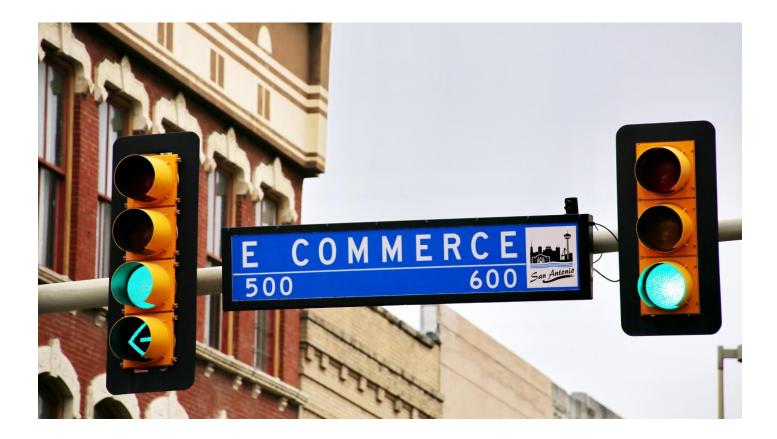


E-commerce Business for Sale: The Benefits

Whether you're looking into buying an e-commerce business for sale because you're passionate about building up a brand or whether you're in it for the money, it's still a good investment. Buying an online e-commerce business is a shortcut to entrepreneurial success compared to building your own business from the ground up. This article will discuss why buying an e-commerce business is better than building one and how much an e-commerce business will cost potential buyers.

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This article will discuss why buying an e-commerce business is better than building one and how much an e-commerce business will cost potential buyers.

Why Buying is Better Than Building an E-Commerce Business

Besides the fact that <u>buying</u> an already up and running business is much easier than building one, there are 3 other reasons why buying is always better than a building:

Skip the Startup Period

The best part about buying an e-commerce business is the fact that you are already 10 steps ahead and past go! When building a brand-new business from scratch there is a much bigger chance of failure. Buying a business that's already struggled through the startup phase, is more likely to succeed.

Access to Immediate Profits

Acquiring a company that is already up and running and making sales, gives you access to those sales when you take over. This means from the first day of your purchase, you already get a return on your investment.

Passive Income

Purchasing an already existing business means that you have access to a team filled with already clued-up employees. This means you're buying into a more hands-off business and a passive income.

How Much Does an E-Commerce Business Sell For?

The price of an e-commerce business will depend on a business's valuation. A <u>business valuation</u> is a process of determining a company's economic value in order to give owners an unbiased appraisal of its worth. The most common business valuation method begins with taking a business's yearly sales or earnings, which are then multiplied by an industry multiple.

Let's dive into two of the most critical drivers for valuing an e-commerce business:

- Age of the Business: Before buying an e-commerce business consider looking at how long the business has been up and running. It's not advised to purchase a business that is less than a year old. You want to make sure your business has shown steady growth.
- Returns and Refunds: Refunds and returns are a reality for every e-commerce business. Returns and refunds are approximately 10% higher for e-commerce stores when compared to brick-and-mortar shops. As a consumer, the opportunity to return a product after not being completely happy is excellent news but for an e-commerce owner, this can eat into your profit. Before buying an e-commerce business take a

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closer look at the store's past returns and refunds.

Online Stores for Sale

If you're looking to buy an e-commerce business, or even list your business for sale, visit the <u>Business for Sale</u> website! Business for Sale is the perfect platform to ensure that you're browsing properly valuated business within the sector you're interested in.

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