

Competing business: online bookstore research paper examples

[Business](#), [Marketing](#)



Company overview

The online bookstore will be known as booksgalore. com. The store will stock online and paperback versions of rare books on the following subjects: history, philosophy, theology, fiction and science. The bookstore will be in operation as from mid-January 2015. Its base of operation will be New York City where the company will have a warehouse for storing paper back copies of books. The company's site will be hosted and maintained by Itl Internet Service providers which will be contracted on a yearly basis.

The company's address is:

335 Park Avenue Street

New York City

United States of America

www. booksgalore. com

Mission and vision

Vision

A book in every hand.

Mission

Ownership

The business will be owned by three partners who will pool their financial resources in order to fund the business. The senior partner will own 50% of the business while the other partners will own 35% and 15% respectively.

The partners are drawn from different professions. The senior partner is an

information technology consultant. The other partners have a background in finance and business administration respectively.

Management

The daily operations of the business will be handled by one of the partners who has a background in business administration. The financial aspect will be handled by one of the partners who is a financial analyst. The technical aspect will be handled by the information technology consultant. Initially, the partners will work on part time basis in order to get the business up and running. The business recognizes the availability of talent in colleges hence it will create an internship and mentorship program. Through this program, the company will hire 3-6 interns who will be trained then retained as employees after 6 months.

Financial plan

Rationale for the strategy

An online bookstore has numerous competitive advantages compared to a traditional bookstore for the following reasons. Consumer habits have changed as a result of technological advancement. Today more consumers spend a great deal of time either looking for commodities to buy or make online purchases. It is imperative that local bookstores embraces this shift in consumer behavior and in addition to having a physical presence also have an online bookstore.

An online bookstore also allows for greater market penetration as compared to a physical one. Whilst a physical bookstore only commands its immediate surrounding market, an online one has traverses boundaries and borders and

hence forth can tap into markets far and wide. This is simply because of the convenience it provides customers of making purchases from remote location and waiting for delivery and at agreed upon date.

Acquisition of the Bookstore vs. Setting up an Online Bookstore from Scratch

It makes more economic sense to acquire a fully-fledged business rather than to start one from the ground up. In this case, I would prefer to acquire the physical bookstore. Gradually, it will be transformed into a fully-fledged online bookstore or run alongside the physical bookstore.

The physical bookstore has been in operation for a while. During that duration, the owners have developed relationships with suppliers and customers. Leveraging these relationships will provide the online bookstore with a solid operational base.

Sole Proprietorship vs. Joint Venture

Ownership of the business will be joint partnership. The current owner and I will form a partnership. I will have to acquire a stake in the physical store in the process. A controlling stake will give me the ability to make all the major decisions. On the flipside, allowing the current proprietor to remain with some equity will incentivize him to remain on board. The experience the current proprietor has amassed over the years is invaluable and will come in handy in setting the online bookstore as alluded above.

Business Plan

- Company Description

The primary objective of business will be to provide books and other reading

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materials to consumers both within and beyond the locality of the physical bookstore. The company will be a distributor for publishers and wholesalers. Our consumers will include organizations and individuals. Some of our organizational clients will include libraries and privately and publicly run institutions. Our competitive advantage is enshrined in the fact that we are both a physical and online business in addition to having B2B and B2C models of operations which increases our market share and penetration.

Market Analysis

- Industry Overview and Trends

Technological advancement has led to a shift in consumer behaviors and a shift in publishing from hard copy and paper to e-publishing. This has forced traditional independent bookstores to adopt in order to survive the technological onslaught. Some have resorted to go the digital way, some 12% or so have been forced out of business and most have decided to target brick and mortar niche markets. There is a steady decline in the number of books sold by independent traditional bookstores.

- Target Market and Competitive Advantage

Our target market comprises of both individual and corporate clients because this is a business model that is a synergy of B2B and B2C models. The critical needs of our target market revolves around convenience, cost-friendliness and effective customer service. Our business model is better placed to meet all these needs. Having an online and physical presence will boost our market penetration. The demography of our consumers for the physical bookstore will be limited to either resident individual/business or

tourists within our locality whilst our demography for the online bookstore will have a global outlook. To this regard, our target market will have both cyclic and seasonal purchasing habits with our largest seasons expected to be in January, August and December. Our competitive advantage will therefore be to cater for the needs of local consumers and online consumers without compromising on the quality of our offerings.

Organization and Management

The business will be a joint venture between myself and the current proprietor of the physical bookstore. I will own 60% of the venture whilst the current proprietor of the bookstore will own 40% of the venture. This is because while I lack the experience of selling books both online and offline, I possess the business acumen to create an opportunity for the business in terms of ecommerce. I will therefore be in charge of the online bookstore from conceptualization phase to execution phase. The current proprietor of the physical bookstore comes in handy because not only does he have experience of selling books and running a successful store, his business has a financial and relational history both of which will come in handy when we launch the online phase of the business. Our organizational structure will be as follows:

Product Line

The joint venture will have only one core business; sale of rare books and other reading materials such as magazines. One of our business strategies will be to position ourselves as the go-between between publishers and wholesaler and their respective end-users. This will enable us to meet the

needs of our target market which as earlier outlined are cost friendliness, convenience and superb customer service.

Ideally, we would want the online store to pick up and have its own infrastructure and relationships in addition to acquiring at least one reputable publisher in five years' time. Our

R & D activities will be directed at having an in-house delivery system that's more cost effective than the present offerings and still as effective or even better.

Marketing and Sales

Our market penetration strategy will be involve online advertisements and appearances at select book fairs. This presents a two-pronged approach that best fits our chosen business model. Book fairs will market our physical bookstore to populations outside our locality. It will also promote our online bookstore. Online advertisement will directly market the online bookstore as well as the physical one to a global audience.

Our current distribution channel involves getting the order for books then forwarding it the publishers or wholesalers. The publishers consult their logistics companies to handle the delivery of the order for our online bookstore. In addition to processing orders, we will also handle the customer care part of the business by being the first contact with the consumer for the online bookstore. As for the physical bookstore, we will have to purchase the books from suppliers on credit. Payments will be made after the sale of the books. Our growth strategy will include venturing into publishing, wholesale and delivery industries to streamline our operational efficiency. This will

increase our risk and exposure significantly in addition to increasing our revenue exponentially in the long term.

Capitalization

Our joint venture will depend on the following capitalization sources and for the listed purposes:

Financial Projection

References

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