

## E-Business Predictions 2011

By Deborah Collier

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*The last few years have been a turbulent time for businesses facing a volatile economy. More recently, changes in government in countries have impacted businesses through changes in legislation and areas such as taxation. However in the face of adversity, entrepreneurialism amongst individuals seeking opportunities from the Internet has continued to thrive.*

*Deborah Collier Chief Strategist and Managing Director at Echo E-Business investigates and delivers her predictions for digital business in 2011*

Government strategies to reduce national deficits are likely to have a significant impact on sales and employment, but innovation in technology has opened up opportunities for both individuals and large organisations wanting to maximise the potential of the Internet. Lets take a look at my E-Business predictions for 2011 and consider how they might affect you:

### 1) Tax Hikes to Increase E-Commerce and Exports

According to the Centre for Retail Research and online shopping group Kelkoo retail sales in the UK will fall by an estimated £2.2bn in the first three months of the year as a result of January VAT increases. Retailers are forced to either lower their prices to minimise the impact of VAT on the consumer, add the VAT to existing prices to avoid loss of profits or split the burden between themselves and their customers. In many cases, particularly with high priced, businesses are forced to sell abroad where VAT is not levied. E-Commerce has enabled easy access to a global marketplace and this can only result in an increase in exports, in terms of both physical and digitally delivered products and services.

### 2) Entrepreneurialism Stimulated by Internet opportunities

Cuts in government spending, and taxation challenges may well have a negative affect on employment levels, and those out of work may look to alternatives sources of revenue in the coming year. Digital business opportunities have enabled individuals to become part of a consumer-to-consumer culture where any person with know-how and little investment can earn a living from the online business. Productisation of knowledge, mobile applications, new e-business concepts, e-commerce stores and marketplaces are examples of areas where the growing wave of entrepreneurs will thrive. As technology becomes more advanced, less costly and more accessible, this trend can only increase in the years to come.

### 3) Emerging Markets

China is the country most talked about as a rising economy, and in Internet terms, this represents a huge ongoing opportunity. According to industry analysts Asia-Pacific (excluding Japan) is growing at nearly twice the global rate and represents around 16% of global wealth. China's population size and industrial advantages open plenty of opportunities for lowering costs, increasing productivity and

efficiency and gaining revenue through e-business. Other regions such as the Middle East, which represents around 6% of world's wealth, are less talked about. Approximately 8% of the world's population speaks Arabic and yet only around 1.6% of web sites use this language. Cross-border regulations and lack of concise e-business legislation in the region will be the greatest hurdles, however we can expect digital business opportunities to be maximised in this region, as well as in Asia, Africa and Eastern Europe.

#### 4) **The Mobile Age**

The explosion in smart phones, mobile technologies and applications working both independently and in conjunction with web sites will further fuel innovation of social mobile and mobile commerce. Location-based and location-specific offers using applications such as Foursquare will be key to generating sales and allowing customers immediate opportunities to buy both online and in-store. Investment in mobile commerce and marketing will be key to retailers' success in 2011.

#### 5) **Team Restructuring**

As online business evolves, organisations understand that e-commerce and digital marketing are non-technical functions, and fall under a number of business areas such as marketing, retail and finance. The power of digital marketing channels, as a choice for branding, promotion and sales generation is recognised as the leading medium, integral to any marketing role. Search engine optimisation, for example will become more widely recognised as a communications role undertaken by web merchandisers, copywriters and publishers rather than specialist technical teams. Pay-Per-Click advertising such as Google Adwords, previously outsourced by many organisations, will be further acknowledged as a non-technical tool, accessible by trained traditional marketers. In addition, E-Commerce which had been trusted in the hands of web agencies and technologists will be more and more driven by online sales teams, merchandisers and e-commerce specialists, and more and more larger brands will evaluate the costs and benefits of bringing their whole online operation in-house.

I hope my predictions for 2011 have been insightful and interesting to you! If you would like any help with your online strategy or team training, call us today on:

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Deborah is the founder of Echo E-Business, a consultancy specialising in e-business strategy, marketing and e-commerce.

She has worked with a number of blue-chip organisations, as well as SME's and is regularly consulted by the press. A public speaker, author and trainer, Deborah's creative and strategic insights will help you increase your profits using the Internet.

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