Перспективы использования интернет-бизнес-моделей российскими предпринимателями

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Abstract

Internet business entrepreneurship offers an unprecedented opportunity to any person or company to reach the global market without incurring the high cost of traditional marketing. The Russian Federation possesses all the required resources (human, natural, technological, industrial, etc.) to take on this business opportunity and turn itself into an axis of economic and social development. Moreover, there are lots of business opportunities which are only available on the internet but remain unknown among to the public. All what we need to do is...
remain unknown among to the public. All what we need to do is identify, analyze, and uncover these internet businesses opportunities to the public, informing them about the tools and resources required to start their online business. In addition, this study shows how most businesses regardless they are already online or not can connected with the entire world from their own place which is specially important for entrepreneurs who are concern on how to approach their market. Your online shop can be set from Vladivostok, while you are selling to your customers in USA or Germany. Furthermore, in this virtual world, you don't need to invest any money in a storefront or office, simply because your business will be online and can be done from anywhere in the world which means you can managed in spite of being on a trip, the business goes with you wherever you are, and you take less risk by not having to invest in a physical place as well. Being an entrepreneur means that you should focus on your skills and strengths to start your own business. Thus, this study offers a realistic insight into the modern internet business from the perspective of a successful entrepreneur and practical advice regarding the steps to follow for building internet business start ups and helping the national economy in the long run.

Theoretical framework for the study

In business, the Internet has been the most influential technological change within the last two decades. It has greatly affected traditional industries at the macro and micro levels. It has also created new markets such as online auctions, online gaming, search engines, social networks, online advertising, and digital marketplaces [1]. Internet as a new media, spread very quickly, affectedly penetrated the market, and led to exponential growth participation in direct marketing. Almost everyone who has a Personal Computer (PC) could set up web station and promote a brand. The relevant investment is almost zero. The rules of the game had been totally changed. Now with wide use of the mobile phones, mobile internet is developing rapidly [2]. Therefore, companies should adapt their business models so that they can operate via the Internet. Today, millions of transactions are performed on the Web at an ever increasing pace [3].

Many digital business model patterns, such as Freemium, have been applied exclusively in the digital world until now. In manufacturing industries, the Internet has mainly been used to simplify processes – and thus reduce costs while increasing the quality and variety of offers. The Internet has been responsible for big breakthroughs in digital industries, as Google, Facebook, PayPal, eBay, YouTube, and others [4].

In addition, developing Internet businesses was the main reason behind the development numerous modern countries’ economies, such as the case of China which is still an ongoing phenomenon due to the big Impact that the internet has had on the Marketing Model there. At the end of 2015, global internet users surpassed 3.2 billion, and in China alone the number reached 668 million. During the 2010 to 2015 period, online shopping customers in China grew from 158 million to 413 million. The E-commerce revenue that they generated was increased from 4500 billion RMB to 16200 RMB with growth rate 260%. The data showed internet is tightly related to business development in China. Due to a fast growth of both internet access and users, it is easy to transfer these features to various types of businesses and strengthening the potential customer base of different business models. Based on the current trends, successful business development could be expected and it will affect China’s economical development even further [2].

Moreover, nowadays many established companies are challenged with the question of how to use the Internet as a complement or even to fully switch from offline business and generate added value from their Internet activities. [1].
Therefore, in this study, the newest practical internet business models and ideas are provided to that help individuals as well as companies of all sizes to participate and succeed while contributing to modernizing and developing a country’s economy. All of which can be implemented in Russia.

Investigation methodology

This study uses qualitative and empirical research methods. Thus, tools like literature review, field research, personal interviews, and the internet business experience of the author were used to establish the most effective methods of internet business by analyzing the stories of those individuals or companies who could succeed in the field and draw a set of lessons learned and practical advice readily usable in today’s internet business arena.

Through this study, the author tries to answer many important questions related to running online business. How to start an internet business? What is the budget or resources needed by a person to start? Are there any examples or successful stories of individuals or companies that we can analyze to follow their strategies? Which online projects are suitable for students to enter the online business? What projects can be done on a wide scale and have a big positive effect on Russia's economy?

In fact, the researcher have tried and put into practice most of the internet business ideas included in this study, in addition to running his current online business which started in 2008 he also has formerly trained other entrepreneurs, and participated in online import and export activities. The author got the opportunity to collect essential information from his interviews with other entrepreneurs working in the same field and internet business conferences such as “The Arab Affiliate Summit”, an event which took place in Sept 2014 that counted with the participation of many affiliates and successful individuals who run their online business from different countries, discussing different ideas and exploring new internet business trends. The author was the head of media and marketing committee in the Pharmacy Syndicate of his former company during four years, developed their website, built their online and offline marketing plans, and trained the team to do the online work which added to his experience in training and market analysis in this field.

