

# Small Business Management <sup>19e</sup>

LAUNCHING AND GROWING ENTREPRENEURIAL VENTURES

Longenecker • Petty • Palich • Hoy

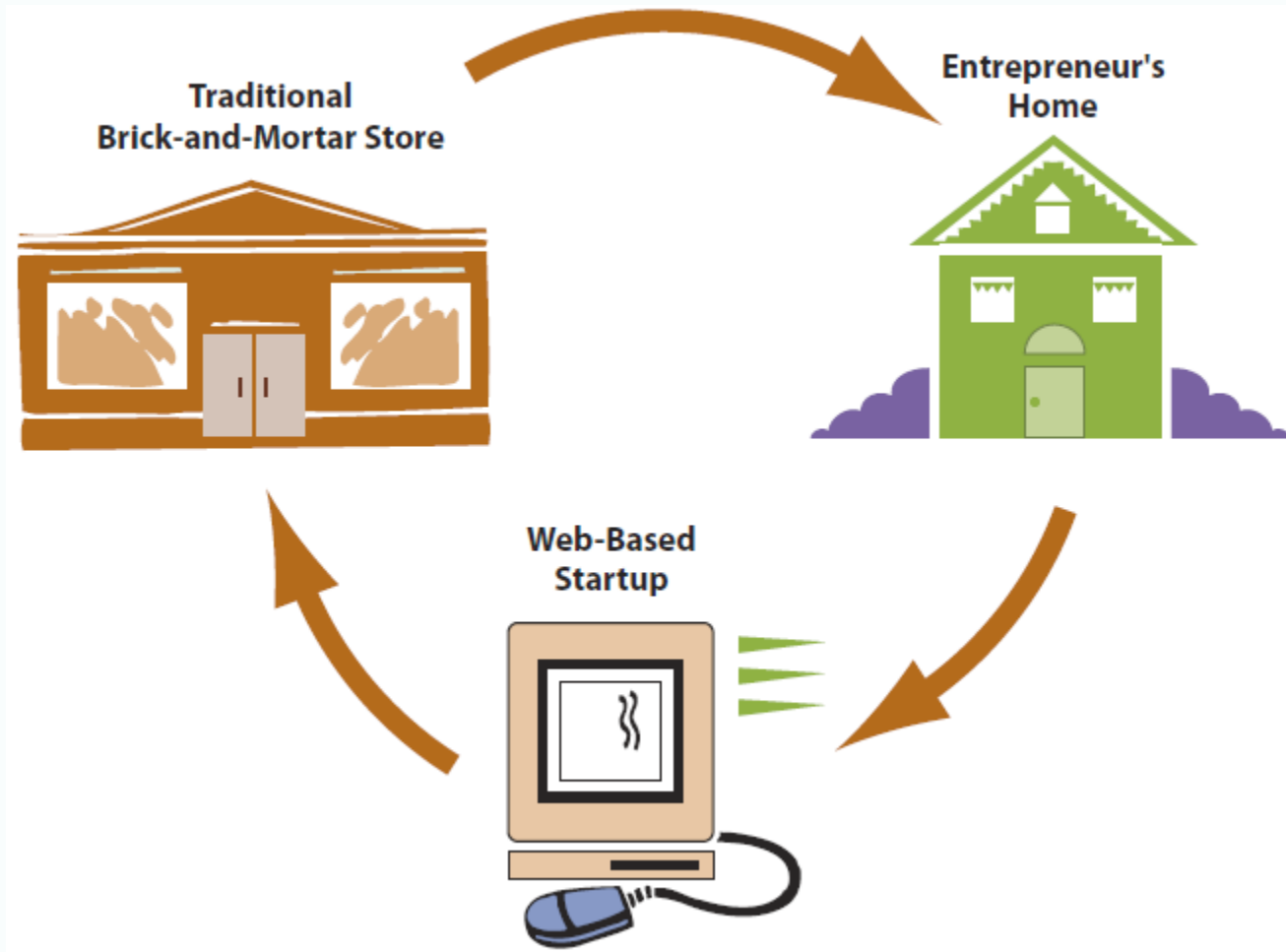


## CHAPTER

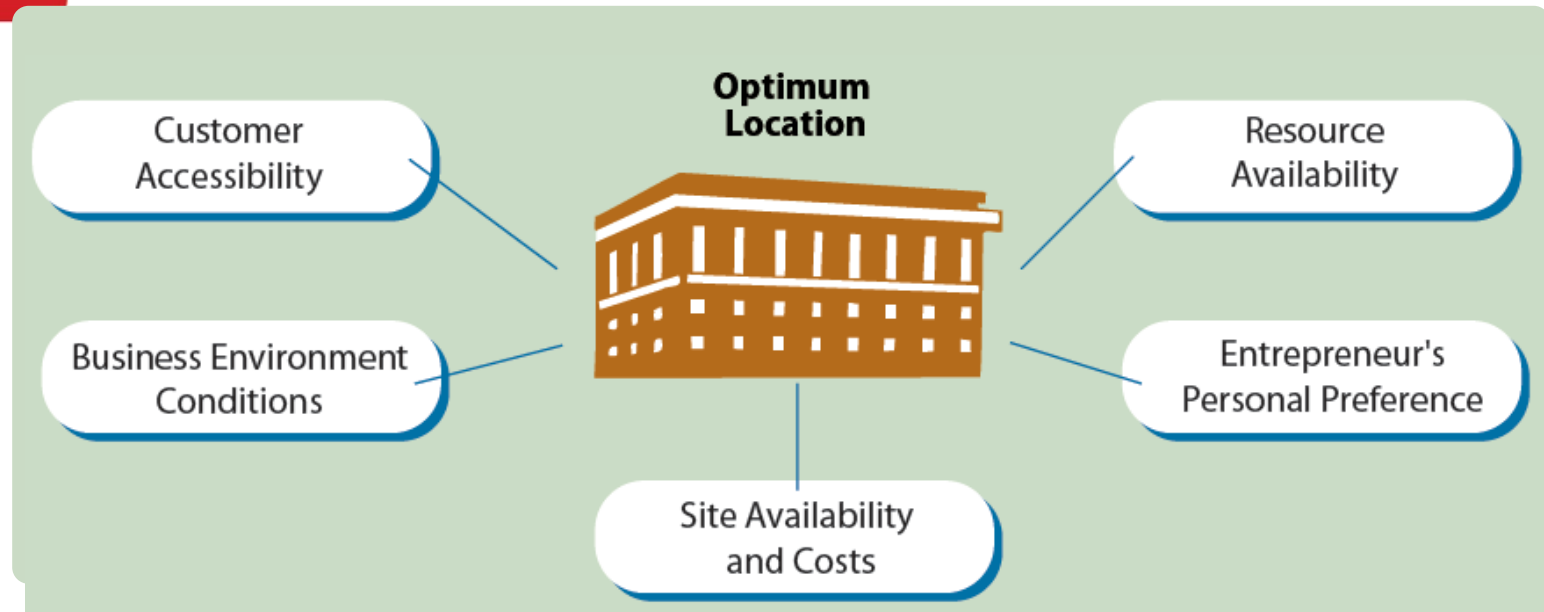
# 9

## The Location Plan

# Location Options for the Startup



## Five Key Factors in Determining a Good Business Location



### Costs of Doing Business:

#### Kosmont-Rose Institute Survey

<http://roseinstitute.org/research-overview/kosmont-rose-institute-cost-of-doing-business-survey/>

**Electricity rates (by city):** LA 12.74¢/kWh. Industry 11.81¢/kWh.

<https://www.electricitylocal.com/states/california/>

### Use site selection software:

<http://www.easidemographics.com/> <http://www.caliper.com/maptitude/>

<http://www.mappinganalytics.com/>

# Locating the Startup in the Entrepreneur's Home

- Home-Based Business
  - A business that maintains its primary facility in the residence of its owner
- Attraction of a Home-Based Business
  - Low start-up and overhead costs
  - Convenience for family and lifestyle
  - Technology
    - Advances in office equipment and connectivity allow home-based business to compete with commercial sites.



