

CONTENT MODULE 3
INFORMATION AND COMMUNICATION TECHNOLOGIES IN
THE CONDITIONS OF INTERNATIONALIZATION OF BUSINESS

Topic 5

Starting an online business

Objective: To find out the features of online business.

Plan

1. E-commerce and specialization of sites.
2. Electronic tools of export and electronic communications of small business.



Basic terms and concepts

E-commerce, site specialization, electronic export tools, small business electronic communications, cultural values and orientations, online consultations, information and communication technologies, "electronic exports".

 **Thematic theses**

- 1 E-commerce and site specialization.

Online platforms are quite effective in terms of finding new partners abroad and establishing communication with them, studying the demand and characteristics of consumer behavior, taking into account cultural values and orientations.

With the help of e-commerce you can form the key elements of marketing strategy, determine the volume of supply and expected demand, as well as formulate approaches to pricing strategy. After all, a significant number of transactions related to the purchase of goods and services are carried out online. In addition, consumers receive information about the product, its properties, popularity and feedback through information and communication technologies. Online technologies provide communication between sellers and buyers, business partners abroad. A significant advantage is also the opportunity to get online advice from experts on business organization, trainings, expand the range of contacts and receive proposals from potential foreign partners.

Based on the above, it should be noted that online business technology is an important tool for successful exports. To do this, it is important to identify the company's ability to "e-export", as well as identify steps that will increase the level of capacity for online business.

For an effective organization of online activities, a constructive approach to building a site of export-oriented companies is extremely necessary. It is customary to distinguish the following forms of the site:

a) transaction site - electronic storefront and business catalog for retail trade, "exhibition hall" for the manufacturer for direct sales. These sites contain complete information about transactions via the Internet, which allows consumers

to search, order and pay for goods online, as well as allows you to constantly maintain contacts on after-sales service;

b) information delivery sites provide information about the product or service and the algorithm for the purchase of goods. The positive thing about such sites is their relatively low cost, and also allows the consumer to buy goods online at the best price compared to the price offered by competitors. Additional functional purpose provides the ability to forecast the price of goods or services, taking into account the situation;

c) the electronic market allows you to create a platform that provides interaction between buyers and sellers. The site allows you to search for potential customers at no extra cost. Examples are auctions, virtual supermarkets.

In turn, the company's attitude to consumers and care for them should be visible on the site. This includes the feedback element, thank you for visiting, and please fill out the questionnaire to help improve your service. The questionnaire should help identify the wishes of consumers who may need non-standard goods or services. For the modern consumer, the speed of access to information is also important. The buyer is looking for quick, easy solutions to their problems. That is, a careful approach to site design and improvement is necessary until it becomes attractive and useful.

In international practice, there are examples of successful online business that allow export-oriented firms to receive new orders without additional costs for advertising and product promotion activities. It is important for export-oriented enterprises that the export site is adapted to the information needs of foreign target audiences. The problem with many sites is that they do not encourage interaction with users, but instead provide static information. In modern conditions, it is necessary to strive for the export site to be a tool of two-way communication. To do this, you need to stimulate online interaction of target groups of visitors with the company and with other users: the exchange of ideas, wishes and experiences.

Export-oriented online activities are implemented in certain areas (Fig. 5.1).

