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FEATURE

Young guns making it online

Money-making opportunities on the Internet: ripe for the clicking



Let's be frank : entrepreneurs are traditionally rather ballsy types. Coming up with your own business idea and being willing to risk everything by running full-speed ahead with it is either rather foolish or brilliantly valiant.

One invention that has made it easier is the Internet. We've all heard about the geeks who were paupers one month and rolling in cash the next - all because they identified a niche, developed a slick strategy and then went in for the kill.

Things can and do happen really quickly in the online world, especially success. Just ask Mark Zuckerberg, the 23-year-old founder of Facebook. He saw a gap, devoted everything to working out how to fill it effectively, and is now turning down multimillion-dollar offers for the site.

A host of young South Africans are using the Internet in a variety of ways to make money - often a lot of it.

Most Internet users are well-educated and well-heeled, making the Internet an ideal place to attract customers. You can start experimenting with online entrepreneurship while still a student.



Evan and Ryan Shein

Take Evan Shein (21), for example. He's a third-year BCom Entrepreneurial Management student at the University of Johannesburg. In July, after months of research and planning, he and his brother Ryan launched an e-commerce site called Shop and Ship

(www.shopandship.co.za), which sells mainly digital equipment and gadgets. 'Though it is still very early to predict the growth, success and market share of the venture, I do believe that what we have achieved in our first few weeks of trade is remarkable,' says Evan.

The brothers took note of the growth of local e-commerce retail revenue (R688m in 2006) and saw an opportunity. But it wasn't as easy as it might sound.

'We faced various challenges leading up to the launch of the website: attaining the trust of the various banks, in getting our merchant account (this is necessary in order to accept credit card payments online); the development of the website in line with our requirements

Playing poker and selling stamps

Online poker

A great way to earn cash (and sometimes lose it) is to play online poker. Lucas Witte-Vermeulen has been playing online poker for three years and makes a steady monthly income.

'There is usually a lot of money to be won in the big tournaments, like the million-dollar tournaments. You only have to come in the top 500 or so to cash in a few thousand,' says Witte-Vermeulen.

Students can try their luck at online poker but Witte-Vermeulen suggests that students play within their means and understand that to make money you need to be sure of what you are doing. Skill plays a big role in winning online.

Selling stamps on eBay eBay is a tried and tested method to make money online but the product is of the utmost importance. Witte-Vermeulen sells stamps on eBay. He started selling stamps online at Rhodes. The income generated helped him to pay for his final year of university. 'There is little risk if you find a niche and set-up costs are minimal,' he says. Selling products online is not as simple as one might think. Customer service and product quality are essential. 'You don't want to burn bridges on sites like eBay,' Witte-Vermeulen says. This would have a detrimental effect on one's business.

Witte-Vermeulen used the business to help him move overseas and survive while he was preparing for an art exhibition.

and specifications; the completion of the business plan in order to attain an overdraft facility; the selection of a logistics partner; as well as the pricing of the various products found on our website,' Evan points out.



Adriaan Pienaar

There are, of course, other ways besides retail to make money online. Adriaan Pienaar started working as a freelance designer and social media strategist in February this year, even though he's still a fourth-year Business Strategy student at Stellenbosch. He began by charging US\$50 per design and now comfortably pulls in \$500-\$600 per design.

Demand for his services is such that he now subcontracts to freelancers around the world.

'I generate most of my income from doing designs for Wordpress's blogging platform. Though this is a very niche market, this is what 90% of my clients require. My tasks are not limited to design, however, and I use a lot of the knowledge gained from my studies to advise clients on strategic design and online marketing issues,' says Adriaan.

His blog (www.adii.co.za) is the primary method of attracting clients.

Adriaan offers a simple two-part strategy for students and other young people to get started.

First, get blogging - it's a cost-efficient way of promoting yourself and your skills, as well as creating a potential customer base.

Second, use some of the social media tools to connect with new people, build friendships and learn from people more experienced than yourself.

Another young South African who's making piles of cash through the Internet is Christopher Mills (25), a final-year computer science student at the Cape Peninsula University of Technology. Chris does freelance design and development via www.christophermills.co.za and he talks about his passion for earning money online via www.webtrepreneur.co.za.

'The growth rate of my blogs has been exponential. In terms of traffic, I am sitting at around an 800% increase since I started them at the beginning of this year and in terms of revenue an increase of around 600%,' he says.

As for the potential for students to make money using the Internet, Chris has a futuristic approach: 'I think that there will be nothing but the Internet in the future, and therefore the Internet will act as a tool for business, communication, entertainment and everything else. The market is wide open for students to embrace the Internet and make a success using it.'

Someone who started making money on the Internet from a very young age (15) is Tyler Reed - now 19 and studying for a BCom through Unisa.

Tyler used to set up small websites for small companies and then

moved on to blogging and began making money off the advertising on his blogs. In July this year he founded a company, Younique, which is an interactive social media marketing firm.

Like Adriaan, Tyler's blog plays a key role in attracting new customers. 'In the beginning most people contacted me through my blog (www.tylerreed.co.za) and so business relationships evolved from there. I would say now that personal networks and referrals as well as attending conferences are starting to bring in more business.'

Tyler is also of the opinion that the Internet is an excellent avenue for young entrepreneurs to explore. 'The Internet offers a low-cost start-up opportunity, making it ideal for students to start a business online,' he says.

His advice is clear: if you want to start a business, whether online or offline, you should network. 'Never stop meeting new people and staying in touch with them. Surround yourself with great people, people who inspire and motivate you.'

Rafiq Phillips, a well-known figure in the local online world, first started making money on the Internet by designing websites in his first year of studies (software development at CPUT) in 2001. Now, his key services are 'helping companies understand and apply search engine marketing and other emergent trends and technologies that help them become more visible online and increase their return on investment. **At right, Rafiq Phillips**



'With more and more South Africans using the Internet and more companies seeing value in implementing proper online strategies, the majority of sales and revenue has been generated through users making contact via my blog (www.webaddict.co.za),' Rafiq notes.

He is a firm believer that developing an excellent idea or concept is more fundamental than good marketing. He also founded and runs www.idrive.co.za, a website which helps people to get their driver's licences.

A recent report by Internet research firm World Wide Worx notes that online advertising is growing faster than all other forms of advertising in SA. It states that online advertising revenue in SA is expected to pass the R200m mark by the end of 2007.

In the words of Charl Norman, another prominent young local Internet businessman: 'The Internet is the perfect medium for students to start a business even while they are studying. You can communicate with your clients through e-mail and meet at coffee shops. Setting up a .co.za domain costs R50 and hosting is even less per month - you can set aside a few hundred rand which will keep you financed for a few months while you find your feet.'

The opportunities for online entrepreneurship are undoubtedly numerous - all that's needed is an open mind, a healthy passion and a fair deal of tenacity.

By Michael Salzwedel

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