

USING THE INTERNET AS A RESOURCE TOOL

The changing world of technology offers new opportunities for entrepreneurs to be able to access information for many business activities efficiently, expediently, and at very little cost. The internet can serve as an important source of information in the preparation of the business plan for such segments as the industry analysis, competitor analysis, and measurement of market potential, to name a few. Entrepreneurs will also find the internet a valuable resource in later-stage planning and decision making. Besides being a business intelligence resource, the internet also provides opportunities for marketing strategy which through its website can provide information on the company, its products and services, and its ordering instructions.

According to Shop.org, the online trade association of the National Retail Federation (NRF), online retail sales increased 52 percent, to \$78 billion, in 2002. The online audience not only has increased but represents a much broader cross-section of consumers. J Crew, a catalog clothing company, was recently rated number one in a study by Nielsen/Netratings for the best integration of online and catalog sales. Newport News, another clothing catalog company and a subsidiary of Spiegel Group, found that the Internet is an integral part of its total channel sales. According to the vice president of marketing, these media (catalogs and the Internet) worked together to enhance overall sales.

An entrepreneur should access competitors' websites to gain more knowledge about their strategy in the marketplace. Internet services are not costly and would be an important vehicle for the entrepreneur to gather information about the market, competition, and customers as well as to distribute, advertise, and sell company products and services.

In addition to websites, the entrepreneur can also investigate newsgroups to gather information anonymously from experts and customers on competitors and market needs. There are thousands of newsgroups online that cover a wide range of topics. These newsgroups represent online customers having the same interest in a topic (for example, gourmet food). Using the Usenet, which represents the news groups on the Internet, the entrepreneur can use key words to identify the most appropriate news groups. These newsgroups represent potential customers who can be asked specific questions on their needs, competitive products, and potential interest in the new venture's products and services. Individuals who are members of the newsgroups will then respond to these questions, providing valuable information to the entrepreneur.

Compared with alternative sources the entrepreneur need only make a small investment in hardware and software to be ready to use these online services. With the continuous improvements and modifications in the Internet, the opportunities for the entrepreneur in planning the start-up or the growth of a venture will be invaluable.

Hisrich, PhD, Robert D., Michael P. Peters, PhD and Dean A. Shepherd, PhD.
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