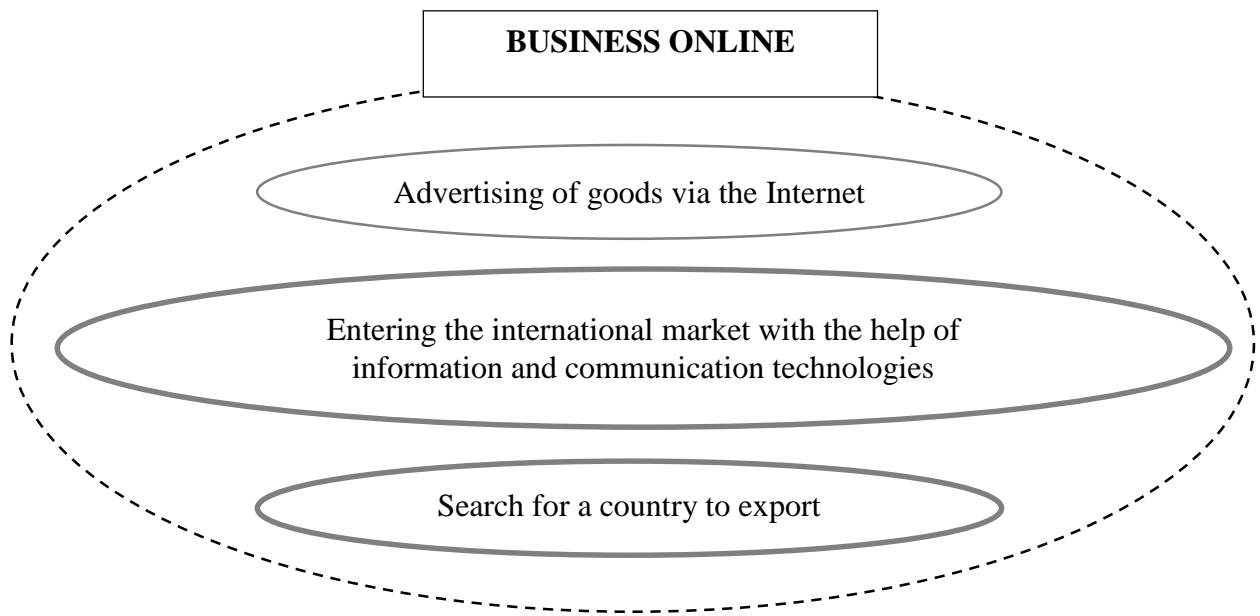


Fig. 5.1 - Directions for the implementation of export-oriented activities online

The company's efforts to promote goods or services in foreign markets can ensure commercial success. Work on the promotion of goods and services should include the use of all available mechanisms of communication and advertising to persuade customers to buy the products of a particular company and use its services.

Today, the number of companies developing Internet strategies to support business is constantly increasing. To create your own site you need to contact specialized companies that provide the following services: site registration with all interactive search engines; free site registration in all major servers; fixed location of the banner on the main page of the server; contextual display of advertising; participation of the site in the rating; specialized online advertising agencies.

The Internet provides many tools to influence the target audience, potential buyers: advertising on thematic and general information sites, banner networks, e-marketing, promotion through search engines and directories, link exchange, rankings, affiliate and sponsorship programs naturally, you need to determine the most profitable opportunities and make a media plan based on advertising funding.

You can use the following types of Internet services (Table 5.1).

Table 5.1 - Types of Internet services

Thematic site services (general and specialized)	The simplest and most successful choice for advertising a product designed for a specific segment of the Internet audience are thematic servers. A simple example: motor oils will be better advertised on automotive sites, and food processors - on culinary and other sites for female audiences.
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<p>banner network services</p>	<p>The company - the owner of the site, having connected to this system, will be able to advertise it for free. Everything happens in a certain way. The company places someone's banners on its pages, and it, in turn, is displayed on other pages. Each visitor to the company's page initiates the display of someone else's banner. How many banners the company will show on its page, so many will be shown on the pages of the banner system, except for those 10-20% of impressions, which takes the owner of the banner network as a "commission" for the service. He disposes of this percentage at his own discretion - he usually sells impressions to advertisers.</p>
<p>site creation and site registration services with all interactive search engines</p>	<p>A quality Web site can be used for advertising, to get an overview of the company, for products, to recognize a registered patented name, to connect with a wide range of consumers, official press releases, general subsidies, direct sales, customer support and technical assistance. The keys to success in these areas are a well-designed website and effective marketing, which guarantees a large number of "clicks" by Internet users. But developers should start not from the idea of creating a site, as they often do, but from marketing customer projects.</p>
<p>use of search engines and directories</p>	<p>a) free registration of the site in all major servers. The company's goal is to ensure that its pages are first in the search results for keywords relevant to its site. If the specified site gets to the list, for example, under three-digit number, the probability that the user will find it is extremely low;</p> <p>b) fixed location of the banner on the main page of the server (flat fee). The calculation is usually made during the placement - day, week, month. The cost depends on the popularity (traffic) of the search engine, its audience, the size and location of the banner on the page. The cost of advertising on Russian-language resources ranges from 7 to 10 dollars per thousand impressions;</p> <p>c) contextual display of advertising. In this case, the company "buys" in the search engine certain keywords. A company that sells windows can buy the words "Energy-saving glass", "window fittings", "installation". When searching for one of these keywords, the user will see relevant business ads in addition to links to pages. Keyword impressions typically cost between \$ 30 and \$ 50. Response to advertising, as practice shows, increases by 2-3 times</p>
<p>services of specialized Internet marketing agencies, as well as media buying agencies</p>	<p>The interests of the company's site can be represented by professionals in the field of online advertising - Internet marketing agencies or media buying. In the international network, their typical representative is Cybereps (www.cybereps.com). Unlike ad networks, they represent the interests of a particular site, not the entire network. Agency representatives are usually more experienced in sales and have a large customer base</p>