The analysis of both the qualitative and the empirical research is used in this paper to give us the establishment of basics and resources needed for new entrepreneurs to start their online business while helping in improving the economy of the country.

Results and Discussion

By analyzing the mentioned success stories of individuals and companies, this study establishes the key procedures that make it possible for any entrepreneur to build up his own internet business. Followed by exploring simple online business ideas can be turned into millionaire businesses with big fortunes that in some cases can exceed many national budgets [as present later].

Moreover, the author introduces a list of resources and tools required to build or improve online business which in turn will positively change the life of individuals, communities and countries. The author then proposes a practical project that could be initiated on a small scale with the students of FEFU (using the available resources) to profit from the current resources in building their internet business opportunities. The application of this practical activity may set an example for other institutions at the Russian level.
Case Studies

1. Pokémon Go Mobile Game Case Study.

The game involves collecting virtual characters on your cell phone by walking to catch the Pokémon that have been placed in prominent real public locations, such as parks, streets, and other notable public buildings and spaces [5]. Within 1 week of its launch, the game attracted over 65 million users [6]. As of May 2016, the Pokémon franchise has grossed revenues of ¥4.8 trillion worldwide (equivalent to US$46.2 billion) [7]. There is the evidence of how a single game can have a big impact in different areas. As it does not only affect the economy, but it can affect the social-cultural perceptions. Imagine millions user of different ages (from kids to young adults) playing such a game for several hours day after day and this game carries your brand, idea, governmental concept, etc. which will make position your idea in the minds of users and their social circle around the world, it may have in deed a profound psychological impact.

2. PayPal & Elon Musk Case Study

Elon was born in South Africa in 1971. The founder bought his first computer at age 10, then at age 12 he created a game called Blaster which he sold for US$500. In 1992, he went to USA to study economics and get his bachelor. He created his first company zip2 corporation which is an online city guide. Then, he sold it to Compaq computers in his late 20s for 307 million dollars.

After that, he and his partner Peter Thiel created PayPal, which was the number one online money transfer company at the time. PayPal witnessed a rapid expansion between 2000 and 2002. In 2002, eBay acquired PayPal for 1.5 Billion Dollars.

3. Alibaba Case Study

The Alibaba Group is a group of internet based businesses with a mission to make it easy for anyone to buy or sell anything, anywhere in the world, but especially to make Chinese businesses more open and accessible to the world. The revenue of the Alibaba Group is running high, since they achieve more sales than their competitors Ebay and Amazon.com together [8].

Alibaba is a perfect example of a giant businesses grew from simple ideas. The main company founder is Jack Ma, a teacher of English, with scarce computer knowledge. He grew as a poor person in China, and was rejected from many jobs, including one at KFC, before finding success with his online company, Alibaba. He started by convincing some of his friends to invest with him to make an online marketplace for importers and exporters called Alibaba. By October 1999, the company raised $5 million from Goldman Sachs and $20 million from SoftBank. In 2005, Yahoo invested $1 billion in Alibaba. In 2016, Alibaba made Jack Ma the richest man in China, with an estimated worth of $25 billion [9].

4. Facebook Case Study

Facebook is a good example of what students could do and it has become one of the Internet’s top businesses. It was created in 2003 by some Harvard University students including Mark Zuckerberg. After its initial release, it got 20,000 views in its first 4 hours of operation. Mark and other co-founders realized the potential that the website had as a social tool, so they looked at funding options that could help growing into a national or even international success.

Peter Thiel (Co-founder of PayPal) added an initial investment of $500,000 that quickly turned into several billion dollars. Facebook started to grow from only
Harvard university students, to all USA universities, then all USA Citizens, to world membership.

In 2013, the turnover of Facebook, Inc. reached $7.87 billion and net income – $1.5 billion. Later Mark Zuckerberg acquired Instagram, Oculus Rift, and WhatsApp for $1 Billion, $2 Billion and $19 Billion dollars respectively. According to Forbes magazine, Zuckerberg took 7th place with a net worth of $40.3 billion in 2015 [10].

5. WhatsApp – Case Study
WhatsApp, the popular messaging app was created by Jan Koum current CEO of WhatsApp. Jan Koum is a Russian immigrant who arrived in Silicon Valley when “dotcom” was still in his early stages. Initially he work for Yahoo and there he got acquainted with Brian Acton (his WhatsApp partner). They both worked there for 20 years before starting their own Company in 2009.

WhatsApp started as an idea to link mobile phone contacts by status updates an idea that was followed by other apps and is still trending. The App allows users to send and receive images, texts, and audio without incurring in the extra cost of regular SMS especially when messages where send out of your phone company area or overseas. The company was later bought by Facebook for $19 billion in 2014 [11].

