

(from the September 2004 edition of Entrepreneur magazine)

Great Expectations

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E-Commerce

E-commerce has been the redheaded stepchild of retail ever since the Internet bubble burst. It's not exactly an overnight Cinderella story but has quietly been doing very well over the past couple of years. Look to 2005 to be a year of growth and expanding Internet offerings. Technology market researcher eMarketer predicts that U.S. online retail sales in 2005 will reach about \$88 billion, up from an estimated \$72 billion in 2004.

While online sales only account for a small percentage of retail, the repercussions are much greater. "What you sell online may only represent 5 to 10 percent of what you sell overall," says Patrick Duparcq, professor at the Krannert School of Management at Purdue University in West Lafayette, Indiana, director of the Center for e-Business Education and research and co-editor of the Krannert Technology Forecast. "But your online presence and how you educate customers may affect up to 50 percent of all retailing because of lead generation, generation of traffic into stores, selection of products, and shopping around of products before walking into a store and buying."

With e-commerce taking on an important role in day-to-day business functions, it's a good time for you to reevaluate and revamp your Web site for the coming year. Online customers now expect professional appearances and smooth surfing. The growth of local paid search services, such as the one Google offers, can direct valuable local traffic to your site and, from there, to your brick-and-mortar store. The Kelsey Group, a market research firm, estimates that 10 percent of local searches are made with an intention to buy something (whether or not a transaction ultimately occurs). For Internet advertising, those are pretty good odds. An informative, well-designed Web site will be key to turning surfers into buyers.