Other Investments required for doing retail business



The first question to determine how much investment you require to get the business on track is “Do you want to hire an in-house team or outsource each aspect of the business”. If you want to mold your **business’ success** exactly your way, then building your own team is the best approach to start.

According to [payscale report](#) for the US, here are the average salary or pay scale that an online business owner may need to spend yearly:

- Web developer/designer - **\$54,000 / annum**
- Business manager - **\$66,000 /annum**
- Project Manager - **\$82,000 /annum**
- Online Platform (Shopify, WooCommerce) - **\$100-\$1000 /month**



The [cost of your inventory](#) is another important consideration. Whether you're making the goods on your own or buying them from manufacturers, you'll need to find vendors at a reasonable price to deliver a high-quality product.

### 3) Dropshipping business model



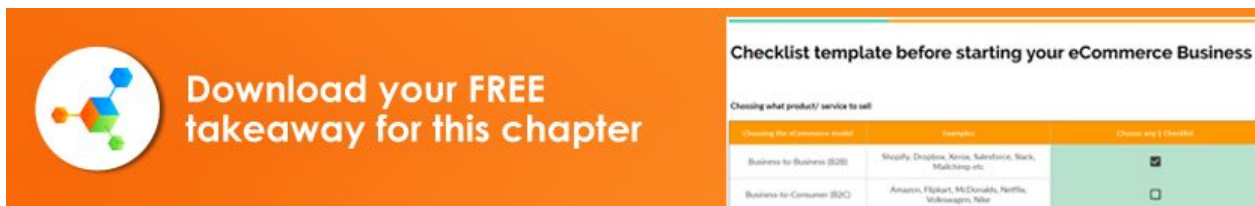
In the dropshipping business model, a third party handles all of the shipping and logistics, who “dropships” the product to the customer on your business’ behalf.

Let’s make it simpler. Dropshipping is a business model in which without keeping any inventory you can run your business. Once you receive an order, your manufacturer will send the products directly to your customer's door from their warehouse. You will never need to worry about your goods being packed, packaged, or delivered.

If you want to start a business then drop shipping can be the most profitable business model of all because you are not responsible for shipping and manufacturing costs. These profits can quickly be reaped once you have found the right suppliers. Here's the list of "[Top Dropshipping companies](#)". You should measure your profit to make sure that you are on the right path to success.

## KEY TAKEAWAYS!

Download our "Checklist Template" that will help you determine what are the things **you must** make sure to have it before starting an eCommerce business.



The banner features an orange background on the left with a circular logo containing colorful dots and the text "Download your FREE takeaway for this chapter". On the right, a white box titled "Checklist template before starting your eCommerce Business" contains a table with the following content:

Choosing the eCommerce model	Examples	Choose any 1 (Default)
Business to Business (B2B)	Wooify, Dropbox, Xerox, Salesforce, Slack, Mailchimp etc.	<input checked="" type="checkbox"/>
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----- *Big business starts small* -----