# Locating the Startup on the Internet

- E-Commerce
  - **The buying or selling of products or services over the Internet.**
  - Benefits of E-Commerce to Startups
  - Allows competition with larger firms in larger markets.
  - Helps with cash flow problems by compressing the sales cycle.
  - Builds better customer relationships through better service.
    - Electronic Customer Relationship Marketing (eCRM)

# World Internet Usage

## WORLD INTERNET USAGE AND POPULATION STATISTICS

NOVEMBER 30, 2015 - Update

World Regions	Population (2015 Est.)	Population % of World	Internet Users 30 Nov 2015	Penetration (% Population)	Growth 2000-2015	Users % of Table
<a href="#">Africa</a>	1,158,355,663	16.0 %	330,965,359	28.6 %	7,231.3%	9.8 %
<a href="#">Asia</a>	4,032,466,882	55.5 %	1,622,084,293	1 40.2 %	1,319.1%	48.2 %
<a href="#">Europe</a>	821,555,904	11.3 %	604,147,280	2 73.5 %	474.9%	18.0 %
<a href="#">Middle East</a>	236,137,235	3.3 %	123,172,132	52.2 %	3,649.8%	3.7 %
<a href="#">North America</a>	357,178,284	4.9 %	313,867,363	87.9 %	190.4%	9.3 %
<a href="#">Latin America / Caribbean</a>	617,049,712	8.5 %	344,824,199	3 55.9 %	1,808.4%	10.2 %
<a href="#">Oceania / Australia</a>	37,158,563	0.5 %	27,200,530	73.2 %	256.9%	0.8 %
<a href="#">WORLD TOTAL</a>	7,259,902,243	100.0 %	3,366,261,156	46.4 %	832.5%	100.0 %

NOTES: (1) Internet Usage and World Population Statistics updated as of November 30, 2015. (2) CLICK on each world region name for detailed regional usage information. (3) Demographic (Population) numbers are based on data from the [US Census Bureau](#), [Eurostats](#) and from local census agencies. (4) Internet usage information comes from data published by [Nielsen Online](#), by the [International Telecommunications Union](#), by [GfK](#), by local ICT Regulators and other reliable sources. (5) For definitions, disclaimers, navigation help and methodology, please refer to the [Site Surfing Guide](#). (6) Information in this site may be cited, giving the due credit and placing a link to [www.internetworldstats.com](http://www.internetworldstats.com). Copyright © 2001 - 2016, Miniwatts Marketing Group. All rights reserved worldwide.

## Internet Usage Information

<http://www.internetworldstats.com/stats.htm>



# World Internet Usage

## WORLD INTERNET USAGE AND POPULATION STATISTICS

### 2021 Year-Q1 Estimates

World Regions	Population (2021 Est.)	Population % of World	Internet Users 31 Dec 2020	Penetration Rate (% Pop.)	Growth 2000-2021	Internet World %
<a href="#">Africa</a>	1,373,486,514	17.4 %	590,296,163	<b>3</b> 43.0 %	12,975 %	11.7 %
<a href="#">Asia</a>	4,327,333,821	54.9 %	2,707,088,121	<b>1</b> 62.6 %	2,268 %	53.6 %
<a href="#">Europe</a>	835,817,917	10.6 %	728,321,919	<b>2</b> 87.1 %	593 %	14.4 %
<a href="#">Latin America / Caribbean</a>	659,743,522	8.4 %	477,869,138	72.4 %	2,544 %	9.4 %
<a href="#">Middle East</a>	265,587,661	3.4 %	188,132,198	70.8 %	5,627 %	3.7 %
<a href="#">North America</a>	370,322,393	4.7 %	332,919,495	89.9 %	208 %	6.6 %
<a href="#">Oceania / Australia</a>	43,473,756	0.6 %	29,284,688	67.4 %	284 %	0.6 %
<b>WORLD TOTAL</b>	<b>7,875,765,584</b>	<b>100.0 %</b>	<b>5,053,911,722</b>	<b>64.2 %</b>	<b>1,300 %</b>	<b>100.0 %</b>

