

## Unit 3

### BASICS OF DIGITAL BUSINESS MODELS:

#### **Introduction to digital entrepreneurship.**

Digitalization has brought a revolutionary shift to marketplaces. One major change is the development of **digital entrepreneurship**. Digital entrepreneurship is driving a new technology-fuelled business model from the search to the management and further growing new businesses from the development of e-commerce platforms, social media, or any other such avenues.

**Definition :** *"Digital Entrepreneurship refers to technological advancement with new ways of establishing and performing business."*

Digital entrepreneurship means using the internet and digital technology to start and grow a business. It goes beyond traditional business methods by allowing new and creative ideas through modern tools and online platforms. With the help of the internet, anyone with a clear idea and interest can become a digital entrepreneur.

#### **Digital Entrepreneurship Skills**

**Social media marketing:** Using social media platforms to attract and connect with potential customers.

- **Email marketing:** Building relationships and increasing sales by sending emails at the right time.
- **SEO:** Improving your online content so it appears higher in search engine results.
- **Communication:** Knowing how to speak and interact properly with people from different cultures and backgrounds.
- **Adaptability:** Being flexible and able to adjust to changes in the fast-moving digital world.

#### **Benefits of Digital Entrepreneurship**

##### **Scalability:**

Digital businesses can first focus on a small group of customers. After becoming successful, they can easily reach a larger audience. Growing an online business is cheaper and easier than expanding a physical business.

##### **Cost efficiency:**

Starting a digital business needs less money. There is no need for much physical setup, and many tasks can be automated, which reduces costs.

##### **Flexibility:**

The digital world changes quickly, so entrepreneurs can also change their plans and strategies quickly to stay ahead in the market.

##### **Part-time opportunity:**

You can start a digital business in your free time without leaving your job. It also allows you to work according to your own schedule.

##### **Innovation:**

Digital entrepreneurship encourages new ideas and creativity. It helps people create useful products or services and try new ways to earn money using the internet.

## Online business ideas:

### 1. E-commerce

#### Definition:

E-commerce is the buying and selling of goods or services over the internet.

#### Explanation:

You create an online store or sell through a marketplace. Customers order online and you deliver the product to their home.

#### Example:

You open a store on Meesho and sell Assam tea.

- Cost of 1 packet = ₹200
- Selling price = ₹350
- Profit = ₹150 per packet

### 2. Subscription Service

#### Definition:

A subscription service is a business where customers pay a fixed amount regularly (monthly or yearly) to access a product or service.

#### Explanation:

Instead of selling once, you earn again and again from the same users.

#### Example:

You create a “**Monthly Study Notes PDF**” for students.

- Charge ₹99 per month
- 100 students join
- Income = ₹9,900 every month

You can deliver the content using Telegram or Gumroad.

### 3. Freelancing

#### Definition:

Freelancing means working independently and providing services to clients online without doing a permanent job.

#### Explanation:

You use your skills and get paid per task or project.

#### Example:

You make resumes for people on Fiverr.

- Charge ₹500 per resume
- 10 clients in a month
- Income = ₹5,000

## 4. Affiliate Marketing

### **Definition:**

Affiliate marketing is promoting other companies' products and earning a commission for every sale made through your referral link.

### **Explanation:**

You don't need your own product — just promote and earn.

### **Example:**

You share a mobile phone link from Amazon on your WhatsApp or Instagram.

- Product price = ₹15,000
- Commission = 5%
- Your earning per sale = ₹750

## Basics of Digital Marketing

Digital marketing means promoting products or services using the internet and digital technologies such as websites, apps, search engines, and social media.

### 1. SEO (Search Engine Optimization)

#### **Definition:**

SEO is the process of improving a website to rank higher in search engine results organically (without paid ads).

#### **Explanation:**

It helps a website appear on the first page of Google when users search for something.

#### **Example:**

- When you search “**best shoes under ₹1000**”, products from Amazon appear at the top because:
  - They use proper keywords
  - Have product descriptions
  - Use customer reviews
  - Have fast-loading pages

### 2. SEM (Search Engine Marketing)

#### **Definition:**

SEM is a digital marketing technique where businesses pay to show their ads on search engine result pages.

#### **Explanation:**

These are **paid advertisements** that appear at the top of search results.

**Example:**

- When you search “**order pizza near me**”
- You see sponsored results from Zomato or Swiggy with the label “**Ad**”

### 3. Website / App Analytics

**Definition:**

Analytics is the process of collecting and analyzing data about users’ behavior on a website or mobile app.

**Explanation:**

It helps businesses understand:

- Number of visitors
- What users click
- Time spent on app
- Which product sells most

**Example:****Amazon**

- Tracks:
  - What you search
  - What you buy
  - How long you view a product
- Then shows:
  - “Recommended for you”
  - “Customers also bought”

**Swiggy & Zomato**

- Track:
  - Your location
  - Your previous orders
  - Your favourite food
- Then show:
  - Personalized restaurant suggestions
  - Special discounts