

MODULE 2

Introduction to E-commerce: history, evolution, advantages and disadvantages, E-commerce Opportunities in different sectors; E-business Models Based on the Relationship of Transaction Parties: Business-to-Consumer (B2C), Business-to-Business (B2B), Consumer-to-Consumer (C2C), Consumer-to-Business (C2B); E-business Models Based on the Relationship of Transaction Types: Brokerage Model, Aggregator Model, advertising, subscription, affiliate. Opportunity identification and selection in Digital entrepreneurship.

E-Commerce – Introduction

E-commerce means using the Internet and the web for business transactions and/or commercial transactions, which typically involve the exchange of value (e.g., money) across organizational or individual boundaries in return for products and services. Here we focus on digitally enabled commercial transactions among organizations and individuals.

E-business applications turn into e-commerce precisely, when an exchange of value occurs. Digitally enabled transactions include all transactions mediated by digital technology and platform; that is, transactions that occur over the Internet and the web.

Hence, e-tailing is a subset of e-commerce, which encapsulates all “commerce” conducted via the Internet. It refers to that part of e-commerce that entails the sale of product merchandise and does not include sale of services, namely railway tickets, airlines tickets and job portals.

History of E-Commerce

1. Early Development:

- The history of E-commerce begins with the invention of the telephone at the end of last century. EDI (Electronic Data Interchange) is widely viewed as the beginning of ecommerce if we consider ecommerce as the networking of business communities and digitalization of business information.
- Large organizations have been investing in development of EDI since sixties. It has not gained reasonable acceptance until eighties.
- The meaning of electronic commerce has changed over the last 30 years. Originally, electronic commerce meant the facilitation of commercial transactions electronically, using technology such as Electronic Data Interchange (EDI) and Electronic Funds Transfer (EFT).
- These were both introduced in the late 1970s, allowing businesses to send commercial documents like purchase orders or invoices electronically.

- The growth and acceptance of credit cards, automated teller machines (ATM) and telephone banking in the 1980s were also forms of electronic commerce.
- Another form of E-commerce was the airline and railway reservation system.

2. The Internet and the Web:

- The Internet was conceived in 1969, when the Advanced Research Projects Agency (a Department of Defense organization) funded research of computer networking. The Internet could end up like EDI without the emergence of the World Wide Web in 1990s.
- The Web became a popular mainstream medium (perceived as the fourth mainstream medium in addition to print, radio and TV) in a speed which had never been seen before.
- The Web users and content were almost doubled every a couple of months in 1995 and 1996.

• 3.Birth of Online Shopping (1990s)

- The invention of the **World Wide Web** by Tim Berners-Lee in 1989 made online commerce possible.
- In 1994, the first secure online transaction was conducted using encryption technology.
- Major e-commerce companies emerged:
- Amazon (1995) started as an online bookstore.
- eBay (1995) introduced consumer-to-consumer online trading.

3. Rapid Growth (2000s)

- Improved Internet access increased online shopping worldwide.
- Businesses adopted online payment systems and digital marketing.
- E-commerce expanded beyond books and electronics to clothing, travel, and services.

4. Mobile Commerce Era (2010s)

- Smartphones and mobile apps transformed shopping behavior.
- Social media platforms became important marketing and sales channels.
- Online marketplaces and digital payment systems grew rapidly.

5. Modern E-Commerce (2020s–Present)

- Artificial intelligence (AI) personalizes shopping experiences.
- Fast delivery, same-day shipping, and automated warehouses have become common.
- Social commerce, live-stream shopping, and omnichannel retail integrate online and offline experiences.
- The COVID-19 pandemic accelerated global adoption of online shopping.
- Personalized shopping experiences through customer data analysis.
- Easy product comparison and online promotions

Advantages and Disadvantages of E-commerce

Advantages

E-commerce offers buyers and sellers a number of advantages:

- **Convenience:** E-commerce can happen 24 hours a day, seven days a week. Consumers can buy at their convenience, and business owners can make sales while they sleep.
- **Increased selection:** Many stores offer a wider array of products online than they could ever carry in their brick-and-mortar counterparts. And many stores that solely exist online offer consumers exclusive inventory that is unavailable elsewhere.
- **Potentially lower start-up costs:** E-commerce companies may require a warehouse or manufacturing site, but they usually don't need a physical storefront. The cost to operate digitally is often less expensive than needing to pay rent, insurance, building maintenance, and property taxes.

- **International sales:** As long as an e-commerce store can find a way to ship its products to its customers, it can sell to anyone in the world and isn't limited by physical geography.
- **Opportunity to collect valuable data:** Willingly or unknowingly, consumers share a lot of information on their interests and shopping habits when they buy or even just browse online. [Site owners can monetize this data](#) in a number of ways, using it themselves and selling it to others.

Disadvantages

There are also some drawbacks that come with e-commerce. Those can include:

- **Limited customer service:** If you shop online for a computer, you cannot simply ask an employee to demonstrate a particular model's features in person. And although some websites let you chat online with a staff member, that is not a typical practice. A disadvantage for shoppers, this can also be a money-saver for retailers.
- **Lack of instant gratification:** When you buy an item online, you must wait for it to be shipped to your home or office. However, [e-tailers](#) like Amazon now make the waiting game a little bit less painful by offering same-day delivery as a premium option for select products.
- **Inability to touch products:** Online images do not necessarily convey the whole story about an item, and e-commerce purchases can be disappointing when the items don't live up to the buyer's expectations. Case in point: an item of clothing may be made from shoddier fabric than its online image indicates.
- **Dependence on technology:** If a website crashes or must be temporarily taken down for any reason, the business is effectively closed until things return to normal.
- **Greater competition:** Although the low cost of starting an e-commerce business can be an advantage, it also means competitors can just as easily enter the market.

E-Commerce Opportunities in Different Sectors

Introduction

E-commerce refers to the buying and selling of goods and services through electronic networks, primarily the Internet. With the rapid growth of digital technologies, e-commerce has created numerous opportunities across various sectors of the economy. It enables businesses to reach wider markets, reduce operational costs, improve customer service, and increase profitability.

1. Retail Sector

The retail sector is one of the largest beneficiaries of e-commerce.

Opportunities:

- Online stores allow businesses to sell products 24/7.
- Access to customers across different geographical locations.
- Reduced need for physical stores and inventory costs.
- Personalized shopping experiences through customer data analysis.
- Easy product comparison and online promotions

Examples:

- Online shopping platforms for clothing, electronics, groceries, and household items.

2. Banking and Financial Services

E-commerce has transformed the banking sector through digital transactions and online financial services.

Opportunities:

- Online banking and mobile banking services.
- Electronic fund transfers and digital payments.
- Online loan applications and approval processes.
- Digital wallets and contactless payment systems.
- Improved customer convenience and reduced transaction time.

Benefits:

Faster transactions, lower operational costs, and enhanced customer satisfaction.

3. Education Sector

E-commerce has revolutionized education through online learning platforms.

Opportunities:

- Online courses and certification programs.

- Virtual classrooms and distance learning.
- Sale of e-books and digital learning materials.
- Online examination and assessment systems.
- Global access to educational resources.

Benefits:

Flexible learning, reduced educational costs, and access to quality education from anywhere.

4. Healthcare Sector

The healthcare industry increasingly uses e-commerce to improve service delivery.

Opportunities:

- Online appointment booking.
- Telemedicine and virtual consultations.
- Online pharmacy services.
- Electronic health records management.
- Health insurance services through digital platforms.

Benefits:

Improved accessibility, convenience, and faster healthcare services.

5. Tourism and Hospitality Sector

E-commerce has significantly transformed travel and tourism businesses.

Opportunities:

- Online hotel reservations.
- Flight, train, and bus ticket booking.
- Travel package sales.
- Online customer reviews and recommendations.
- Digital payment facilities for travelers.

Benefits:

Easy booking processes, increased customer reach, and better service management.

E-business Models Based on the Relationship of Transaction Parties:

Business-to-Consumer (B2C)

The acronym B2C stands for business-to-consumer. It can sometimes also be referred to as [direct to consumer](#). This term refers to the direct sales of products and/or services from businesses straight to customers who buy strictly for consumption. There are no middlemen involved with B2C transactions. Most B2C companies today tend to be online retailers that sell their products and/or services through the internet to consumers, though there are also brick-and-mortar B2C companies as well. People looking to [start a business](#) that sells directly to customers can get started with an [online store builder](#).

- **Product-based B2C model:** As the name implies, in a product-based B2C model, businesses supply and/or sell products to end-consumers, either through their physical or online stores. For example, fashion or shoe brands, like Nine West or Nike will sell their clothes, accessories and shoes directly to consumers either in a brick-and-mortar store or online—and often via both. This type of product-based B2C businesses may also sell their products to consumers via third-party eCommerce sites, like Amazon.
- **Service-based B2C model:** Similar to the previous model, a service-based B2C business provides services instead of physical products directly to consumers. The services, such as dog grooming or lawn care, can be ordered online or from a physical storefront, depending on the business.
- **Software-based B2C model:** These B2C companies that specialize in software can either be product or service-based. The former involves selling actual software products and solutions (Adobe, Microsoft, etc) while the latter offers software services (Netflix, Hulu, etc.) to consumers.
- **B2C eCommerce model:** In this type of B2C, businesses sell products to consumers in online stores and marketplaces. While Amazon is the largest online retailer, many brick-and-mortar stores today also sell their products online. This B2C eCommerce model can be divided into two different sub-models.

Business-to-Business (B2B)

Business-to-business (B2B) describes a transaction where one company sells a product or service to another company. B2B can also describe a [type of company](#) that sells to other companies or refer to the general concept of business between companies. B2B transactions are different than business-to-consumer (B2C) transactions, where a business sells to an individual customer. If you are thinking of [starting a business](#), a [B2B eCommerce business](#) or [online store](#), or even a [business website](#) — these are good terms to know.

History and evolution of B2B

The term "B2B" has been around since the early 20th century when companies started to specialize in producing goods for other businesses rather than individual consumers. In the 1980s and 1990s, the rise of the internet and eCommerce made B2B marketing more accessible and efficient.

B2B business examples

Common examples of B2B transactions include:

- A business sourcing materials for production from another business, like a garden hose manufacturer buying rubber from a supplier.
- A business using the services of another business, like a company hiring an accounting firm to audit their finances.
- A business buying products from another business before reselling them, like a clothing shop buying shirts in bulk and then retailing them one-by-one

How is B2B different than B2C?

Key differences between B2B and [B2C](#) transactions include:

- **The decision-making process.** The process of planning and approving B2B sales is more complex. Companies doing business with each other typically have multiple internal stakeholders that have a say in a potential business exchange. B2C sales, on the other hand, only need to be decided on by an individual customer.

- **Pricing.** B2C purchases are generally the same price for everyone while in B2B, the same product may be offered to companies at different price points for a number of reasons, such as:
- Whether the company buying the product or service is a high-value customer.
- **Time required.** With multiple decision-makers involved in each transaction and the potential for negotiation over the price and makeup of a sale, B2B transactions often take longer than B2C.
- **Size.** Because businesses generally purchase more of a product or service than individual consumers, B2B transactions are also larger in size and scope
- **What is C2C eCommerce?**
- C2C eCommerce (consumer-to-consumer) is a [business model](#) where individuals trade products or services directly with each other, typically through online platforms or marketplaces.
- These platforms facilitate listings, payments, communication, and dispute resolution, enabling seamless peer-to-peer transactions. Unlike traditional retail models, C2C eCommerce eliminates intermediaries like retailers or manufacturers.
- Prices are set by sellers based on market demand, while reputation systems and customer reviews help build trust between buyers and sellers.
- **How Customer to Customer (C2C) Works?**
- The C2C eCommerce model operates through a series of steps that enable buyers and sellers to connect, transact, and complete a sale:
- **STEP 1: Creating a Product or Service**
- **STEP 2: Discovering Products or Services**
- **STEP 3: Connecting Buyers and Sellers**
- **STEP 4: Securing the Transaction**
- **STEP 5: Completing Delivery or Service Fulfillment**
- **STEP 6: Leaving Feedback and Ratings**

STEP 1: Creating a Product or Service Listing

- Sellers post products or services for sale on the C2C platform, including the product or service's detailed descriptions, images, and pricing information.