NOTES: (1) Internet Usage and World Population Statistics estimates are for December 31, 2020. (2) CLICK on each world region name for detailed regional usage information. (3) Demographic (Population) numbers are based on data from the [United Nations Population Division](#). (4) Internet usage information comes from data published by [Nielsen Online](#), by the [International Telecommunications Union](#), by [GfK](#), by local ICT Regulators and other reliable sources. (5) For definitions, navigation help and disclaimers, please refer to the [Website Surfing Guide](#). (6) The information from this website may be cited, giving the due credit and placing a link back to [www.internetworldstats.com](http://www.internetworldstats.com). Copyright © 2021, Miniwatts Marketing Group. All rights reserved worldwide.

## Internet Usage Information

<http://www.internetworldstats.com/stats.htm>

# World Internet Usage

## Top Ten Languages Used in the Web - December 31, 2017

( Number of Internet Users by Language )

TOP TEN LANGUAGES IN THE INTERNET	World Population for this Language (2018 Estimate)	Internet Users by Language	Internet Penetration (% Population)	Internet Users Growth (2000 - 2018)	Internet Users % of World (Participation)
<a href="#">English</a>	1,462,008,909	1,055,272,930	72.2 %	649.7 %	25.4 %
<a href="#">Chinese</a>	1,452,593,223	804,634,814	55.4 %	2,390.9 %	19.3 %
<a href="#">Spanish</a>	515,759,912	337,892,295	65.5 %	1,758.5 %	8.1 %
<a href="#">Arabic</a>	435,636,462	219,041,264	50.3 %	8,616.0 %	5.3 %
<a href="#">Portuguese</a>	286,455,543	169,157,589	59.1 %	2,132.8 %	4.1 %
<a href="#">Indonesian / Malaysian</a>	299,271,514	168,755,091	56.4 %	2,845.1 %	4.1 %
<a href="#">French</a>	412,394,497	134,088,952	32.5 %	1,017.6 %	3.2 %
<a href="#">Japanese</a>	127,185,332	118,626,672	93.3 %	152.0 %	2.9 %
<a href="#">Russian</a>	143,964,709	109,552,842	76.1 %	3,434.0 %	2.6 %
<a href="#">German</a>	96,820,909	92,099,951	95.1 %	234.7 %	2.2 %
<b>TOP 10 LANGUAGES</b>	5,135,270,101	3,209,122,400	62.5 %	1,091.9 %	77.2 %
Rest of the Languages	2,499,488,327	950,318,284	38.0 %	935.8 %	22.8 %
<b>WORLD TOTAL</b>	7,634,758,428	4,159,440,684	54.5 %	1,052.2 %	100.0 %

NOTES: (1) Top Ten Languages Internet Stats were updated in December 31, 2017. (2) Internet Penetration is the ratio between the sum of Internet users speaking a language and the total population estimate that speaks that specific language. (3) The most recent Internet usage information comes from data published by [Nielsen Online](#), [International Telecommunications Union](#), [GfK](#), and other reliable sources. (4) Population estimates are based mainly on figures from the [United Nations Population Division](#) and local official sources. (5) For definitions, methodology and navigation help, please see the [Site Surfing Guide](#). (6) These statistics may be cited, stating the source and establishing an active link back to [Internet World Stats](#). Copyright © 2018, Miniwatts Marketing Group. All rights reserved worldwide.