Practical information on international marketing can be found on specialized sites on international marketing. For example, there are "Global Export Marketing Information System" and "Internet Resources for Exporters".

The sites offer companies that have not previously been involved in exports the opportunity to take the first steps in the internationalization process to select the most acceptable markets for specific products. These sites are not only informative but also educational.

Another useful information resource, Euromonitor, headquartered in London, is an important source of data on international markets, focusing mainly on consumer goods. All information on the total level of consumption and per capita consumption is published on two levels: one - for European markets, the other - for all other countries. The information is selected and presented on the site from various sources, including national statistical offices, the private sector industry, trade associations and Euromonitor's own research and analytical primary research.

One of the ways to attract attention to the product via the Internet can be to create an English version of the site, indexing the site in foreign search engines and registration in network directories.

Many companies, having prepared a translation of the main page of the site, consider it sufficient and stop there. Some want to make their site one of the top ten search queries on Google.

Many leaders are willing to spend a lot of money to achieve these goals. However, it is possible to use other equally effective ways to promote business abroad via the Internet.

Translating the site into the languages of the countries targeted by the company's business plan is considered to be the most thoughtful strategy to make it easier for consumers to find and access advertising and information distributed by the company.

Statistics show that the number of English-speaking Internet users in the world does not exceed one third of the total number of users. Thus, focusing on English alone, the other two-thirds of users who never receive information about a product or service may not be covered, as for most consumers translations of texts into national languages involve additional time or financial costs.

Probably, this function should be assumed by the manufacturer or manager of the goods, and it should be borne in mind that the costs of the enterprise pay off over time. To do this, you can use the services of a translation firm that specializes in all (or most) foreign languages. If the company has not yet decided on the geography of markets, translated the site into the eight most common languages in the network - Chinese, Japanese, Korean, Spanish, German, French, Portuguese and Italian, it can reach 81% of Internet users.

In the advertising direction of preparation of goods for its offer on the market, you can choose another online form, namely: registration in foreign B2B-portals and resources, which is beneficial for the company, as the promotion of goods and services in this case is without intermediaries. B2B marketing is the cheapest and most effective solution in export activities, and most importantly, can bring faster results than long-term and B2B (Business to Business, literally

business for business) - a term that defines the type of information and economic interaction, classified by type of interacting sub 'objects, in this case - are legal entities that work not for the end consumer, but for the same company, ie for another business expensive "promotion" of the site on the Internet.

Some practical tips should be considered when choosing this method for offering goods on the Internet market:

- a) find the largest B2B sites for the selected country and register for them;
- b) create a website in the local language, add products to the online catalog of the trading floor;
- c) put products up for sale on the trading floor;
- d) constantly place commercial offers;
- e) find and contact companies interested in purchasing products similar to the company's products.

Another area that accompanies the reputation of the company and the trust of potential buyers, as well as is a good method of attracting targeted visitors to your site, is "article" marketing. Writing and publishing news and press releases of the company in the news blocks of foreign business portals will bring no less desirable benefits than localization of the site (translation and promotion of the site in foreign resources) and registration of the site in B2B-portals.

The final stage in the way the company enters the foreign market may be the registration of the site in a foreign domain.

All the above areas, methods and forms of access to foreign markets via the Internet will contribute to the promotion of goods and, ultimately, the commercial success of the enterprise.

2. Electronic tools of export and electronic communications of small business.

Any company on the global Internet can independently search for the country of export. Many exporting companies choose this path, because at the present stage it is the most affordable.

Buying or obtaining research reports on the state of the market is often quite expensive. In this case, the use of the Internet to gather information about the market of goods - one of the most acceptable ways by which companies can master the development of international and domestic markets.

The amount of useful and important marketing information available on the Internet today is significant and constantly updated with new sources. The Internet space has a variety of forms of information: numerous interactive newspapers and magazines; compiled significant lists of countries and industries; research and analytical reports on markets; lists of suppliers, agents, distributors and government contacts in a large number of countries; agency agreements, joint ventures and so on.

Obviously, the skills of selective search on the Internet will be necessary to find the right information.

The most common are two main ways to find the information you need:

a) One way is to print keywords using one of the search engines such as InfoSeek (www.infoseek.com), AltaVista (www.altavista.com) or Magellan (www.magellan.com). However, this type of search has a significant disadvantage: it is time consuming, because the total amount of information is many times greater than the amount of necessary and useful information. In this case, the search result may ultimately be unsatisfactory. In this case, the method of identifying extremely specific and specific information can be chosen using search engines;

b) for inexperienced network users or for those who do not yet have a sufficient resource of accumulated information, there is the most acceptable and simplest method, which is to refer to one of the international business directories already available on the Internet, for example, known Yahoo Business Directory (www.yahoo.com), Excite (www.excite.com) and others that contain relevant and relevant facts about the country, its economic policy, market analysis reports, characteristics of major industries, well-known companies and more useful information.

International online marketing resources can be grouped into two main areas:

a) information about countries;

b) industry resources.

The sources of information about countries today are the following websites of the world's largest information resources:

a) the book of world facts of the CIA. On this site you can find the following information about the countries: history; geography; people; country governance mechanism; economy, including GNP, GNP growth rates, including by sector, standard of living, inflation rate, employment, unemployment, budget, exports, imports and other general information and statistics;

b) on the site "Library of Countries" - along with a general overview of countries, you can order reports on market research, industry analysis, trade information, information on the investment climate and other marketing information;

c) the site of the International Monetary Fund - offers a variety of background information presented in series on economic issues, government reports, analysis of the political situation in different countries, as well as publishes statistical reports provided by different countries;

d) World Bank - World Bank. The World Bank publishes information on the most important economic, social indicators and natural resources of more than 200 countries and territories on its website. Annually published global development indicators include about 600 indicators, covering population, GNP, purchasing power parities, growth rates for both economic statistics, including sector-specific output growth, consumption, trade, investment, and social and demographic statistics, such as population literacy. The World Bank also

publishes on its website the indicators of the world economy published in the World Economic Indicators. Information is presented in English, German, French, Russian;

e) International Trade Center. On the site you can find free and easy-to-use information databases of indicators and indices for the last five years on imports and exports of product groups, which can be found in the structure of the site on the respective pages Product Approach: Aggregated Trade Statistics and Country Approach: Trade Statistics, latest broken down by 120 countries. The International Trade Center also offers the services of the interactive Trade Map system (www.trade-map.org), which covers more than 95% of world trade and contains information on more than 220 countries and regions, and more than 5,000 products in 2, 4 and 6 significant levels of the Harmonized Commodity Nomenclature System;

f) Organization for Economic Cooperation and Development - Organization of Economic Cooperation and Development, OECD. A database for 29 OECD member countries is available on the site;

g) World Trade Organization - World Trade Organization, WTO publishes information on international trade statistics.

Participants in international trade in the market are also offered information and consulting services on the following sites, the use of which is of a recommendatory nature:

a) Global Trade Information Services - Global Trade Information Services, GTIS offers the so-called World Trade Atlas, which contains trade information for 30 countries. b) Information services with trade statistics are also provided by the company Dialog - Dialog.

c) Trade data can also be found on the websites of international integration associations and organizations, for example, information on the Asia-Pacific countries can be found on the website of the Asia-Pacific Economic Cooperation - APEC.

d) If the company's exports are focused on the food or agricultural market, it should be sure to read the information on the website of the Food and Agriculture Organization of the UN - Food and Agriculture Organization of the UN, FAO, which publishes the statistical guide FAOSTAT, where it provides reviews, data analyzes in free, easy and interactive access to 245 countries and 35 regions, starting in 1961 and currently.

e) Eurostat - EUROSTAT is the statistical service of the European Commission, which provides official information on economic and trade indicators of the Eurozone. The task of the organization also includes the harmonization of statistical methods for calculating indicators. And although the organization's goal is to provide information, primarily to the European institutions of the EU member states, access to its databases is useful for companies focused on exporting to Europe;

(e) United Nations Conference on Trade and Development (UNCTAD). United Nations Conference on Trade and Development. The site gives an idea of the economies of developing countries, publishes data on the involvement of multinational corporations in their economies, the need to attract capital and resources to these countries;

g) United Nations Industrial Development Organization (UNIDO). United Nations Industrial Development Organization. Provides information on economies and trade in transition and developing countries, living standards and opportunities for their future development;

For the novice exporter who is taking the first steps in this direction, you can use the Russian Center for Foreign Trade (RCT), which is available on the Internet at www.tradepoint.org, to obtain information more quickly. RCWT is accredited as a national organization that promotes Russia's foreign trade with foreign countries. Since 1996, the RCT has been a member of the World Trade Point Federation (WTPF), an international non-governmental body of UNCTAD that supports small and medium-sized enterprises in developing economies.

Studying the market of a particular country and specifically the industry to which the forces and means of the enterprise will be directed, it is necessary to thoroughly study the industry information resources and form a database of necessary data. It is useful to evaluate the results of the company's performance in the relevant field in which it has to compete with foreign competitors in those countries where it is planned to place goods or services, taking into account information obtained from industry resources on the Internet.

It is also important to have an idea of specific companies or partners in the industry. To do this, you need to collect data on the size of the market, the largest producers and their corresponding market shares, trends and prospects for the development of a specific area.

In addition to general information about industries in individual countries, it is necessary to allocate marketing industry resources on the Web to the following e-mail addresses:

a) research of the company (enterprise, industry) on the training site presented by the Company Research Instructional Web Site;

b) market research by industry is offered by the Center for Industrial Research and Service;

c) industry data on production and market research can be found on the pages of Industry data and Market Research;

d) information in the field of science, industry and business - Information in science, industry and business.

Much of the information related to industry analysis requires financial costs. However, brief overviews of specific industries and some data on trends and prospects for their development are available online. Summing up, analyzing the main steps to be taken to choose the right country for export, to accurately conduct research on foreign markets and assess how competitive the company is

abroad, it is necessary to form a base of factors that may affect the export process to a country.

There are several ways to study the market, the choice of which depends on the timing of investment in exports (long-term or short-term income), the interest in entering this market (political interest or desire to live in this country), the ability, including financial, to increase production and investment.

One way is to quickly and generalized the study of major markets. To do this, collect industry statistics showing exports of similar goods and services to different countries, select up to ten large and fast-growing markets, analyze their growth rates and trends of growth / decline of imports during the economic downturn. From the considered markets, several markets are selected with the most favorable conditions for doing business and with the potential for export, the final step is the final more detailed study.

In-depth study of the market involves the study of internal and external competition, consumption, tariff and non-tariff barriers, trends in a particular market. This is a more expensive, knowledge-intensive and time-consuming way. It is justified in the case of long-term and serious intentions.

Based on this, we can conclude that targeted activities in online sales through information and communication technologies require appropriate systematic efforts in international marketing and advertising, marketing campaigns using social media among the target segments of partners / consumers.

Thus, these tools for organizing online business for export-oriented companies are designed to build long-term business relationships and build their own image, taking into account the interests and preferences of consumers. It is also important to encourage users of electronic resources to share information about the product, manufacturer and thus increase demand. Given the realities of today, export-oriented firms must meet the challenges of the times and effectively organize their activities with minimal losses and maximum efficiency.



Questions for self-control

1. What is the essence of e-commerce?
2. Describe the specialization of sites.
3. Describe electronic export tools.
4. Existing electronic communications of small business.
5. Name and describe the areas of export-oriented activities online.