- **STEP 2: Discovering Products or Services**
- Buyers browse categories or search the platform to find products or services that match their needs and preferences.
- **STEP 3: Connecting Buyers and Sellers**
- Communication on the C2C eCommerce platform occurs through messaging or chat features on the platform, allowing buyers to ask questions, negotiate prices, or finalize delivery details.
- **STEP 4: Securing the Transaction**
- Once terms are agreed upon, buyers make payments securely through the platform's [payment gateway](#) or other approved methods.
- **STEP 5: Completing Delivery or Service Fulfillment**
- The seller ensures the product is shipped or the service is delivered to the buyer based on the agreed terms.
- **STEP 6: Leaving Feedback and Ratings**
- After the transaction, buyers and sellers provide ratings and reviews, helping build trust and maintain the platform's reputation system.
- C2C platforms act as intermediaries, offering tools for listing, buying, and dispute resolution. They earn revenue through fees or commissions, usually a percentage of each transaction.
- **What are The C2C eCommerce Business Examples?**
- **OLX: Local Classifieds Made Simple**
- OLX is a popular classifieds platform, especially in emerging markets, where users can list and sell items like cars, property, and electronics.
- It focuses on local transactions, making it easy for buyers and sellers to connect, meet, and exchange goods conveniently. Its mobile app enhances usability for on-the-go browsing and communication.
- **Amazon: Trusted Platform for Pre-Owned Goods**
- Amazon, primarily a B2C platform, also supports C2C transactions. Individual sellers can list used books, refurbished electronics, and other pre-owned items. With Amazon's trusted brand, secure payments, and reliable shipping, buyers and sellers enjoy a seamless and safe experience.
- **Top Platforms for Building a C2C eCommerce Store**

- **WordPress**
- Using plugins like WooCommerce and relevant themes, WordPress can transform into a basic C2C marketplace. It leverages strong content and user management capabilities to meet simple marketplace needs.
- **Yo!Kart**
- An all-in-one solution for multi-vendor C2C marketplaces. It provides customizable templates, integrated payment gateways, and mobile app support for a seamless user experience.
- **Benefits of the C2C eCommerce Business Model**
- **1. Low Costs and Higher Profits for Sellers**
- Sellers can start selling online with minimal upfront investment. C2C platforms eliminate the need for warehousing, inventory management, or extensive marketing, allowing small businesses and individuals to maximize profits with lower overhead costs.
- **2. Affordable Prices for Buyers**
- Buyers can find unique, second-hand, or rare items at lower prices compared to traditional retailers. The direct nature of C2C transactions removes intermediaries, enabling sellers to offer competitive pricing while still maintaining healthy margins.
- **Drawback of C2C eCommerce Business Model?**
- **Payment Security Risks**
- While C2C platforms often integrate secure payment options like PayPal or trusted payment gateways, some transactions may involve direct payments between buyers and sellers. This increases the risk of fraud, chargebacks, or non-payment, leaving parties vulnerable to financial loss.
- **Quality Control Issues**
- C2C transactions lack the rigorous quality oversight seen in B2C eCommerce. Buyers may receive products that do not match the description, images, or advertised quality. This can lead to disputes, refund claims, and dissatisfaction, affecting trust on the platform.
- **Consumer to business**
- Consumer to business or C2B, differs from other e-commerce models because it's the consumers who create value for a product or business.

- In the traditional business-to-consumer [e-commerce model](#), businesses sell products or services directly to consumers.
- With C2B, consumers offer products or services to businesses in exchange for payment or other benefits.
- The C2B model sometimes to independent workers and freelancers who accomplish paid tasks for a business.
- **Benefits of consumer to business**
- **Flexibility:** Businesses and sellers can define their own revenue parameters, such as the duration of services, how often payment gets collected or product supply dates.
- **Higher earning potential:** Sellers have unlimited earning potential.
- **Wider reach:** Businesses have the opportunity to prioritize how they hire sellers, which gives them the ability to hire from specific regions, such as where the average income or cost of living is lower, thereby reducing their costs.
- **Variety of work:** Sellers have the opportunity to gain valuable work experience with different businesses across multiple projects, and they have the opportunity to be paid well for their services.
- **Independence:** Consumers can provide their products or services to a business without having to create a business or go into business for themselves.
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- **Examples of how consumer to business works**

- A food blogger who shares an affiliate link to a kitchen company's cooking products on their blog.
- A tech blogger who displays a company's service ads to their audience in exchange for a cut of the ad revenue.
- Social media users who fill out surveys on Five Surveys or promote products and services.
- Large e-commerce websites or sellers who pay or otherwise reward consumers for reviewing their products or when they share a review on their personal social media.

- **What is the Brokerage Business Model?**

- Brokerage is a business model where a broker connects a seller and buyer, facilitates the transaction, and charges a fee for the service.
- Unlike the situation where a seller struggles to get a buyer from the market, the broker creates a bridge to connect the two of them.
- The brokers then charge a commission or fee for the task to either or both parties.

- **Brokerage Business Model and How it Works**

- If you are not new to the business world, you are familiar with the word broker.
- You have ever bought a product or service through one. Whether it is on the internet or physical sales, you will find a broker offering you a product or service.
- Brokerage is one of the many business models that companies and entrepreneurs use to generate revenue in their ventures.

- **1. Seller**

- The seller can be an individual or company that is offering a given product or service. A seller is the creator of the product and services and offering them to the market.
- You as an entrepreneur might be seeking customers to buy the product or services.
- However, sometimes it is hard to get the right customers for your item. In this case, they contract a broker to sell the product by acting as the owner.

- **2. Broker**

- With the challenges the sellers face to get customers or buyers, a broker finds an opportunity. A broker acts as the middleman between the seller and buyer.

- Their role is to connect the two parties and facilitate the transaction. In most cases, brokers have insightful knowledge about the product market and where to find the right buyers and sellers.
- **3.Buyer**
 - As a seller, buyers can be business entities or individuals. Their goal is to find a particular product or service from the marketplace.
 - Sometimes, buyers have no idea about people offering search services. Or else, no knowledge on how to go about the buying process.
 - Example
 - A good example of brokers is online marketplaces. [Amazon](#) and [eBay](#) are good types of the brokerage where customers buy products from different sellers posted on the marketplace. The two businesses get a commission for each sale completed.
 - A **Brokerage model** acts as a **middleman** between buyers and sellers. It connects both parties and earns **commission** for each transaction.
 - **Key Features:**
 - Does NOT own the product or service
 - Just connects buyer & seller
 - Earns commission per transaction
 - Multiple sellers available
 - **Examples:**
 - **eBay**
 - Connects buyers and sellers
 - Does not own products
 - Takes commission from sellers
 - **Magicbricks**
 - Connects property buyers & sellers
 - Earns commission/listing charges

What is an Aggregator Model in E-commerce?

- An aggregator in [eCommerce](#) is a platform that brings together service providers or sellers under one digital roof. Instead of offering its own product or service, an aggregator connects users with third-party providers and ensures a consistent customer experience.
- This is where the aggregator model in e-commerce steps in as a game-changer, simplifying the shopping experience for consumers and opening up new opportunities for businesses.
- Instead of owning inventory, they collect and organize information, like prices, features, and reviews, so you can easily compare your options side by side.
- Think of it like a connector—it doesn't own the food, hotel, or cab, but it helps you find and book them easily.
- **Example:**
- Zomato doesn't cook food, but it helps you order from restaurants.
- OYO doesn't own hotels, but it lists and manages them under its platform.

What is the Value for Each Party?

- Aggregators create value for all involved parties:
- **For Customers:**
- One-stop access to multiple options
- Consistent user interface and customer service
- Better deals, discounts, and faster comparison
- **For Service Providers/Sellers:**
- Broader reach without investing in their own platform
- Branding and visibility via the aggregator's reputation
- [Payment processing](#) and customer support are handled by the aggregator.
- **Food Delivery Aggregators**
- These platforms tie up with local restaurants and deliver food to customers' doorsteps.
- **Examples in India:** Zomato, Swiggy
- **Key Features:** Real-time tracking, multiple payment options, reviews & ratings

- **Value:** Makes dining at home easy and quick, especially during busy workdays.
- **Hotel Aggregators**
- These allow you to browse, compare, and book hotels without visiting multiple hotel websites.
- **Examples:** OYO, MakeMyTrip
- **Value for Travellers:** Transparent pricing, photos, reviews, flexible cancellation
- **Value for Hotels:** Better occupancy, digital visibility, and easier inventory management.

An **Aggregator model** collects services under one brand and sells them. The company controls pricing, branding, and customer experience.

Key Features:

- Standardized service
- Company controls price
- Service providers work under aggregator brand
- Customer trusts single brand

Example

- Ola
- Drivers are independent
- Customers book under Ola brand
- Ola controls pricing & commission

Basis

Brokerage Model

Role

Middleman

Ownership

Does not own product

Pricing Control

Seller decides

Brand Control

Sellers have own brand

Example

eBay, Magicbricks

Brokerage = Matchmaker (connects buyer & seller)

Aggregator = Brand controller (collects services under one brand)

E-Commerce Revenue Models: Advertising, Subscription, and Affiliate Models

Introduction

A revenue model explains how an e-commerce business generates income. Different online businesses use various revenue models depending on their products, services, and target customers. Among the most common e-commerce revenue models are the **Advertising Model, Subscription Model, and Affiliate Model**.

1. Advertising Revenue Model

Definition

The advertising revenue model generates income by displaying advertisements on websites, mobile applications, or online platforms. Businesses earn money by charging advertisers for displaying their ads to users.

Working

- Website owners provide space for advertisements.
- Advertisers pay to display their products or services.
- Revenue is earned based on clicks, views, impressions, or conversions.

Types of Advertising

- **Banner Advertisements**

- **Video Advertisements**
- **Pop-up Advertisements**
- **Sponsored Content**
- **Social Media Advertisements**

Advantages

- Free access to content for users.
- High revenue potential with large traffic.
- Suitable for blogs, news websites, and social media platforms.

Disadvantages

- Requires a large number of visitors.
- Excessive advertisements may affect user experience.

Examples

- Google
- Facebook
- YouTube

2. Subscription Revenue Model

Definition

In the subscription model, customers pay a recurring fee (monthly, quarterly, or annually) to access products, services, or content.

Working

- Users subscribe to a service.
- Payment is collected periodically.
- Subscribers receive continuous access to content or services.

Types of Subscription Services

- Video streaming services

- Music streaming services
- Online learning platforms
- Software-as-a-Service (SaaS)
- Digital newspapers and magazines

Advantages

- Predictable and recurring income.
- Strong customer relationships.
- Better revenue stability.

Disadvantages

- Customers may cancel subscriptions.
- Continuous quality improvement is required.

Examples

- Netflix
- Spotify
- Microsoft (Microsoft 365)

3. Affiliate Revenue Model

Definition

The affiliate model allows individuals or websites to earn commissions by promoting products or services of other companies.

Working

1. An affiliate joins an affiliate program.
2. The affiliate receives a unique referral link.
3. Customers click the link and make purchases.
4. The affiliate earns a commission on successful sales.

Components

- Merchant (Seller)
- Affiliate (Promoter)
- Customer
- Affiliate Network

Advantages

- Low startup cost.
- No need to create products.
- Passive income opportunities.

Disadvantages

- Earnings depend on traffic and sales.
- High competition among affiliates.

Examples

- Amazon Associates Program
- Flipkart Affiliate Program
- Commission Junction

Opportunities for Entrepreneur and Identifying & Selecting the Best Opportunity

- After completing this module students will be able to:
 - i. Understand the concept of Opportunity.
 - ii. Understand the Need for Opportunity Identification & Selection
 - iii. Know the various business opportunities
 - iv. Understands the Opportunity Identification and Selection
- An entrepreneur has opportunities available to him but he has to identify the best opportunities out of the existing opportunities.

- One can have a large list of the available opportunities from the magazines, Internet, Government, Friends, relatives and so on.
- To select the best business opportunity, one needs creativity, skills and vision to analyze the available information.
- It is also important for an entrepreneur to identify the opportunities and also to select the best opportunity.

i. Understand the concept of Opportunity.

- In general, the word opportunity means a favourable situation or a circumstance provided to do something for the advancement or progress.
- Therefore, business opportunity is a favorable chance available for an entrepreneur to run the business and earn profits at a given point of time in particular environment.
- For an entrepreneur opportunity means a product or a project. Therefore, identification of opportunity, product or a project is similar.
- a. **Additive Opportunities:** these are the opportunities which are related to the use of the available resources without making any changes. Therefore, there is very less risk in such opportunities.
- b. **Complementary Opportunities:** These are related to the introduction of the new ideas which directs the change in the available arrangement. There is a greater risk in such opportunities.
- c. **Breakthrough Opportunities:** These are related to the huge change in the existing arrangements which thus involve huge risk.

ii. Understand the Need for Opportunity Identification & Selection

- Therefore, the success of an entrepreneur depends on his suitability of the enterprise and at the same time the successful enterprise can be started if the entrepreneur has the characteristics and skills to handle that enterprise.
- Therefore, there is a need for the opportunity identification and selection because if opportunity is not selected on the basis of the skills and there is non- suitability between the entrepreneurs and the enterprise then there will be business failure.

iii Business Opportunities in various sectors

- There are innumerable opportunities exist in the business environment but one requires a vision to identify the available opportunities. Various business opportunities available are like following:
- **1. Textiles:** India is famous for its textiles from the very beginning and every region has its own unique style of dressing which thus offers a wide and diversified market. Moreover, India has a huge potential to grow as a market leader in the textile sector. Surat, Ludhiana etc.
- **Software:** India is having large number of the software engineers with leading business in software. With growing business in the software industry and the increasing business outsourcing from the foreign companies is providing tremendous opportunities for the entrepreneurs to invest in this sector.
- **Tourism:** It is one of the most promising and fastest growing industries as India has the potential for tourism development. India covers 15% of the world population and shares only 0.40% in the world tourism.
- **Healthcare sector:** Indian healthcare sector is at the growing stage and with the growth in the medical tourism this sector will offer wide prospects for the entrepreneurs as there will be cost-effective treatments.
- **Toys:** this industry is the evergreen industry. India has the potential to make safe and cost effective toys. Although china is giving a tough competition in this sector, but the Chinese toys contains toxics where India has an advantage to produce safe and durable toys.
- **iv Identifying a Business Opportunity**
 - An entrepreneur should be the opportunity seeker and his most important task is to Identify, discover and to select the best business opportunity. A good opportunity must be capable of converting into a feasible project. An entrepreneur may come across multiple opportunities but he has to select the most promising and possible opportunity because the success of the enterprise depends on the proper identification and selection of the project.
 - **Idea Generation:**
 - Trade fairs and trade journals.
 - b. through experience of others in the particular business,
 - c. success stories of friends, relatives.
 - d. Surveys, reports, newspapers
 - Idea can be generated with the help of the following methods:

- a. Brainstorming
- b. Focus Groups
- c. Problem inventory analysis.
- **Brainstorming:** This technique was originally used by Alex Osborn in 1938 in an American company to persuade innovative thinking in a group of six to eight people. Through this method a large number of ideas are generated without any criticism.
- **Focus Groups:** This group consists of 6-12 members belonging to different socio-economic backgrounds to focus on the particular matter. The group has a moderator to have the detailed discussion. Ideas are generated and detailed discussions are carried on to identify the excellent ideas.
- **c. Problem Inventory analysis:** This method is more like a focused group method but in this method along with generating ideas, it also considers the problem a product faces. In this method, focus group is provided with the list of the problems in a general product category and then identifying and discussing the problems of the products in that category.