6. Flippa.com & Online Businesses for Sale Case Study
Flippa is a marketplace which sell websites, domains and mobile applications which was launched in 2009. Flippa Success story itself is not discussed her, instead the thousands of businesses success stories of business that acquired Flippa services. Also, I wanted to point out how Flippa and other similar intermediate websites (as Sedo.com) help internet entrepreneurs and investors to succeed in online businesses.

Domain names which were bought for very low cost some years ago (as little as $10) were then sold for hundreds of thousands or even millions of dollars. For example Sex.com which was resold for $14 million & also Fund.com for around $10 million as shown in the image below [as recorded by Namebio.com which is worldwide domain sales recording].

The investment in domain names is a smart business; can you imagine buying a domain for $10 and selling later for thousands or even millions of dollars? But, this online business as every other business needs some skills and smart decisions making. The following table (From Namebio.com) shows high priced domains.

This table helps us to understand the potential of this online business [this is just an example to see the strength of the market estimation]. If you opened Flippa website and checked the sold websites, read through and analyze which new or simple websites can be much profitable and earn regular big income. There are relevant to current or future trends in internet as well as offline businesses which will be of interest to be resell in the future. It is something one can start doing right away.

For more success stories of Online Companies and persons, you can check successstory.com

Now, the author explores some simple online business ideas that any person can start with little or even no money and can be very profitable:
1- Let’s start with Freelance Working: If you have some skills such as writing, graphic designing, programming, translation services, or anything else, then you can earn good income by offering your services on Freelance websites like: freelancer.com, upwork.com, Fiverr.com, guru.com, and elance.com. You can start by navigating through these websites. Find suitable services which you can do, register
a free account, and start making use and offering the skills you have or the services which you can provide.

For Website selling business: the next image shows some websites sold on Flippa:
2- YouTube and Video business: If you have the ability to create attractive and interesting videos (tutorials, funny, etc.), then this will be a great opportunity for you to start earning money by uploading your videos to YouTube and displaying advertisements (Google AdSense and other income sources). Good example of this is “Gangnam Style” a video which earned his creator around $8 Million from youtube ads only (plus making Psy the most famous K-Pop singer) according to Forbes and Business Insider.

3- Digital Product Creation: If you have the ability to create some software, mobile application, or eBooks to solve some problem, simplify a task or help others learn something, then this is your chance to sell this product for the targeted customers.

4- Affiliate marketing: You can sell other people’s products in return for commissions which can be up to %70. All you have to do is registering with some websites such as Clickbank, CJ which act as trusted intermediate and offer you diverse companies’ products to allow you to start working immediately.

5- Creating your blog: If you have good writing skills and are interested in a particular field, then you can start writing about it. To start, you don't need to be a technology expert, as there are ready blog platforms such as wordpress.com and blogger.com. By continuous writing, your blog visitors will increase which means more income (from advertisements, affiliate sales or even selling your own related products).

6- Photography Online Business: If you are a good photographer and can capture some attractive photos, then why not to start selling these photos on stock photo sites? There are hundreds of these sites, in which you can register and sell your photographic work.

7- Start your online e-commerce business: You don't have to own any products to sell. If you want to sell any product, you just need to find a good drop-shipper (website which can sell this product and ship it directly from the manufacturer or any other source to customers with your name). You can register with this drop-shipper, sell this product (through eBay, Amazon, or any marketplace), then pay the drop-shipper which in return will ship this product to the final customer on your behalf.

Some of the suggested ideas can be applied by big business and have a huge positive effect on corporations and even countries' economical level. By analyzing online businesses on Flippa and some other marketplaces with their incomes and values, in addition to success stories, the author found that the following Ideas are among the most profitable online businesses and should be taken into consideration by the government as national business opportunities which can be reliable income sources:

1- Marketplace Business Ideas: business models like Alibaba to increase and improve B2B or country exports. Others such as Flippa for internet business entrepreneurs. Also for travel companies and tourists around the world, in fact the creation of a Marketplace allows us to provide an interaction point for any business type. Some market intermediaries can act also as an information gatekeepers allowing consumers to access and process information about prices or the match value of products and services, and even as a reputation systems revealing information about a product’s or seller’s reliability or quality. It's a big and changing trend [12, 13].

2- Big Online Marketing Agencies (Academies): These big agencies recruit students or other employees, train them for internet business and online marketing, and prepare to perform activities inside this trend. Earnings in this kind of busi-
ness are not received through a fixed salary; instead is directly related to the quality and quantity of the work you do. If well managed, these persons will act as a productive base pushing the economy forward as they can work enter any business without big investments, virtually eliminating the pressure over the government to provide traditional jobs for them (which will result in decreasing the unemployment rate).

