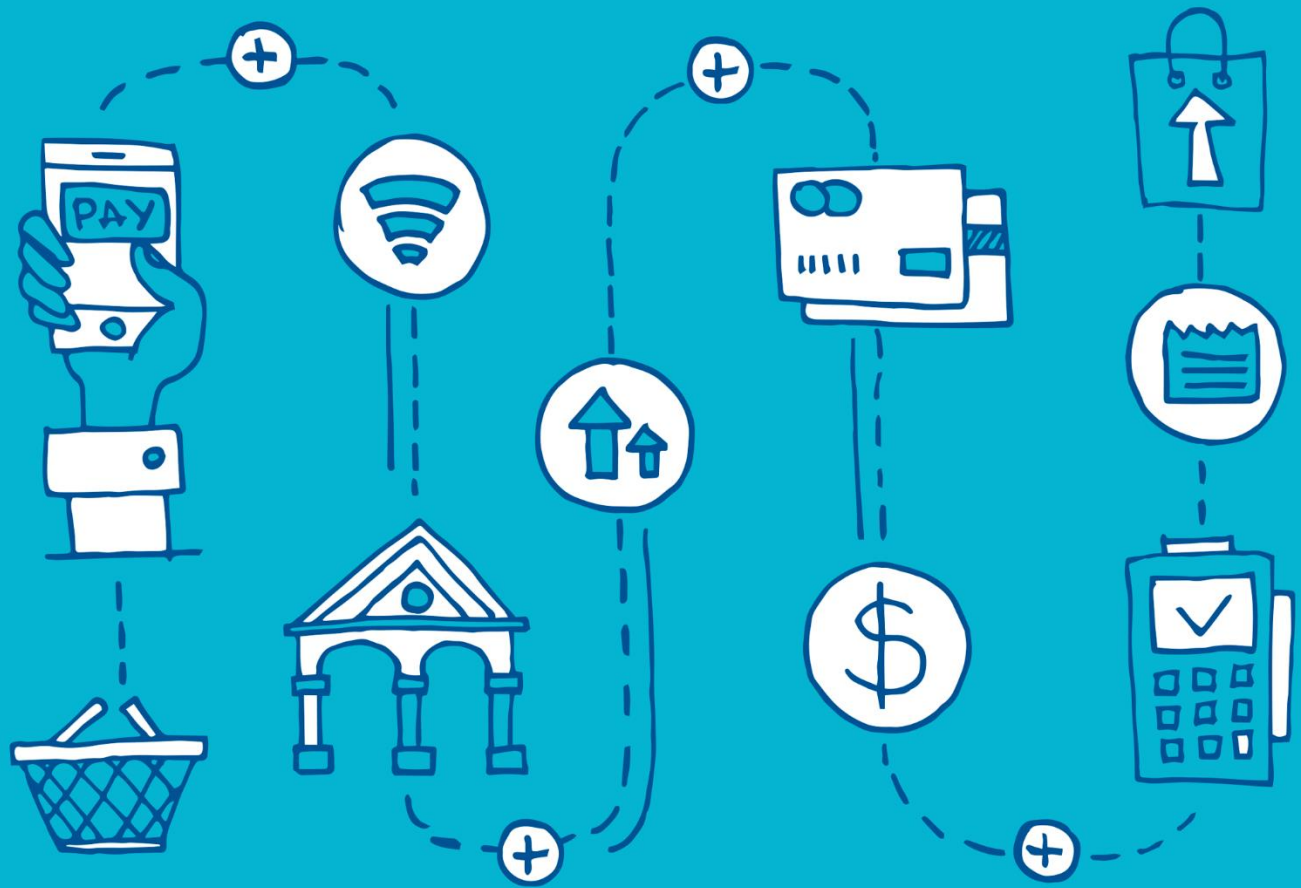


# GOOD ECOMMERCE



A COMPREHENSIVE GUIDE ALUT GOOD ECOMMERCE

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# Introductory

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**"It is time for us to stand and cheer for the doer, the achiever, the one who recognizes the challenge and does something about it." - Vince Lombardi.**

How does ecommerce differ from entrepreneurialism? Well, the former is dependent on the latter. What this means is that for every ecommerce business there is an entrepreneur that had to balance risk and reward and determine to move forward with a business plan, proposal and ecommerce site.

Entrepreneurialism is bolstered by the ability to develop a business that can reach around the world and back.

Entrepreneurialism is the mindset and soul of a business; ecommerce is how an entrepreneur can realize a very personal dream.

Entrepreneurialism is a patchwork quilt of ideas that seeks out likeminded consumers through ecommerce.

These two roles are uniquely different, but also distinctly compatible in the development of an online business. In all phases of development, the entrepreneur should express positive emotion as the very thing only dreamed about comes closer to becoming a reality.

There are many wannabe entrepreneurs who have dreams, but they gather dust in the back of minds because of fear, poor choices or other limitations that make it difficult for these individuals to consider developing their own business.

Did you know that President Abraham Lincoln, one of the most revered Presidents in history, had a track record that indicated he was less than an ideal candidate for success? He had little formal education coupled with personal, political and business loss. He often seemed to side with the minority political opinion and he even went through bankruptcy.

Yet it was this President that brought about the end of slavery in America. It was his belief in justice and freedom that caused him to rebound from failure after failure. He learned what he could from the mistakes and discouragements he encountered. In the end he prevailed in the radical alteration in how America treated its citizens.

You may have tried using your entrepreneurial ambitions in an ecommerce setting and failed. In that knowledge you may be gun shy about giving ecommerce a second try.

If there is anything to learn from the life of President Lincoln it is that no matter how difficult things get it does not have to signal the end of a dream. Difficult circumstances can simply be the mechanism needed to come at the problem from a new perspective of perseverance.

“Many of life's failures are people who did not realize how close they were to success when they gave up.” - Thomas Edison

# Chapter 1: Accounting Principles

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**Ecommerce was seen as a passing fad or gimmick when the pioneers of the process began.**

Certainly, being tied to a computer screen to make a purchase you would need to wait for wouldn't hold the interest of consumers. Yet inroads were made and sales were conducted.

One of the prevailing difficulties associated with early online transactions was the safety of personal financial information. As hackers gained access to non-encrypted data it was a rallying point for many ecommerce businesses. There had to be a better way to do online business.

## **The Debut of Encryption**

Webopedia describes encryption this way, "The translation of data into a secret code. Encryption is the most effective way to achieve data security. To read an encrypted file, you must have access to a secret key or password that enables you to decrypt it."

The keys to ecommerce were given back to online business when transactions became encrypted. The privacy of customer data allowed ecommerce to become a viable option for consumers once more.

Suddenly the world of cottage industry and extensions of brick and mortar stores began to flourish and entrepreneurs began to willingly dip their toe into the cyber frontier.

This was a new way of doing business in the cutting edge of intangibles. No longer did business owners absolutely need a sales staff, no longer was an outgoing personality required for business startup, no longer did business mean a storefront.

## **Business Without Borders**

The possibilities expanded as more and more businesses began to recognize their business could be presented in a global fashion.

Business had been so associated with a town, region or district, but online business could be conducted without barriers or distinctions.

Ecommerce allowed the 'every man' an opportunity to explore the world of business. What had been seen as elite and unattainable was suddenly an archaic notion. Ecommerce thrived on a 'no discrimination' policy.

Entrepreneurs of all ages, racial distinctions and economic levels began to find value in marketing to a worldwide clientele who cared more for the product than the arena of personal definition that often-made brick and mortar business more difficult.

### **An Interesting Paradigm**

A phenomenon that has taken place in many ecommerce stores is the advent of a growing percentage of online sales while brick and mortar store sales are either static or in a slight decline. This seems to indicate a change in the purchasing decisions and shopping patterns of consumers.

Perhaps in the future we will see more product fulfillment centers and fewer brick and mortar storefronts as ecommerce continues to gain steam as a premier shopping alternative.

## Chapter 2: Ecommerce - The Positive Negative

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**Here are so many positives in opening an ecommerce business online. For instance, your business can be open 24 hours a day, seven days a week and it can be open on holidays even when you are personally enjoying the festivities.**

Ecommerce is typically much less expensive to start than a brick and mortar counterpart. In many ways it may seem like a no-brainer to rush headlong into an ecommerce store.

However, some of the negatives should also be considered. For instance, your website may be geared to a worldwide audience, but when you launch the site it is simply a little-known commodity on the edge of cyberspace. It's tough to have a grand opening online because it can take a while for consumers to find you.

So much rests on the rankings of site engines to help ecommerce stores get up and running.

One of the things that consumers like about ecommerce shopping is also one of the things that business owners find most challenging – no personal contact with buyer. Your automated ecommerce solution helps maximize productivity while minimizing direct interaction with customers.

Some sense of contact can be initiated through autoresponders that provide helpful tips and/or instructions to assist the buyer with their new purchase or in understanding your business a little bit better.

*Online businesses have discovered ways to present the possibility of consumer input...*

**1) Business Blog (Blog)** - This allows you to post personal items about the product, yourself and your ecommerce store. For certain customers this



provides a personal touch they may still desire. It also allows you some level of personal interaction with consumers.

**2) Forum** – This allows business owners to read up on what customers are saying about the product. Questions can be answered and elements of the personal touch can be clearly seen.

**3) Feedback Form** – Allow consumers the opportunity to provide feedback (both good and bad) that will be automatically posted on your website. This can help other customers make a decision because the feedback did not originate with a member of your ecommerce team.

When the feedback is bad make sure to respond and if the product truly is not a solid performer make sure to remove it from your lineup of available products. Even unhappy consumers can appreciate your willingness to do the right thing.

Most consumers are happy they don't have to talk to a sales associate. As a business owner you should also be thrilled that this knowledge provides you with an opportunity to reach out to disenfranchised consumers with a product they need in an environment they are comfortable with. Just make sure you do your best to optimize your website so search engines can rank your site in the best possible way.

## Chapter 3: eCommerce Fundamentals

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**eCommerce can be VERY complex. To offer a world class customer experience, retailers must incorporate technologies and functionality that exceeds rising customer expectations.**

On the flip side however, site fundamentals still play a very large role in converting visitors into customers. Many retailers surprisingly lose sight of these site basics and leave significant sales on the table. This brief examines 4 quick “fundamentals” every eCommerce manager cannot afford to lose sight of.

### **Think Fast**

Speed has become less of a problem due to the penetration of broadband, but don't forget that a significant number of people still shop by a dialup connection. When creating a site framework, designers and e-commerce teams should ensure that the site is developed with pages loading in less than 9 seconds (over a dial-up connection).

Our recommended page size is within 60-70k in bytes. At that amount, sites will likely load within the maximum wait time of 9 seconds. Online retailers should avoid flash at all costs within their transactional site. Flash's artistic aspects may help you establish a brand presence – but it will likely lose potential customers before they have even searched within your store.

### **Image is important**

Images are a very important aspect of selling online and are often neglected. All product images should be of the highest resolution possible, be much larger than the product page original, and have

multiple views. Dynamic imaging capabilities can improve the user experience to an even higher level by increasing interactivity (zoom & rotate). At a minimum – retailers should have at least two additional views outside of the product page image to help build emotion.

## **Be my guest**

Shoppers do not like being forced to do anything, especially when they are ready to open their wallets. Forcing a shopper to register on your site before purchasing is a sure way to drive a portion of your traffic to your competitors. Too often, shoppers do not have the time or the inclination to fill out a lengthy form explaining what types of information they desire.

Always offer the ability to checkout as a guest. You will see less customer leakage within the checkout process and can still offer the option to register when the sale is completed.

## **Make sure it's "above the fold"**

Your homepage is the most important page within your eCommerce store. It sets the initial tone for the shopping experience and offers your best promotions and products to your visitors. Users typically visually scan a web page from top to bottom and then from left to right. All critical content and navigation options should be obvious to the shopper without having to scroll down. If you have your best promotions "below the fold" – you can bet that a large percentage of browsers are not scrolling down to see it.

## Chapter 4: All About Personal Accounting

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**When you have a small home-based business, and are basically just starting there are many ways to make a large leap ahead.**

One of these great methods is to sell online merchandise. An online store can be set up relatively easily and e-commerce has been proven to be quite successful. There are many sites online these days that make e-commerce an excellent decision for your business.

Microsoft now offers a great service known as Bcentral, and is offering great deals on server and hosting packages that run on a monthly scale, or basis. This is a great tool for the individual that is looking to delve into the e-commerce field. If you have an idea for a catalog, and need tools to get it up and running such as templates, and logo creators this could be your solution you've been waiting for.

Not only will you receive the templates and the graphic creators, but also you will receive the quaint shopping cart in the top right-hand side of the page. Having the opportunity to track and control orders and sales is made very easy as you will receive automated conformation through e-mail. Being able to become a member in the PayPal system is also a good idea, as you can never have enough payment options attached to your site.

This just increases your chances of sales. You will also be given the opportunity to keep track of customer traffic to your site as well. This makes for a very handy service indeed.

Another great service is provided by eBay, the stores offer a very popular alternative and have a sliding fee scale to fit most businesses needs and budget. The basic service is for the smaller of the businesses that have a smaller volume of traffic.

This does not mean that you will not have access to some great tools for your site. You will not be able to keep track of the flow of traffic or sales with this service and there is a very limited directory, yet it is still a good service for someone who is just starting out. The next level of the eBay service will provide more for the business that may be needed as time goes on.

It places your priorities in relation to the product you are trying to sell; knowing exactly what the consumer is looking for makes it easy for them to adjust your targeted areas. You will get some traffic reports and sales figures, but not many.

The third and final level of the eBay store program is exactly where you want your business to be placed. This is the premier spot or the center stage. This is the place where the bulk of the strongest traffic will be located. This will give you a much stronger shot at making those sales.

## Chapter 5: Everyday Accounting

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**If you have a product oriented business, the Internet offers a unique ability to reach a broad audience. With new technology, it is easy to build your own e-commerce store.**

### **E-commerce Store**

Today's world is an E-commerce (electronic commerce or e-com) world. E-commerce, clearly termed as web commerce, basically means selling of merchandise or services over the Internet with electronic transactions and also through a secure network. E-com is not merely buying and selling or providing services but it is also a method of advertising and marketing through an electronic system as well.

E-com also means facilitating the progress of commercial transactions electronically. Right now, e-com is a well-established technology in all major countries. In most cases Internet marketing requires you to have your own E-commerce store for maximum return.

### **Requirements of an E-commerce Store**

Building an e-commerce store is not an easy job. Software is required that can manage customers as well as their needs. E-commerce software should be able to handle inventory, shipping and handling costs, taxes, dispatching and payment processing of client's orders. You may encounter many options when setting out to build an e commerce store.

Before choosing any of them it is important to have a clear view of your requirements. Technical requirements might include coupons, tracking systems, customer login options or any number of other things. Other requirements include what type of impression you want to provide to your valuable clients.

### **Study the Sales and Marketing Cycle to Determine Your Needs**

Before you opt for any of solutions for building e commerce store, study the basic model of e commerce that represents the entire sales and marketing cycle. The first building block of this cycle is audience in which you define

what type of customers you will target. Second are commodities, in which you characterize the types of products you will put on the market. Third is customer support where you will answer the questions and offer solutions to clients' or potential clients' problems.

Next is advertising, marketing and endorsement where a business promotes the products or services. Then there is transaction processing, the most important technical phase of the cycle, which will handle orders, taxes, payment processing and order delivery.

Transactions may be automatic or manual. In manual processing you have to enter credit card information manually through an offline terminal. In the case of automatic processing a client's order form will be setup with a program that processes and charges the credit card for you.

After that there are post-deal services regarding how you provide solutions and services after the sale. Last but not least is brand name with which you will create a distinctive business image to correspond with customers. Nobody is going to pay attention to your online store unless something catches their eye.

### **Research your Options**

Once you have defined your needs, you can then begin researching your options. There are two basic paths you may follow when building an e-commerce store - either buy readymade software or build a custom system with components and parts according to your requirements and budgets.

### **Flexibility**

Some business firms offer gifts and well placed impulse products for better marketing approaches. This requires an e-com solution to be flexible enough to allow various giveaway's, coupons and promotions. Also, if your product comes in a variety of models or styles, with different options and different prices then you must communicate these factors and portray them distinctively in your online store.

A true businessperson will certainly follow the patterns of his or her usual clients as well as those who directly visit the site. Web statistic tracking tools can be a great help to this end.

## **Ease of Use**

Some e commerce stores are very easy to use and require only a few minutes to learn while others are more complex with so many features that they can be overwhelming. Being able to see a demonstration of software before buying it is a great help to determining ease of use.

## **Scalability**

Being able to grow with your company is very important. If you choose a very simple solution now, then require a more robust solution down the road, you will lose time converting your store. If the URL structure of your store is not consistent, you can also lose search engine rankings by changing e commerce solutions.

Therefore, it is important to choose an e commerce solution that can grow with you. For example, some stores owners may not want coupons in the beginning but then down the road decide it is a good idea. Some stores may also have limits on number of products, inventory control and tracking that down the road will be very important.

## **Security**

Of utmost importance to online stores is transaction security. The priority for any business firm should be secure transactions. Thanks to Netscape for introducing SSL (secure socket layer), data can be protected by online store owners.

SSL is an encryption technology that encrypts a message and the receiver decrypts it by using RSA security. To enable SSL on your web server you need a digital ID (a form of identification that will recognize you). Many web hosts provide SSL installation for anywhere from a few bucks to a few hundred bucks per year.

Overall, in building your own e commerce store, four things are essential - flexibility, ease of use, security and scalability. Research your options before you make a final choice, and whenever possible, get a free trial of your solution before you buy.



## Chapter 6: Fraud Protection And E-commerce

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**The bad guys that have this debit card data are not going to attack online merchants for goods that they will have to convert to cash. They have been walking straight to the ATMs for the green dollar.**

The impact on merchants in the CNP world will be minimal; certainly, no more than a few numbers of credit cards but probably less. I do not think the CP merchants will feel it much either. Consumers, on the other hand, are going to take a huge hit.

As you probably know, credit card holder's liability is limited to \$50 under FTC regulations but I do not think there is any such limit for debit cards. The card holder is responsible for keeping the PIN private and shame on him if it gets out and he does not report the card stolen.

And yes, the banks will almost certainly do what they can to keep their card holding customers happy, particularly if the cleaned-out account can be traced to a compromised PIN by whoever it shakes out is accountable. Will that responsibility always be traceable? I do not know. But even if the banks in the end cover those losses, the cardholder has to deal with his account being cleaned out and all that goes with it.

### **Fraud Protection on the long term**

The big concern for the merchant, on line and off, is if the consumer confidence disappears. We already have confirmation that confidence in online transactions has been falling a bit. This first debit/PIN compromise by itself is survivable, but if it turns out that it was not a one-time thing and we have all of a sudden discovered that PIN transactions are not as safe as we thought. Well, then on line merchants are in trouble and brick & mortar could be in trouble as well.

And I wonder how long the banks are able to calm down their debit card holders. When will they begin to pass the losses to the cardholders like they already pass them on to the online merchants now? It could become a matter of continued existence.

## Chapter 7: Improve Conversion Rates – