

Czech University of Life Sciences Prague

Faculty of Economics and Management

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Bachelor Thesis

Economic analysis of business in selected industry

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CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Faculty of Economics and Management

BACHELOR THESIS ASSIGNMENT

Evgeniya Tyurina

Economics and Management

Thesis title

Economic analysis of business in selected industry

Objectives of thesis

The aim of this work is evaluation of a business entity from the economic perspective and proposals for improvement of entrepreneurial activity for this business subject. Particularly, the goal is to evaluate real opportunities in the e-shop market in the Czech Republic.

Methodology

The study of business literature and documents, Swot analysis, basic statistical analysis.

Theoretical section is done by study of special literature. Analytical section is completed by cross-sectional analysis in the area of e-shops and use of data visualized by graphs.

The proposed extent of the thesis

40 pages

Keywords

e-shop, business plan, internet business, e-commerce

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Glover, Steven M, Stephen W Liddle, and Douglas F Prawitt. E Business. Upper Saddle River, N.J.: Prentice Hall, 2001. Print.

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Declaration

I declare that I have worked on my bachelor thesis titled "Economic analysis of business in selected industry" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the bachelor thesis, I declare that the thesis does not break copyrights of any their person.

In Prague on

Evgeniya Tyurina

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I would like to thank Ing. Petr Prochazka MSc, Ph. D., for his advice and support during my work on this thesis.

Economic analysis of business in selected
industry

Ekonomická analýza podniku ve vybraném
odvětví

Abstrakt

Hlavním cílem této práce je analýza obchodních platforem na internetu. Jejich klasifikace, výhody a nevýhody ve srovnání s tradičními obchody. Studium faktorů ovlivňujících poptávku. Stanovení počtu a kategorie kupujících, kteří si zakoupí výrobky v on-line obchodů, stejně jako v maloobchodě. Stanovení četnosti návštěv maloobchodních a internetových obchodů. Studie o nutnosti použití on-line nakupování v současné fázi vývoje světové ekonomiky. Vytvoření vlastního obchodu na základě teoreticky získaných dat modelování.

Klíčová slova: e-shop, internet, obchod, analýza, ceny, podnikatelský záměr

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.

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1. Introduction

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

E-shop can be an additional source of profit for stationary shop or exist independently. In general, it is a variant for big cities where the rent cost of real estate for business is very high, and the beginning businessman has not a lot of money available. Such activity becomes more and more profitable and demanded. People use such services more and more often because of their obvious low cost.

This type of business doesn't demand high labor expenses at the initial stage. The owner of the shop can combine himself functions of the content manager who is responsible for filling of e-shop with goods, news, useful information and so on; the orders manager, the administrator of e-shop, the purchasing manager, the accountant and even the courier. In the process of business expansion it is worth employing to these positions of certain performers. As an alternative of employing of own couriers, it is possible to use special courier services for delivery of goods around the city, area and country.

To come to payback level, the e-shop has to provide the level of net profit not less, than the sum of monthly expenses plus a covering of initial costs of opening of the shop. It is also necessary to consider taxes and emergency expenses.

It is necessary to emphasize that creation of the convenient and effective site of e-shop is the important, but, nevertheless, not the main task at the organization of Internet business.

For the owner of e-shop the most important tasks demanding serious consideration are:

- what to sell: it is necessary to choose goods, only if the e-shop isn't created for the purpose of advance of the real shop with goods;
- optimization of costs of creation and maintenance of infrastructure of shop;
- development of advertising strategy, ways of ensuring competitive advantage

One of the most important questions of e-shop operating is control of a payment method and delivery of goods.

For this purpose it is necessary to think over logistics of payment and delivery of orders of e-shop and to add the corresponding options of payment and delivery of the order in e-shop.

To open e-shop technically is rather simply, and the main time will be dedicated to development and promotion of the shop, organization of delivery, advertising, processing of orders and buyers' inquiries.

Today a lot of companies are engaged in realization of the goods through worldwide network Internet, the majority of them doesn't feel the competition as this market is still very free. This business rather quickly pays off, but demands some volume of investment, therefore the business plan for such enterprise has to be obligatory, as the detailed management, with all calculations, terms, risks.

2. Aim and Methodology

The aim of study is to explore the main principles of online stores. As well as investigation of the structure of the electronic shop.

2.1 Aim

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.

2.2 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.

3. Theoretical section

The goal of the theoretical section is to create the basis for the current study an online store that is demonstrated in the work.

3.1 Initial essential steps in arrangement of e-shop

3.1.1 Choice of the sphere (niche)

Very important for success of your e-shop to choose correctly a right niche. Niches in business are called fields of activity. That is each niche is a certain field of activity. In e-shop we will present production, which will satisfy requirements of a certain group of people. It will also be our niche — our product category.

From the poll, which I had conducted on the page on Facebook, having asked my friends, to think over what niche you would choose if you have wanted to open an e-shop, I have received the following answers:

- female erotic underwear;
- accessories for mobile phones;
- female handbags;
- LED lamps;
- textiles;
- household chemicals;
- tea;
- fashion jewelry;
- consumer electronics;
- snowboards;
- goods for boxing;
- coffee machines ;
- umbrellas;
- clothes for children;
- goods for children under 3 years old;
- photo cameras;
- sport rucksack.

Many people choose niches, having faced a problem to buy something in their region, and thus understand that can be in demand. I think, that the one shouldn't choose smartphones, computers, phones if you start your business for the first time from “zero”.

Watching people who already cooperate with large distributors of electronic equipment and have their own e-shops, we can say, that their prices due to large volume of purchases will be much lower, than we will be able to offer. It is very difficult to compete with such companies. Therefore we don't find rational to choose these niches, but in this situation accessories to these goods will be well on sale.

It is necessary to consider the choice of a niche properly, and only after this stage to go further. It is very important, because this our decision will influence further development of e-shop.

It is possible to take, by a professional advice, some ready niche — and at once to begin to work. According to opinion of the skilled trainer of business trainings on opening of online stores D. Solovyov [3], there are some categories of niches, which will always work irrespective of fullness of the market (they are called "evergreen" niches). In these niches in the market there is always a product which can be offered, and it constantly is on sale. Incomplete list of evergreen-niches:

- small pets and everything relating them: clothes, accessories, haircutting etc.;
- children and everything relating them: toys, clothes, education, development etc.;
- sport (people spare no expense for sports activities, especially those who are engaged in sports seriously): clothes for sport, sports equipment, accessories, food for athletes etc.;
- everything relating sex;
- table-top games and everything relating games, games of fortune and chance, entertainments;
- all esoteric goods: books, aroma lamps, amulet, talisman, magic crystals etc. It is very strong niche, as during economic instability people are inclined to believe in all mysterious, to escape reality. For today there are not too many e-shops of that type.

It is possible and to find independently a hot niche, interrogating people. On the basis of the received answers the one, wanting to open a e-shop, will be able to create something special, unusual, revolutionary. But there is a certain risk. There can come the moment when we suddenly understand that we were mistaken. It can be found out, when we have already started a traffic on the website. We will be comprehended by deep disappointment if there are no sales. It is better to choose after all something more traditional, than to invent the new direction, without having the solid starting capital.

There are some criteria, which allow to define how much this or that niche will be actual for the market.

1. Marginality.

This criterion shows how many money we take to our pocket from one transaction, that is from unit of the sold goods. Most likely, everything that gives less than 14 dollars from one sale, is considered not really good indicator. For example, one million can be earned in the different ways: to make one million sales, hundred thousand sales etc. Of course, it is more interesting, when it is less sales, but they bring more money. With one exception: if we aren't going to sell goods with small marginality sets or lots. Then our profit can be very notable even from a small amount of transactions [1].

There is an interesting fact: the more expensively you sell, approaching the top segment of the market, the easier there are sales. In the lower segment, where people have not enough money, it will be more difficult to sell. To force such group of people to buy your products will cost you huge efforts. It can be explained with the fact, that the market has several layers of consumers. Having found the correct niche, goods will be sold at any price. Even if we have begun sales with minimum price and gradually we are increasing it. Of course, when the price will be maximum, sales can fall, but only for some time. If we continue to raise the prices, sales will start over again growing. Why it occurs? The answer is simple — we will reach another category of people, who have got used to pay more, to buy more expensive, qualitative goods. Thus, even within one niche it is possible to pass from one layer of the market into another, more expensive. Therefore it is more favorable at once to begin to work in those layers of the market where people have money and they don't think of the goods price. It will be easier to work there.

However, it is important to remember such moment: at increasing of the price it is necessary to change a way of the goods presentation (sales offer). At different layers it is important for buyers the product is presented in the manner, the representatives of this segment of the market have got used. In other words, "to jump" from one layer of the market into another, can be required to remake completely our website, to rewrite all texts, to take absolutely new pictures, to change service (though the goods can remain the same, only packing will change) [11].

Statistics shows, that the segment of the market, where people have not enough money, makes only 10% of a common market, therefore you shouldn't concentrate on them. It is much more profitable to work with those clients who have money. They can buy a product just because they

liked it. Thanks to the fact that such clients have reached a certain welfare they adequately perceive high prices. It is more convenient to sell in this segment, even if ourselves can't refer ourselves to the same category of the buyers yet — solvent and free from prejudices. The only restriction is your fear of failure. All reasons of failure only in our consciousness, it is only internal restrictions.

2. Demand at Wordstat (Google Addwords).

It is necessary to enter, for example, on <http://wordstat.yandex.ru> and to type the name of our goods to recognize the amount of inquiries for it. If inquiries are more than 3000, it means, that people usually buy these goods, there is a demand for it. If it isn't enough inquiries or not in general, then it speaks about two variants of succession of events:

- the first variant — it can mean that there is no market for this product at all. It isn't created. No matter, what we will try to make in this case, we will have practically no sales. People just haven't got used to buy it. It is always easier to sell what the people usually buy;

- the second variant — it means that the market for these goods is on the stage of creation. There is an interesting example: the beginning Internet businessman has created e-shop of Five Fingers boots. These are boots with fingers (as gloves for legs), very convenient sports shoes [2].

In "Yandex" search system there were very few inquiries. This product has practically not been presented at the market, across Moscow there were only about 200 inquiries — very small indicator. Then the businessman has created group in "VKontakte" (social net), has invested 4 dollars in a contextual advertising and already from these 4 dollars made 20–30 sales (received approximately on 27-41 dollars from one pair of shoes at purchase price no more than 14 dollars for couple). People found him to buy such boots [2]. This case can be a good example of the arising market. But it is unique in its type. It is difficult to think up something similar. It is necessary to have good intuition or to devote a lot of time to the analysis of trends, communication with suppliers, to watch the market, and also to experiment, travel, observe that it is fashionable in other countries.

3. Competitors.

Of course, there should be competitors on the market, they have to be. If there are no competitors, then, most likely, there is no market too. Perhaps, competitors are only in the

market in offline and there are a lot of them. Then it is safely possible to enter with this offer the market in the Internet [3].

There are still criteria of the second order.

1. *Whether this niche is pleasant to you?* You have to test emotional satisfaction, developing this niche. It can be something that you with pleasure devote time. Of course, taking into account other criteria to.

2. *Convenience of delivery.* Let's say we have decided to sell goods which are in demand, however they have big weights and dimensions (for example, safes). Inconvenience of delivery can even rouse to refusal of these goods. Though this issue can be resolved quite simply: to sign the contract with transport company which will go in for logistics. It is necessary to work well over a link "logistics", especially if we plan to be engaged in large-size goods [5].

3. *A possibility for sale of the accompanying goods.* It means that we sell not only one some product of a certain brand. Let's say you have entered a niche of cameras, photographic equipment. Considerably big range of additional goods is possible: supports, lenses, covers, cases etc. With a wide choice of production when the niche can be expanded with various accessories, it is easier to develop [6].

4. *Repeated purchase.* If the client liked the shop, he can come to the shop once again. It is worth paying attention: whether he will find something on the website for repeated purchase? Thus the client base is also created.

It is possible to find also ready ideas in narrow niches. For example, sports subject. For example, if to visit the website of the official dealer of wrist sports watches Suunto (www.finland-watch.ru), then various sports directions for which it is possible to open online store are presented in the catalog (tourism, fitness, running, cycling, diving, rock-climbing, snowboarding, yachting, swimming and so forth). At the same time on this website only watches are presented — while each of the listed sports means specific equipment. Backpacks, sticks, helmets, sneakers, wristlets, caps, special shorts to sweat or not to sweat, leggings, bicycles, diving suits, cylinders, masks, ropes, equipment for rock-climbing — it is possible to make on online store for each sport.

If to visit the website www.movescount.com (it is made as a social network), then we will see a large number of icons. If to bring a mouse to an icon, then some kind of sport will be highlighted. On this website there are "61 sports activities" and each needs special goods [3].

Always the best way is to address famous brands. For example, sports: Adidas, Nike, Reebok; brands of household appliances: Apple, Samsung; brands of cars, bags, watches, etc. Advantage of work with brands: they have already own market, a huge number of fans, and to each brand you can "join".

Often there take place specialized exhibitions of suppliers where thematic goods are presented. For example, on equipment, communication, flowers. The companies represent goods and look for distributors who can sell everything that they have produced or have brought from abroad. There is a huge number of platforms of suppliers. On such websites it is possible to look what types of goods exist:

- alibaba.com
- aliexpress.com
- focalprice.com
- dhgate.com
- amazon.com

But before choosing a supplier, we need to find a suitable business-model of the shop.

3.2 Business-models of e-shops

At the choice of a business model it is necessary to compare them among themselves, estimate the available resources and restrictions which we have at present, to choose that business model which will be pleasant to us more than others and to move further.

To choose a business model, first, it is necessary to answer a question: "What do we want from e-shop?", "That we want to receive from this project?". It can be:

- trouble-free operation;
- speed;
- fast processing of orders;
- high income;

- moneymaking;
- remote management;
- wide range of goods;
- fast delivery;
- interesting content;
- a stable source of the income on remote management;
- the fastest sale of goods;
- the field for experiments;
- minimum of participation of the owner in activity of shop.

First, we want automation, that it wasn't necessary to work on it. We want to create e-shop not in order that we would have a new workplace, but to enter this business model and to observe from outside how our business works and brings in the income.

Secondly, we want that our e-shop works mainly far off, without binding to one point. That we could move, for example, to any other place and from there operate business.

Thirdly, that we have a stable source of the income, and with rather small investments of our personal time.

Therefore our task is - to organize work of e-shop so that it would work independently, and we could operate it from outside [7].

Further it is necessary to make the list of the available assets, which can help to create the e-shop. Assets are not only money, but also other resources, which directly or indirectly influence the size of our profit or speed of its receiving.

For example we have:

- easily available supplier;
- opportunity to create the warehouse;

- finance;
- intermediary agent, for example, found in China;
- ready team for work;
- time and idea;
- a car for delivery;
- room for office;
- possibility of delivery of retail lots, for example, from China,

It is possible to call these assets a springboard, which will allow us to create the e-shop and to build system further. The more assets we have, the more simple the work will be. So, we will list business models.

Partner business model.

The e-shop constructed on such model is a show-window where it is possible to choose these or those goods, but all the rest - the processes of registration and processing of the order — happens not in your shop, but in shop of the partner. The client who visits our page, chooses the clothes model, for example a jacket, clicks on these goods and gets to e-shop of our partner by means of which you advance the business. The idea is, that we provide a traffic for e-shop of our partner, and he, in turn, pays us remuneration for the ready order (usually about 15%, that is, if the client has come to shop of the partner from you and made the order for 14 dollars, you receive 2) [2].

Advantage of this business model is that we don't need to monitor process of the order and to process the order, so, managers who will sit on phone aren't required. Even it isn't necessary to look for the supplier — that shop with which we will work, will become our supplier. Our task — only to create the website show-window, to start on it a traffic and to send visitors to the partner.

Today such business model gains popularity. In Russia it, however, so far isn't really developed, but we observe a tendency, when many large portals create sections especially for small e-shops. Such websites have a huge audience, which sends a lot of traffic, but this traffic is quite badly monetized because only one business model works — money at the expense of the publication of advertising. Usually the management of such websites thinks about additional form of

monetization. As a result the e-commerce model joins, that is the section with e-shop is created, goods are placed there, but process of the order is carried out already on the websites of partners. The management of a web-portal doesn't interest when the goods will be delivered, who calls, which way everything is carried out, the main thing is - the client to be satisfied, and the traffic generator has earned the partner reward.

Dropshipping: model of direct delivery.

Direct delivery (or dropshipping) is a type of business activity (most often on the Internet) which consists in sale of goods of the producer by the intermediary (dropshipper). At the same time the intermediary buys goods from the producer only after receiving payment for the goods by himself from the client [5].

It is model of direct delivery. Let's say we have e-shop, the supplier and the client. We download goods of the supplier into the shop: we publish their description, photo, prices, attract visitors. Further the order follows. We work on an absolute 100%-advance payment: we receive money from the client and we say to him that we will deliver goods in certain time.

Then we directly transfer the received money to the supplier, and he, in turn, from our person delivers goods to the client. If we have a good supplier-drop shipper, on a label of the parcel he will specify our contacts and a logo of e-shop. The client cannot guess that the goods have come not from us, but from the supplier directly.

Advantage of this business model is that we aren't engaged in delivery: we don't hold goods in hand, we don't send in any courier services — delivery for us takes place virtually. Extent of "virtualization" of our e-shop in this system practically same, as well as during the work on the partner program. There we can even not contact to the client by phone, in a dropshipping business model the situation is a little another: we take the order by phone, but right after have received money from the client, we send the order to the supplier-dropshipper. Further our partner goes in for logistics [4].

Our benefit is that we shouldn't buy goods and to store it in a warehouse, therefore in the e-shop we can present the considerable range of goods (everything that our supplier has, we spread on the page at once). However, we should monitor presence of these or those goods at the supplier.

In Russia the dropshipping business model so far only arises. Practically any beginning e-shop can work on this system. If the supplier is in our country, then everything is simple: we receive money from the client, we buy goods from the supplier who sends them to the customer.

If the supplier is located abroad (for example, in China), then the scheme is a little another. As the goods are delivered to the client from abroad, it will pass customs bodies. There are some peculiarities in this process.

Anyway the lot has to be small (no more than three units of identical goods) and the order value shouldn't exceed 1100 dollars in purchase. Then this parcel will intend for the natural person and won't get stuck at customs. Any e-shop has to take it into account and not allow clients to order larger lots. If someone orders a mini-wholesale parcel, that is a risk that it will get stuck at customs and we should deal with this situation personally.

As for taxes and fees. During the work on the scheme of a dropshipping we will need to pay a tax on the gained income. In general, it is convenient to use the simplified system of the taxation. Let's say we receive all payments on the settlement account of the individual entrepreneur and we pay from it the fixed tax of 6%.

Then we withdraw this money from IE for the cash card as the profit, and after as the natural person we order goods in e-shop on the usual cash card. The business model turns out a little difficult, but it opens huge prospects for the beginning businessmen. There are no barriers, business can be organized very simply.

Of course, to develop multimillion business much more difficult by this way, but to begin so can every person. Without possessing stocks of goods in the warehouse, even without suppliers in Russia or somewhere in our region, all of us can equally start the e-shop, develop it, process orders, earn to ourselves reputation. And when turnover of our shop will become more essential, when we calculate in what goods our audience is interested, when find out what has to be the offer in our e-shop, we will be able to find good suppliers in our region and to organize faster delivery.