3- Mobile Applications Development Institutions: These institutions aim at creating mobile applications that target a worldwide consumer market, the niches for such applications can be determined through adequate market analysis. It is not a small business, considering that games such as "Pokemon Go" revenue was US$46.2 billion until May 2016, one can acknowledge that these simple ideas can turn into game changers for the country's economy.

4- Social Networks: If we look carefully and analyze the Facebook case study, it is clear that it can be a big opportunity for a social network with improved characteristics to grow global by integrating services that Asian networks provide to their users but are not available in western ones. The Russian Federation could create a social network of the kind or acquiring and optimizing current ones [to be on governmental level not private company level]. Some benefits of this project for Russia could be:

- Potential income source for Russian Economy; Check Facebook Revenue as an example.
- Potential Advertising and marketing opportunity for other governmental businesses and Ideas worldwide.
- Information analysis and collecting statistics in different aspects, giving the government the opportunity not only to understand the country’s people better but identify business opportunities abroad.

Although creating a successful social network that competes with the current ones is a big challenge, it's still possible with smart analysis, planning and management. Other strategies such as merges and shared ownership may facilitate the entry to the market. Moreover, many Russian citizens who have lived in other eastern areas (particularly Asian countries) are familiar with those networks and the differentiated services they provide, many of them even are proficient in the languages of those countries which facilitates the transfer of such knowledge to an improved business model for social networking.

5- author’s Suggested Project to be applied in FEFU University (and other Russian institutions in the future):

The Project Idea

It's creating practical training classes for students teaching them different internet business strategies by assigning them some real activities which can be university related as “an online affiliate marketing project” that requires creating an online tracking system connected to our university website. This tracking system allow every student or employee to get a special ID link connected to their registered account. Students use their specific links to advertise the university services in return for incentives, rewards, percentage of earned money or points (these should be exchangeable later), so they earn while improving their practical skills on internet business activities. This a practical and feasible general idea which can be planned in details later.
Goals of this project are divided into 3 parts

A- Goals Related to Students:
   i. Practical training for them to be future online entrepreneurs.
   ii. Earning money opportunity for every student, the earning amount is proportional to his work, creativity, and marketing efforts.
   iii. Psychological Effect: Increasing responsibility feeling for students and preparing them for bigger future challenges.

B- Goals Related to FEFU University (Or any institution that applies this project):
   i. Increase the Institution Income Resources.
   ii. Fast, effective and affordable way for advertising their services.
   iii. Increase belonging feeling among the students (or employees) as they participate in the university success.

C- Long Term Goals Related to Russian Federation:
   i. Decreasing unemployment rate now and in future.
   ii. Gradual positive increase in The Russian economy resources (China is good example in export rate increase).

Ideas and available resources in which this suggested project is based on

Students' diversification: The University has students from many countries all over the world with different languages, cultures, minds, skills and creativity levels who considered as potential factor which will create success and advanced development levels.

1. The big students number can act as a readily available labor pool, that will be not only employees but in fact partners in the university's success. Employees that will not cost the university fixed salaries or additional resources as their earnings depend on their own work quality and the profits which they bring to the university.
2. The university already has the classrooms and venues, computers, and tools required to train students for internet businesses and online marketing activities.

Finally these are the Author’s Recommendations for success

a) English Learning: as it’s the language used worldwide in communication, so it should be set as a main requirement in the internet business. Without it, you can achieve some success in the local market but it will limit your possibilities of growth, on the other hand the internet international market is constantly growing.

b) Learning Marketing skills: as marketing is the heart of any business. Without marketing, your services or products will not reach enough customers to generate great income (virtually any skill at different quality levels is marketable).

c) Training Classes: Teaching Internet business activities can be attractive for students in any area and people of all ages interested in making profits, so at the beginning the courses could be for students in schools and universities.

Conclusions

By using the proposed internet business ideas, any Russian person or company will get the opportunity to start their own business. Internet business allow to achieve personal, institutional or national financial goals which can be reached without any extra financial costs or exhaustion of natural resources. If adequately manage the use
of existing human resources and available technological tools can be maximized. The creation and development of such internet business contributes to overall economic growth as it decreases unemployment, increases B2B and export possibilities in addition to direct and indirect socioeconomic benefits.

**Directions for future research**

Further research is required to characterize and categorize potential Russian entrepreneurs (based on relevant factors such as experience level, age, education, personality, etc.) and assist them in selecting and taking the best internet business opportunities in accordance to their abilities. As there are many different online business models, what is suitable for someone may not be suitable for the other. Also, it is necessary to study the average time required by individuals from different ages to learn and get the required skills to start their online work and earning their first profits.

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