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Faculty of Economics and Management

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Extended abstract of Bachelor Thesis

Economic analysis of business in selected industry

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Abstract

The main objective of this study is analysis of trading platforms in the internet. Their classifications, advantages and disadvantages compared to traditional stores. The study of the factors influencing the demand. Determination of the number and categories of buyers who purchase products in online shops, as well as in retail. Determination of the frequency of visits of retail and online stores. The study of the necessity of usage of online shopping at the present stage of development of the world economy. The creation of the own shop on the basis of theoretically obtained data of modeling.

Key words: e-shop, internet, market, analyze, prices, business plan.

Aims

E-commerce — is a quickly developing brunch of business. The aim of Bachelor's thesis is a consideration and analyses of the process of functioning of this special market, detection of its main regularities, as well as practical drawing up a business plan for projected e-shop.

The aim defines the main objectives of the research:

- To show the importance of making a right choice of the business sphere in e-commerce (market niche);
- To classify business-models of e-shops (sole-directed and combined);
- To compose the business plan for projected e-shop, that includes the following sections:
 - Characteristic of the object;
 - Investments' assessment;
 - Marketing analyses of the existing e-shops of the same profile;
 - Financial plan;
 - Risks assessment.

Methodology

Research was based on the principles of system approach, logical modeling of the processes. At the solution of problems of cost calculation for planning e-shop economic modeling, forecasting, were applied. At analyses of the current situation comparative, graphic analyses, sociological methods of research, static group of economic processes were used. Describing the process of formation of the Russian Internet market we turned to historical analyses. At analyzing of the

current situation at internet market we used a structural method of analyses with allocation of main features. Comparative analyses was applied at Comparative study of different groups of goods in internet.

Theoretical section

Recently e-shops began to enjoy very high share of popularity. The most part of a world's population is considered to be the clients of such virtual enterprise. And this factor demands from businessmen of serious consideration for this field of activity. Internet market in Russia is a quite favorable and convenient platform, as for the moment there are don't exist a lot of offers online yet, but there are a lot of users seeking to buy cheaper the same qualitative goods as in shops offline. Therefore, the weak competition will be only on advantage for the beginning businessman. If the one makes a successful choice of goods for realization, the shop online can become a kind of "pot of gold". When comparing stationary shop and Internet resource, in favor of the last it is possible to note the whole set of advantages, among which: fast start, the smaller volume of investment and expenses, huge audiences of buyers and fast payback.

Practical section

In practical part of this work I am going to analyze development of e-shop and future profit of it. Shortcomings of e-shops in comparison with traditional (offline) are obvious. The main shortcoming - absence for the visitors of an opportunity to take goods in hands. But also advantages are quite considerable too. The main thing from them, that electronic shops give the chance to react most flexibly to inquiries of the market and to offer the attractive prices, minimizing the expenses. So, for example, the owner of e-shop doesn't need to rent expensive premises, to pay for big staff of service personnel (security, cleaning, an excessive staff of sellers and so forth), to rent warehouses and to store considerable commodity stocks. His trading space is pages of the website, and a warehouse —contracts with reliable suppliers.

Basic investments make purchase of the equipment and furniture for the office, creation of the website, purchase of the server, carrying out and installation of communication means of Internet in the office, advertising in the Internet.

Monthly expenses make: a monthly fee for means of communication, advertising, salary for personnel, rent for the office, materials for the office, the maintenance of transport for delivery of orders.

The conducted research has shown that such type of business as creation of e-shop is profitable, risky and perspective. One of the main conditions of its functioning is competently constructed

algorithms of work of the website attracting potential consumers of the goods offered by e-shop and well-arrange system of delivery for orders that is connected with objective economic and financial operating conditions of sellers in the market.

Opening of e-shop will demand from the project manager of devotion, a high level of strong-willed efforts, knowledge, tactical manipulations at registration of bureaucratic documentation, and also understanding that this type of business demands careful study and considerable capital investments. If the project manager understands, and takes the responsibility for creation of the company of such scale and character, takes the responsibility for lives of the people participating in production, then his intellectual, financial and personal investments will make profit, and the company will fulfill the direct task, necessary for economy and society within decades.

In conclusion it is necessary to emphasize once again that the mistake would be to consider that during creation of e-shop the most important thing is to create the website, effective and convenient for visitors. As well as in any business, in this case the effective business plan remains the main point.

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