Other option — purchase of a consignment of goods abroad and their import to Russia with a customs clearance and certification, but already under the trademark [7]. That is at the initial stage, it is more advantageous model, than previous. We won't need to be invested neither in logistics, nor in expansion of the range of goods.

Sale "under the order".

Working on this system, we agree with several suppliers in the or neighboring region and we represent all range of their goods in e-shop. Then we advertise the shop, and visitors come and make orders.

To process the order in e-shop, we mainly with our own money buy goods from the supplier, we bring them on the warehouse and already from a warehouse we deliver to the client. At receiving goods, the customer pays it. In this case for promotion of our e-shop we need some investments, as we should buy all goods first, and only after - to sell them [6].

At this model as we have already noted, the client will pay goods directly when receiving — in Russia such scheme works well. If abroad all have got used to pay at first goods with the cash card, and then to wait when it comes, but in Russia purchase happens differently: process of payment happens directly at the time of receiving goods, and sending is carried out by cash on delivery.

We will consider in more detail this business model "under the order". We expose proposals of the suppliers in the e-shop, without having at the same time any goods at ourselves in a warehouse. Right after obtaining the order we quickly buy a product from the supplier and we deliver to the client. What are the minuses in this system? If the goods don't lie at our warehouse, they will need to be taken from the supplier that on average will increase delivery period from our shop for one day (if we have no courier and we use services of a courier service).

In case the client doesn't not like the goods, we won't know what to do with it. Therefore, it is necessary in advance to agree with the supplier about possible return of the goods and to receive money, or to exchange for some other product.

Advantage of this system is - that we don't need to keep goods in the stock. As soon as we understand what will be in demand, we will buy these products from suppliers and we will quickly sell them. Thus we reduce the expenses and we reduce delivery period.

Model with own warehouse.

This model assumes that we have a warehouse from where we can sell the goods immediately. Advantage is - we carry out delivery to the clients as fast as possible, and there are no restrictions connected with presence of goods at the supplier as we precisely know what is stored at our warehouse.

However, there are also minuses — there is a risk that the goods won't be sold and will stay too long in a warehouse. Working under this model, we receive the maximum money, but also we risk at the maximum.

Combined business model.

Out the listed four schemes there is a combined business model.

Let's say now we have chosen a niche and have decided that we will sell, for example, goods for a garden. At first we create e-shop. We will organize it as a show-window, we expose goods, we publish a large number of content. At the expense of it our website quickly appears in search engines, the traffic comes to it, and thus we sell goods at first according to the partner program. We give the traffic to the websites of partners where our visitors become their clients. In parallel we collect client base, we learn what goods are interested to our audience, what is in demand, and that is not [5].

Further we start a business model of work with a dropshipping, that is we find the main partner for key goods in demand. We add the Order Basket element to our e-shop and we begin to work with clients directly. Meanwhile we form base of subscribers, we collect positive responses and we post them on the website, and in parallel we accumulate in our shop the wide range of the goods. During this work we collect statistics and we find out what goods are well on sale. After that in parallel with model of a dropshipping we start sales under the order and we offer clients a choice opportunity: to buy at cheap price, but with long delivery, or at expensive price, but with quick delivery. The range can differ a little. We can work in all directions at once, and it is possible not to disconnect model of work on the partner program (in this case if the interesting goods come to partner shop, we invite the buyers there). As a result we collect orders and we receive money from all these models. Besides the shop of the partner gives us data on new popular goods which we can find at a dropshipper or the foreign supplier.

As soon as we begin to understand accurately what goods will be well on sale, we can buy them on a warehouse. For example, our clients expect emergence of iPhone 5 and if we with high probability assume that they will buy it, then we can deliver these goods on a warehouse. Thus, our e-shop turns to look like layer-cake, consisting of many business models.

Our task is to use the maximum quantity of schemes in the conditions of our restrictions (temporary or financial). If we live in the small region and the closest supplier is quite far, then

sale "under the order" through our warehouse will be difficult. But we can start a business model by a method of direct delivery.

3.3 Organization of business processes in e-shop

Before beginning the sales, it is necessary to solve main points of business processes organization.

Legalization of e-shop.

Many beginning Internet businessmen consider that it isn't necessary, as their money flow from the sales are not too big and they don't need additional problems as to open JSC company or IE, pay taxes etc. Yes, it is possible to begin work without official registration, but it will be more similar to a hobby, but not to serious business. But if we want to do business, then as fast as possible it is necessary to do everything in a due form.

Advantages of legalization of business:

- many suppliers refuse to work with natural persons and for cash money: it is inconvenient for them;
- there is an opportunity to sign contracts with the outsourcing companies: to order the promotion of the shop, to work with express firms, with the companies on processing of orders etc.

Two legal forms most of all are suitable for the starting shop:

- individual entrepreneur (IE);
- limited liability company (LLC).

We will consider advantages and shortcomings of the specified legal forms.

Individual entrepreneur.

Advantages of such legal form: money can be withdrawn either in the cash machine, or in bank from the account, and also an opportunity to pay the fixed tax depending on system of the taxation.

However, at any insolvency of our business activity we will be liable with all the property, that is, if we have run into debt to someone on behalf of EI, the bailiff can address us and will arrest, for example, our car to sell it and to satisfy a debt.

One more minus — our home address (where we are registered) is legal and will be specified in all forms and documents (it is necessary to pay attention to it) [2].

Limited liability company.

This legal form, certainly, possesses a number of advantages before EI. First, the abbreviation LLC causes more trust in the client. Secondly, members of society, unlike EI, are responsible for the failures only with authorized capital: owners of expensive property don't risk to lose it in case of bankruptcy of the company.

As shortcomings we can note complexity of cash removal (if we withdraw money — it is necessary to pay income tax; if we receive money as the salary — a tax on a salary should be paid).

Taxation system

We will consider the simplified system, that could be of two types: 6% of all turnover of the company (that is: if within a year we have got 1370 dollars, we have to pay a tax of 82 dollars from this amount). It isn't necessary to show expenses of the company — we represent only that money, which has inflow to our bank account (it could be characterized as extremely simple scheme from the point of view of accounting and the reporting methods);

15% — are subtracted from our gross profit (the sums of the income minus expenses). But in this case it is necessary to show the expenses [3].

Ideal performance of initial business is the use of EI and 6% system of the taxation, when we can buy goods, not show them in our accounting documents and pay for them the fixed tax.

Registration of EI.

First of all it is necessary to get our individual number of the taxpayer (INN) then it is possible to start directly the registration of EI in tax authority.

It is possible to register the business independently by ourselves, and also it is possible to address to specialized office.

There are specialized resources where it is possible to prepare the application for registration of EI, further it is necessary to certify it at the notary, to specify the system the taxation (6 or 15%) and to prepare on the application for it.

Then it is necessary to pay the state duty, to submit documents to tax authority and in five working days to receive the certificate on registration of EI. Further we will receive the letter from State Statistic Committee, order the individual seal, open a bank account and start the work.

Also we should register a Cash-Register Machine. If we don't plan to give business function on delivery of goods and reception of cash to a courier service, then we can register the Cash-Register Machine, but we can not spend time, money and efforts on it, but to transfer these functions to courier services.

Acting as EI, naturally, it is necessary to arrange a proper accounting (in electronic form or printing) and to submit the reporting:

- commitment deposit on the simplified system of the taxation;
- quarterly contribution to the RF Pension fund.

How to organize delivery of orders.

Certainly, in any e-shop the main business process is delivery of goods to the client and receiving money from him. Usual ways of delivery: "Russian Post", express mail, and also delivery by the courier [1].

Own courier service.

Traditional approach to the organization of delivery of goods of e-shop is a creation of the delivery service: several couriers or drivers on cars which work in shifts, are employed.

Advantage of such delivery service is, certainly, promptness. Couriers will be ready to bring at any time the order, or there is even an opportunity to organize express delivery service (for example, "express delivery for 3 hours, for 500 rub" if it is not goods of a big size and doesn't demand the car for transportation).

Drawbacks: time which is spent on process adjusting for express delivery. Courier in the staff isn't always good because:

- time loss for instructing of the new employee, delivery business process arranging in a proper way;
- time loss of employees for preparation of accompanying documentation for the order, calculation of an optimum route;

- there are financial expenses including overhead costs, a salary, taxes.
- one more minus of the delivery service is an obligatory existence of own Cash-Register Machine (checks from this machine should be attached to accompanying documentation). It is necessary to buy Cash-Register Machine, to register it, that also involves certain expenses for the owner of the shop.

Usage of the courier company's services

Today such companies are developing very quickly and provide a huge number of services and opportunities on the organization of goods delivery.

Certainly, the main service of such companies is a delivery of goods from e-shop to buyers. The courier can bring the order going by subway (goods under 3 kg) or by the car (large-size things).

We are also interested in the time period of delivery. Many express companies provide the usual delivery limited on time (for example, till 7 o'clock pm). Though practice shows that time after 7 in the evening is convenient for 30% of buyers.

To make possible for courier service to organize delivery of our goods, it is necessary to bring them on a warehouse of the company first. Some companies offer such service: they take away goods from our warehouse or from the office, bring them to the warehouse and next day — to the buyer. Part of the companies provide this service depending on the minimum quantity of commodity units which they take away (for example, from five pieces), at the smaller number of orders this service is paid for (but in that case as you understand, prime cost of one order will be much higher, respectively, or you will earn less, or you should raise the prices).

Many e-shops deliver the goods on a warehouse of the courier company. But if the courier service works till 7 o'clock pm, then it is necessary to bring production till this time or next day to 8–10 o'clock in the morning. Therefore, it is necessary to decide whether it is convenient for us to work according to such scheme. Some companies accept goods on a warehouse till 10 o'clock pm almost every day (what for us can be convenient option: we finish the working day, then watch how many orders we have for tomorrow, and bring goods in the courier company).

