

Top 5 E-Business Predictions 2010

By Deborah Collier

The growth of social media and the economic crisis have literally catapulted opportunities and entrepreneurship for online business. More and more individuals, as well as businesses have turned to the net to promote themselves and their offerings. The web is becoming more and more integrated and is having an impact not only on business, but also on popular culture. What does this mean for the individual? What does this mean for the small business, and how does this affect the large organisation? E-Business Strategist Deborah Collier has put together an overview of her thoughts for the year ahead.

Prediction 1: Goodbye to the Middleman

We have already seen a rise in the number of small businesses selling products and services using E-Commerce, but the growth of social media applications such as Twitter has enabled more affordable marketing to individuals and small businesses. Our analysis has shown that Twitter can give as much as ten times more clicks than email marketing, depending on the nature of the offering and quality of the campaign. I predict further adoption of such tools will have a heightened impact on industries such as real estate and arts and crafts, where individuals and sole-traders cut out the middleman. There will also be extensive growth in the consumer-to-consumer markets, where commerce is now even more focused on the individual seller than the business. Any individual is potentially an entrepreneur who can sell directly to their customers. Similarly buyers can procure services and products at source from those they with a great online reputation. Social media and social commerce has enabled this revolution.

Prediction 2: The Year of the Delivery Company

The growth of e-commerce and our reliance on more affordable nationalised postal and delivery services, has left our businesses open to risk during postal strikes. According to a report by the London Chambers of Commerce in October 2009, the postal strike cost London more than £500 million. Earlier in 2009, I urged online retailers to look at alternative delivery companies rather than lose customers. I also encouraged entrepreneurs to consider starting up affordable delivery businesses. I predict delivery and shipment to be one of the biggest growth industries of 2010, bringing hundreds if not thousands of unemployed back to work.

Prediction 3: Creative Sponsored Advertising

Social media and popular culture, particularly amongst the 16-35 age groups, have demonstrated that people are becoming more and more adverse to direct advertising. Despite clever creative and marketing tactics, banner advertising is increasingly filtered out by individuals, and pre-roll video advertising is perceived more and more as intrusive. Only the most innovative, integrated and seamless advertising will succeed. Businesses should focus on more creative sponsored advertising, or collaborative projects, not only for brand building but more importantly to bring themselves closer to their potential customers. We are living in a collaborative world where relationships are key. Our ability to deliver humanistic and social messages, through collaborative sponsorship opportunities will be at the focus of our marketing strategy in this coming year and

the years that follow.

Prediction 4: Mobile Commerce Revolution

I predict 2010 to be a year of exceptional growth for mobile, which will continue in years to come. Throughout the next decade, we will become less and less attached to our computers, and more connected to our surrounding world via cutting-edge technologies and hand-held mobile devices. News subscriptions and music downloads are currently the top two services purchased via mobile phones. I predict that more and more businesses will offer micro-applications via mobile phones in order to up sell to higher revenue services and products. I also predict retailers to make use of mobile phone barcode readers and one-click payment technologies, not only to increase sales and enhance their customer buying experience, but also to free up in-store staff for other customer service activities.

Prediction 5: Free Culture Frenzy

We are living more and more in a culture where we expect products and services for free. Where does that leave businesses? I predict that businesses will continue to embrace the 'Free Culture', as a means of building relationships and up selling to wider products and services. The 'Free Culture' may however have a detrimental affect on the quality of information and services we consume. Less savvy organisations wishing to up sell and cross-sell to their other products and services offer free services, that skilled specialist companies were previously offering at a premium. These specialist organisations will either go out of business or look at more savvy ways to maintain their customer-base and beat the free services and products. The key will be in skillful marketing, communication, customer service and reputation building.

*Author: Deborah Collier E-Business Strategist and Managing Director at Echo E-Business
22nd December 2009*