## Internet Usage Information

<http://www.internetworldstats.com>



# World Internet Usage

## Top Ten Languages Used in the Web - March 31, 2020

( Number of Internet Users by Language )

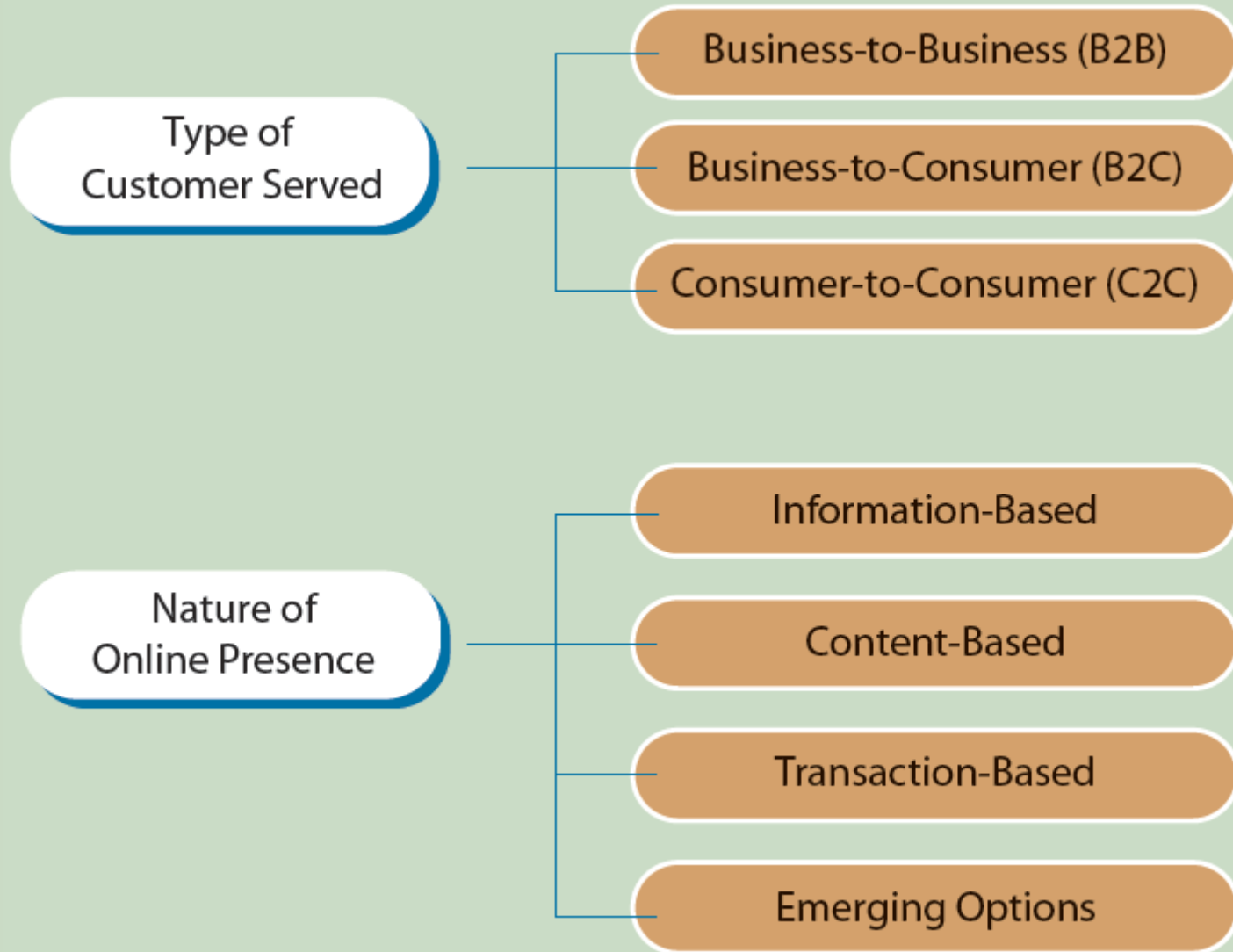
TOP TEN LANGUAGES IN THE INTERNET	World Population for this Language (2021 Estimate)	Internet Users by Language	Internet Penetration (% Population)	Internet Users Growth (2000 - 2021)	Internet Users % of World (Participation)
<a href="#">English</a>	1,531,179,460	1,186,451,052	77.5 %	742.9 %	25.9 %
<a href="#">Chinese</a>	1,477,137,209	888,453,068	60.1 %	2,650.4 %	19.4 %
<a href="#">Spanish</a>	516,655,099	363,684,593	70.4 %	1,511.0 %	7.9 %
<a href="#">Arabic</a>	447,572,891	237,418,349	53.0 %	9,348.0 %	5.2 %
<a href="#">Portuguese</a>	290,939,425	171,750,818	59.0 %	2,167.0 %	3.7 %
<a href="#">Indonesian / Malaysian</a>	306,327,093	198,029,815	64.6 %	3,356.0 %	4.3 %
<a href="#">French</a>	431,503,032	151,733,611	35.2 %	1,164.6 %	3.3 %
<a href="#">Japanese</a>	126,476,461	118,626,672	93.8 %	152.0 %	2.6 %
<a href="#">Russian</a>	145,934,462	116,353,942	79.7 %	3,653.4 %	2.5 %
<a href="#">German</a>	98,654,451	92,525,427	93.8 %	236.2 %	2.0 %
<b>TOP 10 LANGUAGES</b>	5,273,725,132	3,525,027,347	66.8 %	1,188.2 %	76.9 %
Rest of the Languages	2,522,890,578	1,060,551,371	42.0 %	1,114.1 %	23.1 %
<b>WORLD TOTAL</b>	7,796,615,710	4,585,578,718	58.8 %	1,170.3 %	100.0 %

NOTES: (1) Top Ten Languages Internet Stats were updated in January 31, 2020. (2) Internet Penetration is the ratio between the sum of Internet users speaking a language and the total population estimate that speaks that specific language. (3) The most recent Internet usage information comes from data published by [Nielsen Online](#), [International Telecommunications Union](#), [GfK](#), and other reliable sources. (4) Population estimates are based mainly on figures from the [United Nations Population Division](#) and local official sources. (5) For definitions, methodology and navigation help, please see the [Site Surfing Guide](#). (6) These statistics may be cited, stating the source and establishing an active link back to [Internet World Stats](#). Copyright © 2020, Miniwatts Marketing Group. All rights reserved worldwide.

## Internet Usage Information

<http://www.internetworldstats.com>

## Basic E-Commerce Business Models



# E-Commerce & Small Business

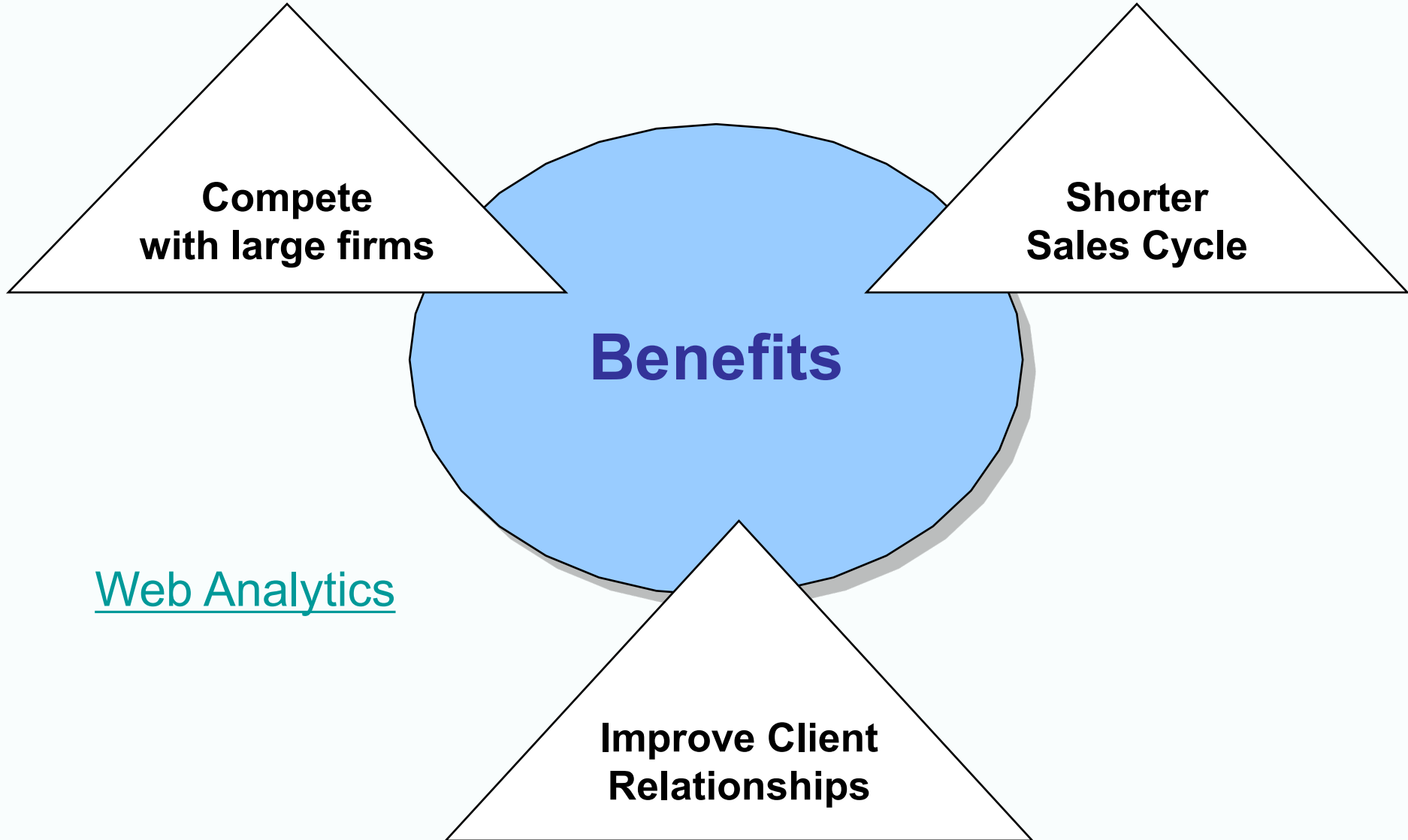
**Compete  
with large firms**

**Shorter  
Sales Cycle**

**Benefits**

Web Analytics

**Improve Client  
Relationships**



# Identify the Audience - Segments

<b>Demographic</b>	Age
	Education
	Ethnicity
	Gender
	Household Income
	# of vehicles
	# of children
<b>Geographic</b>	
<b>Psychographic</b>	
<b>End Use</b>	

# Identify the Audience - Segments

<b>Demographic</b>	
<b>Geographic</b>	City
	County
	State
	Region
	Metro Stat. Area (MSA)
	Country
	Climatic Condition
<b>Psychographic</b>	
<b>End Use</b>	



# Identify the Audience - Segments

<b>Demographic</b>	
<b>Geographic</b>	
<b>Psychographic</b>	Beliefs – ONLINE PERSONA
	Clubs, organizations
	Industry
	Reading habits
	Viewing habit – television
	Viewing habit – movies
	Personality profile
<b>End Use</b>	

# Identify the Audience - Segments

<b>Demographic</b>	
<b>Geographic</b>	
<b>Psychographic</b>	
<b>End Use</b>	Buying Predisposition: ready, not ready, must buy, reorder
	Familiarity with brand
	Frequency of use: Occasional, light, moderate, heavy
	Convenience, Shopping, Specialty
	Type of Need: Low Cost, Uniqueness, Individualized

# Segments – Put it together

**Put together segment descriptions, combining Demographic, Geographic, Psychographic and End Use characteristics**

1 (e.g., Barry [describe segment in detail])

2 (e.g., Ray [describe segment in detail])

3 (e.g., Jill [describe segment in detail])

# Functions For Your Web

<b>Do What?</b>	<b>Functions</b>
<b>Sales transactions</b>	Shopping cart, credit card, payment, confirmation, shipping options, etc
<b>Product/service Information</b>	Detailed information, based on: type of customer, budget, segmentation, etc.
<b>Display pictures/ describe service</b>	Photo gallery, diagrams, charts, models, webcasts, podcasts, video
<b>Communicate or educate customers</b>	Forums, meetings, discussion boards, articles, links, E-zines, news feed, contact form, eNewsletter, BLOG, etc.
Identify appropriate items above	

# Segment/Function Matrix (Example)

<b>Segment</b> <b>Function</b>	<b>1 [Name of segment]</b> <b>e.g., Barry</b>	<b>2 [Name of segment]</b> <b>e.g., Ray</b>
<b>Shopping cart</b>	Describe	Describe
<b>Credit card</b>	.	.
<b>Product info</b>	.	.
<b>Photos/charts</b>	.	.
<b>Forums</b>	.	.
<b>Discussions</b>	.	.
<b>Articles</b>	.	.
<b>Links</b>	.	.
<b>etc.</b>	.	.



# Practical Assignment (Individual)

**(1) Business** [*Italian Restaurant*]

**(2) Customer Segments** [Identify your customers] NOTE: for purposes of this assignment, please **identify 3 segments** Assign each segment a #

They may come from B2B, B2C, or both

**Segment #1:** [describe your segment here]

**Segment #2:** [describe your segment here]

**Segment #3:** [describe your segment here]

# Practical Assignment (Individual)

## **(3) Functions [*For your Italian Restaurant web site*]**

Need **5 functions** What functions do you want your web site to provide  
Functions may include:

User Forum, BLOG, Nutrition Facts, Articles (History of Italian Food), Menu, eNewsletter, Orders/reservations, Events, etc.

**Function 1:** [name your function e.g., Food Menu]

[describe the function here]

**Function 2:** [name your function e.g., Order/Reservations]

[describe the function here]

**Function 3:** [name your function e.g., eNewsletter]

[describe the function here]

**Function 4:** [name your function e.g., About Us]

[describe the function here]

**Function 5:** [name your function e.g., Mapping/ Directions]

[describe the function here]

# Practical Assignment (Individual)

	Segment 1:	Segment 2:	Segment 3:
<b>Functions</b>	[list]	[list]	[list]
1: [list]			
2: [list]			
3: [list]			
4: [list]			
5: [list]			

Describe what each function will “look like” for each of the segments you identified.

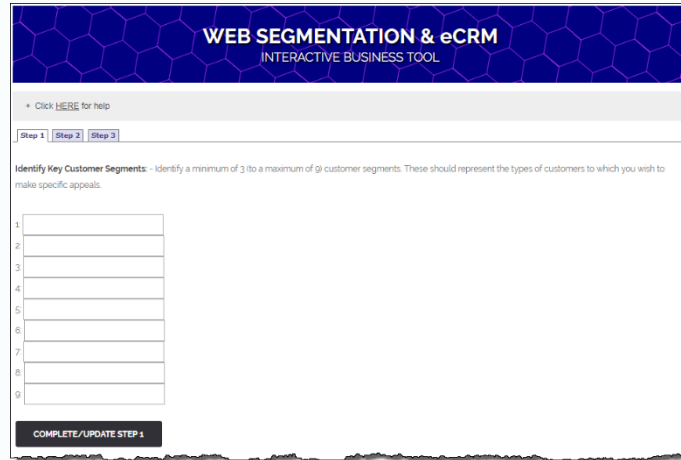
Each may be different, however, there may be some planned redundancy across certain segments for particular functions

# To Use for Your Business

Visit the free online tools:

<https://bit.ly/338iFkn>

Web Segmentation Tool



The screenshot shows a web interface for a tool titled "WEB SEGMENTATION & eCRM INTERACTIVE BUSINESS TOOL". At the top, there is a blue header with the title. Below the header, there is a navigation bar with "Step 1", "Step 2", and "Step 3" buttons. The main content area is titled "Identify Key Customer Segments" and includes a sub-instruction: "Identify a minimum of 3 (to a maximum of 6) customer segments. These should represent the types of customers to which you wish to make specific appeals." Below this text is a list of 9 empty input boxes, numbered 1 through 9. At the bottom of the form, there is a button labeled "COMPLETE/UPDATE STEP 1".

<https://www.wpbeginner.com/guides>

How To Make a Web Site