The next moment, to which it is necessary to pay attention at the choice of a courier service is an interval of delivery. Some companies work only in the "delivery next day" format, and their courier brings goods to the client only when it is convenient to the courier and if there is no client on the place, then some courier companies can take a penalty from us.

Ideally the courier has to call in 30–50 minutes prior to delivery directly to the client and ask whether it is convenient to come in this interval.

If the courier doesn't call previously, the client is, for example, on the meeting and he doesn't answer the phone call. So we need to find out whether courier companies apply the sanction to e-shop for the fact that the courier has arrived, and there is no client on the place.

The following important point — the scheme of work of e-shop and courier company, in particular - exchange of information about orders. First way: we send the Excel-table to e-mail in strictly certain time, and if we were late for 5 minutes, then the courier company can refuse to deliver our goods.

Second way: “back-office” on the website of our courier company, we can enter login and the password and we see all information on our deliveries: when delivery has been carried out, the goods were not delivered. We can see also all our financial specification: how many money the courier has received from our clients what sum we had to pay to the courier company when she has listed her. By search of the express companies surely learn whether this service is available to your online store [3].

Now actively is developing such direction as responsible warehousing of your goods. Excellent option: we don't need the warehouse, all our goods are articulated, we get own accounting of our goods and we bring production to warehousing to a courier service. Further you don't need for each delivery to carry these goods from the warehouse on a warehouse of the courier company.

In this case our communication with the courier company is conducted by phone and in case the business goes well, it is enough to communicate through "back- office". We see the money received from clients in our "back-office" too — when the sum have collected, we press "Make an order for Money Transfer to Your Settlement Account" button, and next day the accountant of the courier company makes money transfer to our account. Once a month we can exchange with accompanying accounting documents with that company.

Payments in e-shop

- Cash payment

Some clients don't like any specialized forms of acceptance of payments, they like to work only with cash. The courier service accepts money directly from the client.

If we use services of "Russian Post" or EMS, then it is desirable to use cash on delivery. We send a parcel and we put the form of cash on delivery. After the client has paid the order in post office, he is given a parcel, and we receive our money back. The client should pay the commission for cash on delivery to "Russian Post". It is not very big, but charges of EMS are very expensive. If we send expensive parcels, then the commission can make up to 10 dollars. Therefore, it is necessary to consider this moment too and to surely warn about it our client.

- Electronic money

From alternative options — payment in electronic money ("Yandex money" and WebMoney). Young people often use these systems of payment, and also those who stick to active lifestyle on the Internet and have got used to pay for purchases in the same place. We need to open an e-account only.

- Payment according to bill

If the client doesn't want to overpay percent for cash on delivery, but lives in other city and wants to pay for the order in cash, then we can use acceptance of payments through Sberbank. We put the form of payment of our goods in e-shop, its automatic unloading, all data of the payer, an order value, the name of the order, his number are entered there. The client can print it on the printer and carry in Sberbank. their commission makes 3%. Sberbank branches are easily found in any city. Thus, we will be able to receive money from our client practically regardless of where he lives. If our clients live in other countries, then, perhaps, they will not be able to pay through Sberbank and we need to think over other options.

- Payment systems

It is possible to accept money through QIWI and Robokassa payment service providers.

In each shop there is a QIWI terminal where it is possible to pay any service. We need to sign only the contract with this payment service provider — and we will be able to arrange reception of payment for the goods. We also need a contract with Robokassa services. This system allows to accept payments through a network of payment terminals around the city. This system is multifunctional and can accept electronic payments of WebMoney, "Yandex money" and a number of other services.

- Credit cards

For reception of payment by credit card it is possible to use “Assist” payment service provider (it is necessary to sign the contract). If we don't want to sign the contract, then we can use “Assist” payment service provider that confirms payment of the client according to number of the mobile phone. Our client will get an SMS message with the password, and only after he enters it into the respective field of a form of the order, the payment is possible.

We will sum up the results: cash payment is the most demanded, further there is a payment through Sberbank, then "Yandex money" and WebMoney and on the last place is for the credit cards. Though everything depends on audience of our shop. If we clearly understand, who our buyers are, then we will be able to understand what payment service providers are most convenient for them. If our target audience — pensioners, then it is improbable that they will use "Yandex money" and WebMoney.

- Office of e-shop.

Rent of the separate premises for the new e-shop can become one of the most expensive articles of the unstable budget. Instead of investing the available funds to the business development, often inexperienced businessmen along with registration of business start to search the room for rent. Meanwhile in new realities not only a beginner, but also the e-shop with some history, can successfully do without own office. To understand expediency of rent of the separate premises, it is necessary to estimate expenses in all cases: at rent of the office and at alternative ways of business.

What expenses we can face at rent? First, single starting ones: the equipment of workplaces at office, connection of the Internet, phone, etc. Secondly, monthly expenses: a rent, a monthly fee for the Internet and phone. For the shop beginning the activity starting expenses can be very notable, especially if to rent the office (table 1).

Costs	Rent office (USD)	Home office (USD)
Premises		
2 working places (at ones)	822	—
Rent fee for 20 m ²	274	—
Internet		
Connection	55	—
Monthly payment	106	18\$
Telephone		
Connection	103	34
Monthly payment	12	18

Table 1. Comparison of the expenses: rent office vs home office.

It is very convenient to work at home. However a problem that at home we won't arrange the employee.

Connection of the Internet at office can be very expensive — corporate tariffs always much more expensively than for the private flat. The cost of connection of phone in office room is much higher too.

Thus, one-time costs of rent office will cost almost 1370 dollars with the subsequent monthly payments of 396 dollars.

One-time costs of home office make 34 dollars (and further 36 dollars monthly).

It means that starting costs of rent office more than by 30 times exceed costs of work of home office, and monthly expenses on work of the rent room by 10 times exceed the expenses arising at distant work.

4. Practical section

In practical part of this work I am going to analyze development of e-shop and future profit of it.

4.1 Characteristic of the e-shop

This project represents the plan of e-shop creation with money turnover in two years. Idea of the project: The idea of creation of e-shop with money turnover in two years pursues three aims:

1. Creation of the highly profitable enterprise.

2. Receiving profit.

3. Satisfaction of the consumer market on sale of goods with the order through system the Internet and home delivery with any form of payment.

Financing of the project: It is carried out by receiving the commercial credit of 20550 dollars.

Character of the enterprise: the enterprise for sale of goods with the order through Internet with home delivery and with any form of payment.

Project cost: 20550 dollars.

Payback periods: 2 years.

The income of the investor will make 1400 dollars.

Payments of percent on the credit begin from the first month of implementation of this project.

Return of borrowed funds begins from the first month of implementation of the project. This

circumstance is entered in this business plan for simplification of understanding of structure of calculation of a stream of discounting and regulation of a cash flow.

The put interest rate for borrowed funds is 17,5%.

It is necessary to consider that now banks reconsider interest rate for investment projects towards decrease.

Total amount of the added percent will make 1400 dollars.

Conditional life cycle of the project is 2 years.

Payback period since the beginning of implementation of the project is 2 months. Payback period taking into account discounting is 8 years.

The cumulative economic effect of implementation of the project for conditional life cycle makes 75 585 dollars.

Terms and main stages of implementation of the project.

The beginning of implementation of the project starts after receiving the credit. Finish - after 24 months.

Actions, necessary for implementation of the project, are described in the Table 1 "Project Stages" of Appendixes.

Characteristic of the object

E-shop is intended for realization of goods (clothes and textile) by reception and implementation of orders through Internet system and home delivery with any form of payment. The organization of work of e-shop, in comparison with the organization of common shop, has clear advantages - it is fast start, much smaller initial and constant expenses, fast payback, more wide range of buyers.

If the usual shop has no website, it is necessary to create it for the expansion of the audience. That is a consumer of such services can potentially be any user of Internet system, which wants to save time and often also money at purchasing of these or those goods.

In plans of the organization of e-shop the main costs for the following components are assumed:

- 1) online costs;
- 2) offline costs;
- 3) constant monthly expenses.

According to experts for "fast start" of e-shop in the simplest variant, the one does not need separate office rooms, warehouses, the allocated Internet servers. For this purpose it is necessary to rent the room in the apartment or an additional table in office room, to rent a virtual hosting, and to take goods from warehouses of the suppliers.

Online costs will make purchase of the domain and a hosting. Registration of the domain in the RU zone costs from 4 dollars now. The hosting on the reliable, fast server with a capacity of 500 MB an unlimited traffic, PHP, MySQL is necessary, the cost of which for a year makes about 100 dollars.

Development of e-shop system will cost about 2000-5000 dollars, it is necessary to consider that this price should include the design, projecting, programming, filling by the goods and placing in Internet.

It is also necessary to think up a domain name for e-shop, which looks like www.домен.ru. The domain name can be in any zone: .ru, .com, .net, .org, etc. It is necessary to check availability of a domain name on the hosting website.

Offline costs, that is - out of a network, include organizational expenses, which usually make expenses on registration of the enterprise in the form of LLC company, expenses on opening of the settlement account in bank, introduction of the minimum authorized capital.

For the equipment of online store with the operating office, it is necessary to think over in what style the furniture will be chosen, the design of the room for issue the orders, also for the equipment of workplaces of employees it will be necessary to buy computers, office equipment, to carry out a local network and to provide each employee with Internet connection and uninterrupted mobile and office communication.

It is also necessary to consider that this type of business demands constant costs for advertising:

- advertising in Yandex. Direct — from 41 dollars;
- advertising in Yandex. A market - from 41 dollars;
- advertising in Rambler. Purchases - from 41 dollars a month;
- other on-line and offline advertising - from 41 dollars a month;

Also support and development of the website of e-shop from 41 to 82 dollars a month will be required.

It is necessary to add that office expenses include some materials for office equipment, paper and etc. ly will be required.

This type of business doesn't demand high labor expenses at the initial stage. The owner of the shop can combine functions of the content manager, who is responsible for filling of e-shop with goods, news, useful information and so forth, the orders manager, the administrator of e-shop, the purchasing manager, the accountant and even the courier. In process of expansion of business it is worth employing to these positions of certain performers. As an alternative hiring of own couriers, it is possible to use special courier services for delivery of goods around the city, area and Russia.

To come to payback level, the e-shop has to provide the level of net profit not less, than the sum of monthly expenses plus a covering of initial costs of opening of the shop. It is also necessary to consider taxes and contingencies.

The average cost of one goods in clothing store will depend on those goods which are offered by the owner. The average cost of goods is from 40 dollars, at the same time average profitability - 20%. At the same time average profitability for getting the payback level, it is necessary to sale about 170-200 items per month, that is - 10-15 items each working day. Often customers in one order want to buy several goods, and also one manager can process such volume of orders.

To sale in the shop 10-15 of rather expensive goods per day, is necessary to have attendance of 1000-1500 unique visitors per day. It can be achieved, by optimizing the shop under search engines, applying methods of promotion and paying a contextual advertising. Thus, a fast reaching by e-shop of the payback level is a quite real task. It is necessary to emphasize that creation of the convenient and effective website of e-shop is the important, but nevertheless not the main task at the organization of business on the Internet.

For the owner of e-shop the most important tasks requiring the solution of the following:

- what to sell: it is necessary to choose goods, only if the e-shop isn't created for the purpose of promotion of the real shop with goods;
- optimization of costs for creation and maintenance of infrastructure of the shop;
- development of advertising strategy, ways of ensuring of competitive advantages.

For optimum work of e-shop scripts or web services are necessary. It is possible to use the WebAsyst Shop-Script software product which provides two options of e-shop opening:

- to buy scripts and to establish them on the hosting;
- to use web service (to be registered and begin to work).

Both options as a result allow to make the same — to open e-shop.

To be able to work with e-shop, it is necessary to understand what is scripts. Scripts are such software for installation on a hosting. Advantage of scripts is - the e-shop works completely at the equipment (web server) of the owner, and only the owner has full administrative access to the data.

The drawback of such option is only one: it is technically more difficult: for opening of e-shop, it is necessary to buy a hosting and to install scripts on it, for this purpose it is also necessary to study instructions for installation of scripts carefully.

When using web service the software is preset, and for opening of e-shop it is only necessary to be registered. It is rather simple, also how to register any postal address. Advantage of use of web service - the owner receives e-shop at once, and it isn't necessary to think of technical difficulties of installation of any programs at all. Shortcomings can be the following: the owner will have no access to a source code of PHP-scripts and FTP access. But if the owner isn't going to reprogram a product, then this function and won't be required.

Experts recommend to begin at the initial stage of creation of e-shop with web service, because it will allow to open the e-shop as fast as possible and with the minimum expenses. And it will allow quicker to begin to work on more important, long-term and complex challenges, such as the organization of sales, advertising of e-shop, etc.

At choosing of a ready-made product for e-shop it is necessary to pay attention how it is possible to add products, which are planned to be sold. Usually it becomes via the browser one by one or is imported from the Excel file.

During creation of the website of any type it is necessary to pay special attention to photos of the products as colorful and clear idea of the clothes will allow to sell it successfully. Existence of some videos on pages with the description of the products is also necessary that will be useful in order that the buyer could study characteristics of the clothes in detail.

Also as well as in usual shop it is necessary to take care of design of the e-shop. Some owners have the aim to develop unique design and plan in the budget huge funds for development. The size of the budget will depend on those goods which are planned to be sold. If the goods have to admire the buyer, then it is worth making investments in design. If the task after all costs in earning money, then unique designs should be postponed for later.

The most important what is required to any shop - it is good imposition, well readable name and the description of products, their photos, clear navigation on e-shop.

It is necessary to take care of competent and pleasant content in reading: to tell about goods, the company, shop, having published this information on a separate page.

It is also necessary to take care of feedback as the visitor of e-shop makes purchase, pays the money and he has to be sure that will be able to contact with administration of the website. Except an e-mail address it is necessary to provide various ways of communication: a phone number to specify the actual address of the shop, whatsApp number, Skype, etc. It is also possible to publish photos of the office, employees which always are in touch. Usually for the visitor will be sufficient to understand that in shop the real people work. It is only a question of trust and confidence.

One of the most important questions of e-shop work is a control of a payment method and delivery of goods. For this purpose, it is necessary to think over logistics of payment and delivery of orders of e-shop and to add the corresponding options of payment and delivery of the order in e-shop.

At ready-made e-shops there are payment methods and deliveries which are added in the administration mode — from the owner just it will be required to enter the name of the type and to connect to him the functional module for work with payment service provider or a delivery service. The whole set for all main payment service providers of the RuNet is a part of ready-made e-shops: Yandex. Money, Webmoney, Assist, etc. Support of payment service providers and delivery services is very important points.

Technically it is rather simple to open a e-shop, and the main time will be taken on development and promotion of the shop, the organization of delivery, advertising, processing of orders and inquiries of the buyers.

The specific problem of e-shop for sale of any goods is the choice of the software, which constitutes its structure. It is possible, to take also free programs, which are widespread on the Internet, but their technological level is too low then to consider is as the real application for good e-shop. It is possible to employ the private programmer and the designer who will design the website taking into account all the requirements.

His services are inexpensive, but quality of such work usually leaves much to be desired. It is necessary to be ready to the fact that creation of individual system will take a lot of time and nerves, and usually nobody, except the developer, won't be able to operate such system. The option of purchase of ready-made e-shop has only one minus — it will be necessary to incur costs for new design of the website. There is one more option - to employ the third-party company, which will create the Internet portal with the maximum number of functions for individual management, but usually it is very expensive.

Specialists of the market advise at the choice of the necessary option to look and study a program demo-version: usually all functions, which work in a demo-version will also work in final product. Special attention needs to be paid on those versions which developers won't be able to show on the presentation, usually they are simply not finished. At an assessment of the system it is necessary to pay special attention to two important things:

- entering data about goods to the special card (product item) should take no more than 15 minutes;
- to the web –specialist should be able to change the design easily.

It is also necessary to give some attention to the work of a warehouse of e-shop. Three main requirements usually are imposed to a warehouse of e-shop:

- access to goods (it is possible to find quickly any product and quickly to organize the delivery);
- wide range;
- minimum of expenses.

For small shop with one or two suppliers the warehouse isn't obligatory at all as it is possible to deliver production directly from partners. If e-shop is a part of the big trading company, then it is

necessary to allocate a separate place in the general corporate warehouse. It is necessary to appoint responsible person for a warehouse which would control delivery and purchase.

It is also necessary to think over work of a courier service. Own courier service is actual only for the Moscow e-shops only if the cost of one delivery is 0,6 dollars without use of corporate transport or 2-3 dollars, if the courier carries goods by car. If it turns out to be more expensive there will be more reasonable to resort to the services of the third-party express organization. Own vehicle fleet is necessary only to those companies, which sell on the Internet large-size goods, such as household appliances or furniture. At small orders it is the best solution to organize delivery by public transport.

It is also necessary to organize a delivery service under the main principles of logistics, and the responsible person has to be a good systems analyst. It is important to choose employees because for the buyer the courier is the face of the company. It is necessary to understand that the courier is necessary for work for the whole day, and work at large volume of orders with a changeable staff of couriers is unprofitable. To allow to have a rest to constant staff it is necessary to employ students for the summer. Salary of couriers is not very high, but they can be motivated by the system of bonuses, that allows to stimulate the courier to be in time to deliver as much as possible orders.

E-shop also needs own sales department – the call-center. In internet the potential buyer doesn't see "alive" either the seller, or the goods therefore specially trained operators capable to conclude the bargain at distance will be required. Only the initiative of purchase will proceed from the buyer therefore the representative of sales department doesn't need to convince the client to acquire goods –the operator just need to call back under contact phone, indicated by the buyer, to confirm the order, to specify the sum, time and the exact address for delivery.

At the first stage one employee can carry out all these functions. Then, in the process of sales volume growth, it is possible to expand the staff with two or three operators and the head of the service who will also except orders. Then it is necessary to develop structure of the call-center, to make the forecast of its work for the near future and medium-term prospect and to engage additional employees.

Sales can also be delegated to outsourcing – but only in case the maintenance of own call-center costs more, than services of the third-party company.

Payback in many respects depends on the range of the clothes, price policy, on quality of work of consultants and on delivery speed. An important factor is the work choice only for one city, for region or delivery across all Russia, the CIS countries. On average, the payback period of e-shop can make minimum 6 months.

Today there are a lot of companies, which are engaged in sale of the goods through worldwide network - Internet, the majority of them doesn't feel the competition as this market is still considerably free. This business rather quickly pays off, but it requires rather large volume of investment, therefore the business plan for such enterprise has to be obligatory as well as the detailed instruction with all calculations, terms, risks.

Respectively, the equipment will get pay back in a year, in the next periods all expenses will make other initial expenses.

4.2 Marketing plan

Before beginning to consider the competitive environment, we will consider current state of the consumer market. Now again accruing tendencies of the international crisis dictate the terms of activity, both citizens and the enterprises, and economy of the state in general.

The crisis phenomena in economics of 2008-2009 have exerted negative impact on structure of the world market. However, the market of Internet services showed the forward growth of sales. In the next years, demand for sales of services in Russia and around the world will only grow in the Internet.

Today popularity of Internet trade in Russia and in the world is high enough, that e-shop with correct management, could become not only an additional source of orders for usual, offline shop, but also to be independent, very profitable business.

The market of Internet trade in Russia in many areas isn't oversaturated by commodity offers yet, and the competition, often, is small. At the same time, we can observe the increase of the number of solvent Internet users every day and demand for cheap goods in e-shop from their party is quite considerable.

Detailed analysis of supply and demand of search results of Yandex and statistics of Yandex Direct will show what favorable commodity niches where demand exceeds the offer or offer in general is absent. Successfully chosen direction can make shop "a pot of gold". In turn, the unsuccessful choice can result in total absence of orders, and situation won't be corrected by neither the competent organization of process, nor powerful advertising.

The organization of e-shop, especially in the cities with expensive commercial real estate, certainly, much less expensive enterprise, than the organization of usual shop.

Quite often, the experienced buyer comes to offline shop only to touch and examine the goods then he orders the same goods in e-shop with a considerable discount and delivery.

Following the results of 2014 the number of the Russians purchasing goods online has increased for 30% and has made 70% of visitors of the websites of e-shops. Almost twice (from 50% to 70%) the number of active network buyers - making purchases on the Internet, at least, once a month or more often has increased.

According to the market experts, positive growth in this direction will remain, and in 2016 the number of Russians who will make purchases in the Network, will increase. According to polls of the RuNet, 90% of respondents in 2016 plan to buy goods through Internet. According to the same poll, the number of the participants of poll who have negative opinion about sales online was reduced from 12% in 2013 to 4% in 2015.

The average daily audience of sector "Goods and services" in the RuNet has grown by 40% in a year and has made 10,26 million visitors 2014, attendance of the leading resources of sector "Goods and services" in the RuNet for 2 years has grown by 5-6 times.

For half a year the number of the websites of "Goods and services" category has grown by 30% and by the end of the year 2015 has made 36,6 thousand. More than 30% of the websites of the RuNet – enter this category. The amount of inquiries by the word "goods" in a network in a year has grown by 25%, "services" – for 74%. The amount of inquiries "e-shop" in a network in a year has increased almost by 10 times and in the end of the year 2015 has exceeded a mark of 900 thousand. The analysis of audience of sector "Goods and services" in the RuNet (see Tab. 2 of Appendixes).

The most dynamically developing segments of the market are clothes and footwear, cosmetics, an flight and train tickets, and also children's goods. More than 60% of buyers of clothes and footwear on the Internet - inhabitants of regions therefore in regions the potential of growth of market size is much higher, as well as growth of number of buyers on the Internet.

The main motivator for buyers at the choice of e-shop is not the price, but the range of the offered products.

This tendency can be noticed first of all upon purchase by consumers of clothes and footwear - especially in foreign e-shops delivery cost for buyers doesn't play a significant role, the order of clothes from abroad can be an example of this: delivery of such clothes can make up to 10% of its cost. Important circumstance of activity of the market is that in Russia there are only several tens of online platforms with the number of purchases more than 100 in day from all 30 thousand e-shops.

Therefore experts of the market consider that those segments of Internet trade will grow, which will receive investments. Retail trade turnover in January, 2016 has made 23,2 billion dollars that in the comparable prices makes 103,5% by January, 2015.

Data on dynamics of retail trade turnover are presented in Table 3.

	Billion dollars (USD)	In % to the relevant period of the previous year
2015		
January	20,83	107,4
February	20,77	107,9
March	22,36	107,4
I quarter	63,97	107,6
April	22,54	106,8
May	23,36	107,1
June	23,89	107,1
II quarter	69,80	107,0
I half of the year	133,77	107,3
July	24,49	105,5
August	25,18	104,4
September	25,20	104,5
III quarter	74,88	104,8
January-September	208,66	106,4
October	25,96	104,0
November	25,92	104,4
December	31,5	105,0
IV quarter	83,39	104,5
Year	292,05	105,9
2016		
January	23,22	103,5

Table 3. Dynamics of retail trade turnover [7]

In January, 2016 retail trade turnover for 89,6% was formed by the trading organizations and the individual entrepreneurs who are carrying out activity out of the real market. Data on dynamics of retail trade turnover by foodstuff, including drinks, and tobacco products, nonfoods are presented in Table 4.

	Food products, including beverages and tobacco products		Non -food goods	
		In % to		In % to
		Corresponding period of the previous year		Corresponding period of the previous year
2015				
January	9,84	105,9	10,98	109,4
February	9,81	105,2	10,96	110,3
March	10,51	105,3	11,84	109,3
I quarter	30,17	105,2	33,79	109,7
April	10,5	104,3	12,03	108,9
May	10,9	105,1	12,46	108,7
June	11,10	104,3	12,78	109,6
II quarter	32,51	104,6	37,28	109,1
I half of the year	62,68	104,9	71,08	109,4
July	11,37	102,0	13,12	108,7
August	11,58	101,2	13,6	107,3
September	11,56	100,9	13,63	107,9
III quarter	34,53	101,4	40,35	107,9
January-September	97,22	103,7	111,44	108,8
October	11,92	100,6	14,03	107,1
November	11,99	101,2	13,93	107,3
December	14,77	102,0	16,72	107,8
IV quarter	38,7	101,3	44,69	107,5
Year	135,92	103,0	156,13	108,4
2016				
January	10,98	100,9	12,23	105,9

Table 4. Dynamics of retail trade turnover by foodstuff, including drinks, and tobacco products, nonfoods.[4]

Practically all e-shops have warehouses, where they keep their goods. Data about change in commodity stocks in retail companies are shown in Table 5.

	Commodity stocks, billions dollars	Amount of the stocks in days for sale
2015		
January	8,98	33
February	8,74	33
March	9,11	33
April	9,20	33
May	9,28	33
June	9,30	32
July	9,25	32
August	9,33	32
September	9,73	32
October	10,21	33
November	10,63	34
December	11,81	30
2016		
January	10,28	35

Table 5. Change in commodity stocks in retail companies at the end of the month[4]

Data about structure of product resources of retail sector in percentage are shown in table 6.

	Retail product resources(%)	Including	
		Domestic production(%)	Imported(%)
2014			
I quarter	100	57	43
II quarter	100	58	42
III quarter	100	57	43
IV quarter	100	55	45
Year	100	57	43
2015			
I quarter	100	56	44
II quarter	100	57	43
III quarter	100	55	45
IV quarter	100	55	45
Year	100	56	44

Table 6. Data about structure of product resources of retail sector in percentage(%) [3]

In volume of commodity resources of foodstuff the import share in 2015 was 34%, in 2014 - 33%. In the companies of retail trade which are not considered as subjects of small business experienced in January, 2016 in comparison with the last month considerable decrease in volumes of sale of fish and seafood (41%), confectionery (36%), meat and meat products, vegetable oils, cheeses fat, canned food dairy, eggs, tea, salt and fresh vegetables (20-27%). From nonfoods realization sale of TVs (43%), computers, washing machines, refrigerators and freezers has decreased (35-37%).

In January, 2016 in the companies of retail trade which are not subjects of small business stocks of fresh potatoes (27%), meat of an animal, canned food fish, cheeses of fat, milk drinks, salt, bread, flour, fruit and vegetable products have decreased (11-18%). From nonfoods increase in stocks of outerwear by 37% was noted, decrease was observed on sale of computers, washing machines, refrigerators and freezers, TVs (15-17,5%).

Data on number of economic entities, involved in retail trade for the end of 2015 are shown in Table 7.

	Totally	Out of them				As reference – data for the end of 2013
		Commercial companies, considered as the subjects of the small and medium business	Medium companies	Small companies	Micro-companies	
Retail out of the real shops (under orders, by means of the post, TV-shops, internet and other types of sale)	12797	440	15	341	7275	9790

Table 7. Number of economic entities of retail trade for the end of 2015.

By 2017, according to forecasts of analysts, the market of e-shops and trade under catalogs will grow by 177%. It demonstrates, that the market of remote trade becomes more and more user-friendly that will attract new large players.

Analyzing the situation which has settled in the market of e-shops it should be noted the following. In spite of the fact that the number of participants of the Internet sales market and services has increased, the volume of potential consumers steadily grows day by day. It is necessary to perform surely a complex of measures for formation of consumer opinion, as in consciousness of the citizens in most cases Internet purchases are connected both with pleasant, and with unpleasant circumstances. Cases of unfair work in Internet are still frequent: e-shop after accepting payment doesn't send the product. The following actions are necessary for formation of an image to get reputation of reliable shop:

- installation of banners on the website;
- creation of a form for buyers;
- creation of confidential image of the website — to specify numbers of stationary phones, ways of communication with office;
- creation of convenient navigation of the website;
- carrying out trainings with personnel on the qualified work with clients;
- creation of infrastructure and working conditions.

The main method of production promotion can be considered advertising by means of banners and Internet banners as on the Internet there is no direct contact of the consumer with goods or the seller. Advertising sometimes is the only way to convince the user to visit the website and to become the buyer therefore it is very important that advertising was functional: possible to choose the necessary goods at once and to form the purchase, but transition to the company website can happen at the last stage of the order. For example, the MTS company for promotion of one of their product has designed "Calculator of free time" by which the subscriber can determine how many and when he speaks by mobile phone. The Nestle company has organized interactive project for the target audience – on-line community of office workers. The distribution network "Perekryostok" in advertising of the project "Healthy Food" used the interactive games "Calculator of Calories" and "Feed Carlson".

But even the best interactive banner doesn't guarantee large volumes of sales. The website of e-shop on which advertising conducts also has to work for advance. Ideally he has to be interactive too. For example, the potential client has come from the website for women– then a program system of shop, having traced "way" of the buyer, shows him on the homepage goods for women. Also the "electronic consultant" helping the client to choose the necessary goods and accessories to him is useful.

We will calculate the potential number of starting new e-shops in Russia. Statistical data as of 01.01.2015.

	Moscow	Sankt-Petersburg	In Russia	In European part	In Russian Far East
Number of the population in the settlement	11,514 mn people	4,848 mn people	142,9 mn people	112,53 mn people	30,37 mn people
Amount of the offered services, consumed in 2015	0,5 billions of dollars	0,19 billions of dollars	5,7 billions of dollars	4,48 billions of dollars	1,21 billions of dollars
Number of e-shops	3580	1400	36600	26000	7200
Average daily attendance «Goods and services» sector in Runet	10,24 mn of visitors	10,24 mn of visitors	10,24 mn of visitors	10,24 mn of visitors	10,24 mn of visitors
Increase of this business branch in 2014-2015	Starting with 22% in a year	Starting with 22% in a year	Starting with 22% in a year	Starting with 22% in a year	Starting with 22% in a year
Projected growth of e-shop market and sale under catalogues in 2017	177,00%	177,00%	177,00%	177,00%	177,00%
Statistically average price of the purchase	40 dollars	40 dollars	40 dollars	40 dollars	40 dollars
Income of e-shop per month	128 767 dollars	128 767 dollars	128 767 dollars	128 767 dollars	128 767 dollars
Shortage of the companies	2600	1100	28000	20000	8000

Table 8. Potential for users of e-shops [5]

Considering average data, the population total number for the Russian Federation makes 142,9 million people. The number of e-shops in the RuNet zone on official sources comes nearer now to 36600. Due to the gain of consumers of production of the Internet and the RuNet in Russia the potential number of starting new e-shops makes 28000 units, at an overall picture of increase of Internet - consumption to 177% per year.[9]

Experts consider that the number of users of any service allowing it to become socially important makes 1% of economically active population. It means, for Russia it is 1% of 71 million people, i.e. 710 thousand people. That is at competently built marketing policy, approach to the organization of production, creation of reputation, the new enterprise is capable to exist, carry out its functions and to make profit for its owner. Therefore, the organization of e-shop at competent management and performance of the mission has to bring the planned profit.

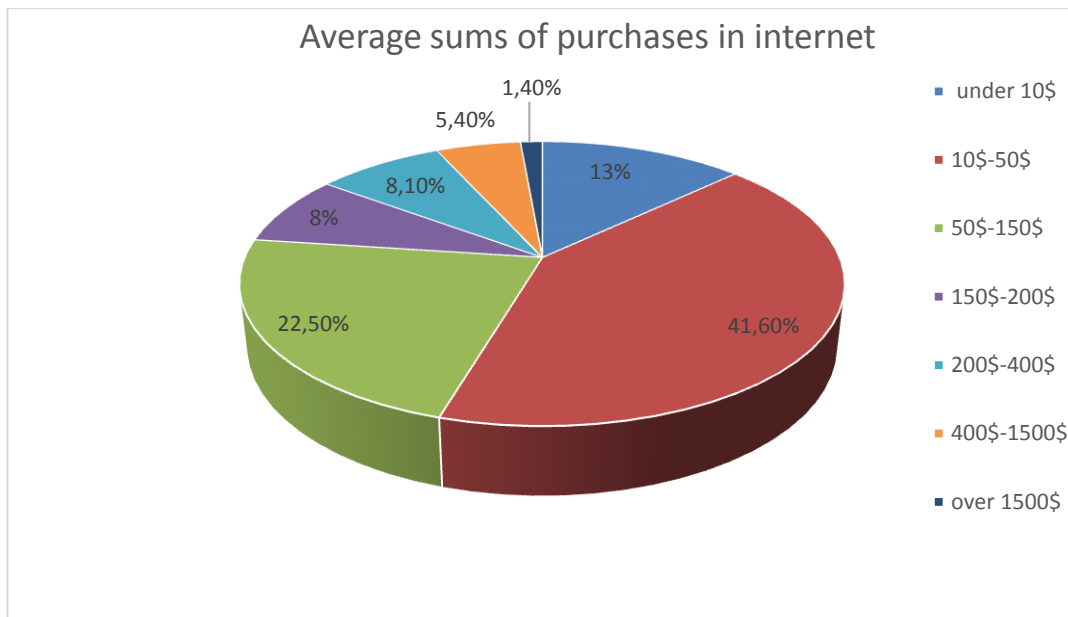
We will consider the competitive environment the Internet market. The gain of participants of the market according to the II half-year of 2015 in relation to the I half-year of 2015 is presented in Table 9.

Region	Increase of market participants in II nd half of the year in comparison with the I st half of the year of 2015
Northern-West okrug – Leningrad oblast	25,5 %
Ural federal okrug	12,5 %
Central Federal okrug	35,05 %
Southern Federal okrug	15,0%
Volga federal district	10%

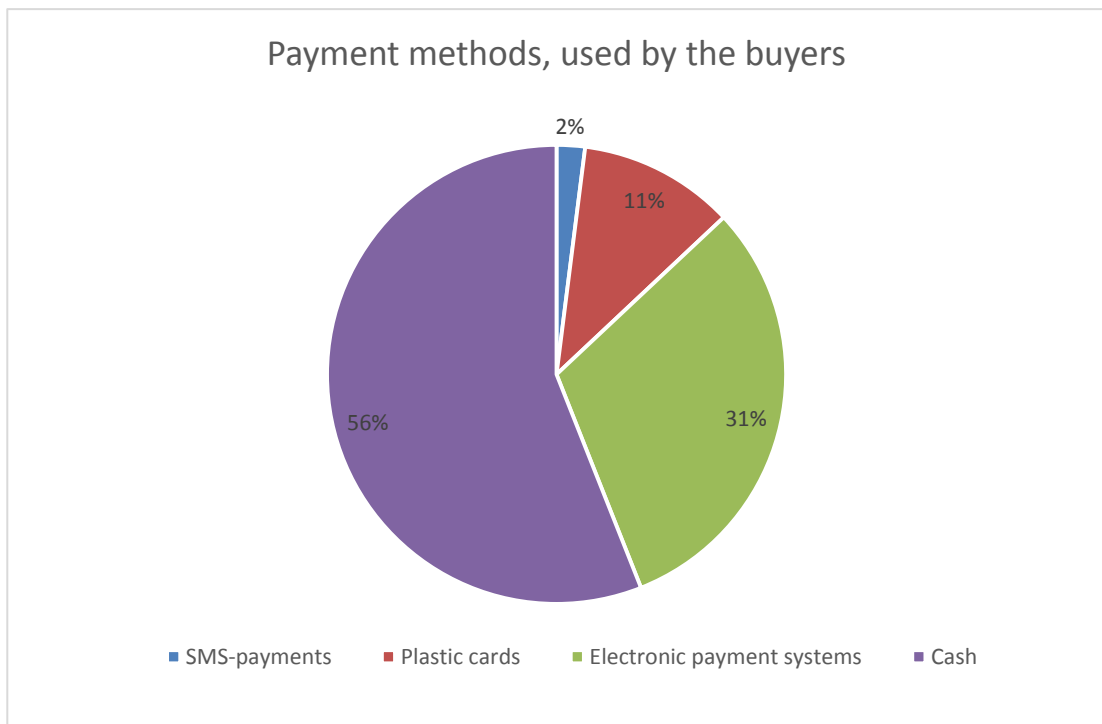
Table 9. Increase of market participants according to the IInd half-year of 2015 in relation to the Ist half-year of 2015[2]

In 32 subjects of the Russian Federation the share of network trade structures has exceeded average for Russian level. At the same time, in 6 subjects of the Russian Federation network structures in January, 2013 provided less than 8% of retail trade turnover of the trading organizations. The similar indicator across Moscow has made 24,1%, to St. Petersburg - 61,8%. The market size in the 2015 has made 5,7 billion dollars that is 30% more, than in 2014. 56% of Internet transactions are made in cash, – by means of electronic payment service providers. The average prices of the Internet goods in dollars are presented on the Scheme 1.

The average sums of purchases through payment service providers are presented on the Scheme 2.



Scheme 1. The average prices of the Internet goods in USD[1]



Scheme 2. The average prices and the average sums of purchases on the Internet.[1]

Now we will try to show the rating of the popularity of the goods in internet.

The TOP-10 of the goods, that users prefer to buy via Internet is the following:

1. Small home appliances and electronics.

Smartphones, tablet computers, crock-pots, bread machines, hair dryers and blenders are daily sold by thousands online. Leaders of Internet trade in electronics and small equipment in Russia

are Ulmart.ru and OZON.ru. Also Russians buy the lion's share of gadgets at such Internet auctions as ebay.com, amazon.com, and also taobao.com.

2. Books and office supplies.

Books on the Internet are bought both in paper, and in an electronic variant. The largest e-shop of books and office supplies, certainly, is OZON.ru. Other leaders are labirint.ru, books.ru and read.ru.

3. Clothes and footwear.

Clothes and footwear enter the leading top-three of the most popular goods in internet. There following leaders in RuNet: Wildberries.ru, Lamoda.ru, Butik.ru.

4. Tickets for trains and flights.

You can find a great number of variants for tickets staying at home... It is very convenient for the people and it is now very popular.

5. Tickets for concerts, theaters, cinema.

Nobody wants to stay in a queue and, of course, it is much more comfortable to go to the site and choose the place and time of the performance. We can find tickets at the following sites: kassir.ru, redkassa.ru и concert.ru.

6. Household appliances.

Many people prefer to buy refrigerators, TVs and ovens via Internet. It is possible to save at least 10% out of rather big cost of the equipment. Popular shops: mvideo.ru, holodilnik.ru, domostroy.ru.

7. Cosmetics and perfumes.

Creams, decorative cosmetics and aromas can be purchased on the Internet really cheaper, than in real shop. Besides, in a network you can buy professional cosmetics which is often extended through beauty shops with a huge margin. In search of beauty it is worth paying attention to parfumart.ru, aromat.ru and cosmoprofi.ru. It is possible to order cosmetics and in foreign shops with delivery, for example, to feelunique.com or iHerb.com.

8. Toys.

On the Internet mothers, being on the leave under childcare, are fond of purchasing toys. They almost don't have a time for visiting shops. In Internet it is possible to find rare models of cars or a figure of heroes from favorite animated films. The largest e-shops of toys in Russia are: mytoys.ru, detmir.ru, toy.ru and appropriate section of OZON.ru hypermarket.

9. Software.

Most often on the Internet people buy software from Microsoft and anti-virus programs. The enterprises and the companies often in internet order software for the organization of document

flow and maintaining accounts department. Also thousands of mobile applications for Android, iOS and other systems are sold.

10. Medicines.

Internet drugstore – quite young type of network trade. But thanks to attractive price policy, such way of purchase of drugs becomes more popular. The most popular Internet drugstores of the RuNet – the 366 network (366.ru), "Pills" (piluli.ru), "Rigla" (rigla.ru) and the Drugstore of IFC (apteka-ifk.ru).

We have chosen clothes for our e-shop and now can see, that it enters leading top-three of the goods, popular among the buyers.

So, the e-shop as business is a highly profitable and perspective one, at the competent organization of the process, despite of the tough conditions in the market. The number of the citizens wishing to buy goods on the Internet grows in connection with the desire to save the time.

Therefore, the number of orders for purchase will only grow in the Internet. The e-shop on conditions of sufficient investments brings in the high income and pays back production within one-two years. Therefore financial investments to its creation are quite justified.

4.3 Financial plan

The main equipment of the e-shop includes the following:

- cash-register machine Elves-Micro (Table 10 of Appendixes);
- printer Samsung ML-1641 (Table 11 of Appendixes);
- personal computer ACER (Table 12 of Appendixes);
- car for delivery of the goods to the clients (Table 13 of the Appendixes).

Technical equipment of e-shop has to help the growth of productivity, to answer safety measures, to correspond to reputation and the strategy of long-term investments put in marketing policy of the enterprise. For this reason the enterprise needs to be supplied with the highly effective, reliable equipment capable to secure this type of business against negative influence of external environment.

System of the accounting: Financial year of the company begins in January.

Description	Basis	Period	Rate in %
Income tax	Income	Month	20%
VAT	Added value	Month	18%
Property tax	Property cost	According to the set payment schedule	2,2%
Wage tax	Salary fund	Month	13%
Social payments	Salary fund	Month	34%

The predicted structure of the income.

The sales forecast of 2016-2018 is based on:

- analysis of demand of consumers of products and services of companies "E-shops";
- analysis of the market of services of the companies "E-shops";
- on the general conclusions about a condition of the market of the companies "E-shops".

By drawing up the program of realization of services of the company the lowest threshold of profitability of work of e-shop will be considered. We will consider the plan of outputs and the full product sales provided by e-shop.

Period	Service	Sales amount per month (items)	Price (USD)	Sales receipts (USD)
1-12 months of investing	Sale of the products	170-300 items	20-40 and over	From 10 000
13-24 months of functioning	Sale of the products	210-450 items	25-45 and over	From 12300

Table 14. Plan for services volume of the settlement period [2]

At keeping the tendencies of development of this market, namely a gain of volumes of Internet sales and consumption at the rate from 77% per year and above, the company will reach growth of volumes of sales from 120 000 dollars per year and more.

Data under expenses are presented in Table 15 of Appendixes. As the company pursues the aim to break entering barriers on the market, it is necessary to buy the high-quality equipment, which makes the main expenditure side of the project. Also in the analysis of expenses specifics of

production of the company are considered. Expenses include purchase of the equipment and creation of the web-site.

Also at the company needs highly skilled specialists, who will be employed under labor contract. The competition on vacant positions will be established for experts of the general and serving branches of work. Applicants will be selected within a month. The planned salary fund, the number of participants of the work team, and also the sum of assignments of taxes are presented in Table 16 of Appendixes.

All expenses of the company, presented in Table 15 of Appendixes, will be pay off within two years.

Risk assessment

Risks when maintaining this type of business are as follows:

- high risk of the order to the nonprofessional performer of the Internet website;
- high level of costs of the Internet advertising;
- high level of capitalization of investments.

Financial and economic justification of investments

For implementation of the project the company needs to take the credit of 20 548 dollars for 24 settlement months with a rate of discount - 17,5%. When calculating it has become clear that the point of profitability of the company begins from 2nd settlement month. During this period the first sum of profit will make 2 450 dollars.

After the crediting period the sum of profit will make 6 765 dollars at the same time profit of the bank will make 1400 dollars for 24 settlement periods. Monthly payments of expenses have made 5 563 dollars.

The total gross profit of the project has made: 267 945 dollars.

The profit of the project has made: 75 585 dollars.

Calculation of the discounted cash flows of the company is presented in table 15 of Appendixes.

5. Conclusion and recommendation

After carrying out the analysis of such type of business as e-shop, we have come to the following conclusions.

Contrary to the popular belief, the e-shop is not in everything virtual. Under close examination own legal trading platform on the Internet differs little from the usual, i.e. physically existing shop. For full functioning of electronic shop we need accounting department, cash-register machine (for work with cash payments), the competent sales assistants, employees who are responsible for marketing, delivery service (external contractual or own). Besides, the office for locating of the employees is necessary.

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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Stages	Conditions for implementation	Terms of fulfilment
Start of the project		1-2 years
Conclusion of investment contract	1 month of the project	1-30 of banking days
Obtaining of the bank credit	Availability of necessary set of documents	1 month
Registration at tax and administrating authorities, entering State Register	Conclusion of investment contract	1-30 calendar days
Specifying the location of the office and necessary paper work	Preliminary works	1 month
Ordering of internet-site, payments for hosting, scripts etc.	Preliminary works	1 month
Purchase of the equipment	Conclusion of investment contract	1-30 calendar days
Installation of the equipment	Obtaining of investments	1-30 calendar days
Employment of the staff	Operating activity	1-30 calendar days
Training of the staff	End of the period for arranging of the operating process	1-30 calendar days
Implementation of the marketing campaign	360 calendar days	1-360 calendar days
End of the project		12-24 months

Table 2. Stages of the project



ELVES-MK — the updated version of the ELVES-MICRO K Cash-Register Machine.

ELVES MK, arriving from the producer it isn't supplied with the ECPT block (electronic control protected tape block). As before, the cash-register machine has small dimensions and compact size. This reliable electronics were checked by the time. It was earlier used in the previous cash machine of this model - Elves Micro K. So as a result it has turned out really stylish and at the same time very ergonomic cash-register. Scope for its application has considerably extended. Such cash-register can be installed not only now in tents in the market, but also in shops and boutiques.

Producer has made efforts for creation of reliable and the durable printing mechanism. They used the Japanese thermos-head from ROHM company. Now its resource is planned on 1250 thousand checks. LCD display of this model of machine steadily works at a temperature of -20 °C.

Table 10



Printing method: laser print	Expendable materials
Color of the print: black and white	Density of paper: 60-163 g/m2
Maximum sheet size: A4	Print at: cards, films, labels, envelopes, matte paper. Capability of the cartridge is 1500 pages

Internal memory: 8 Mb	Number of cartridges - 1
Connection through USB - yes	PostScript support - no
Speed of printing: 16 pages/min (black and white A4)	Paper feed: 150sheets (standard)
Resolution: 1200 x 600 dpi	Memory amount: 8Mb
Dimensions: 353 x 209 x 298	Processor – Samsung
Guaranty period: 1 year	Noise level: under 50dB

Table 11. Printer Samsung ML-1641



Processor type:	Intel Celeron
HDD	80Gb
RAM	512Mb

Table 12. Personal computer ACER Power 2000 Intel Celeron 352 3.2GHz, 533MHz, 512Mb, 80Gb SATA, GMA 3000, combo, Geth, SS(1x2)b, Linux



LADA Largus (Universal)

Body type	Universal
Length	4470 mm
Width	1750 mm
Height	1636 mm
Number of doors	5
Number of sits	5-7
Trunk volume	135-560 l

Table 13. Car for delivery of the goods to the clients (LADA Largus (Universal))

Description	Cost				
	Number (items)	per month	per year	One-time purchase	Totally expenses over the year
Rent of the office	20m2	1260	15123	2520	2520
Purchase of office furniture	1			616	616
Purchase of office equipment and computers	1			2050	2050
Purchase of the transport	1			6342	6342
Organizational costs	1			360	360
Design of internet-site	1			1644	1644
Permanent costs (telephon line, Internet, electricity, expendable materials)	1	246	2959		2959
Purchase of domain, hosting, advertising costs	12	109	1315		1315
Salary	12	3947	47362		47362
- including taxes	12	1262	15143		15143
Unexpected expenses				1353	1353
Totally		5563	66760	14887	66523

Table 15. Project expenses [1]

Position	Monthly salary	Number of the employees	Number of months	Totally salary fund before taxation	Annual amount of taxes		Total costs of personnel	Taxes to be paid to budget
					Income tax, 13%	Social payments, 34%		
Director	753	1	12	9041	1175	3074	13290	4250
Accountant (as a second job)	164	1	12	1972	256	670	2900	927
Administrator	246	2	12	5918	769	2012	8700	2781
Manager for orders	205	1	12	2466	320	838	3625	1158
Purchasing Manager	205	1	12	2466	320	838	3625	1158
Programmer	205	1	12	2466	320	838	3625	1158
Courier	164	1	12	1972	256	670	2900	927
Driver	164	1	12	1972	256	670	2900	927
Cleaning woman	164	2	12	3945	513	1341	5800	1854
Totally salary fund				32220	4188	10955	47362	15143

Table 16. Taxes and salary costs [1]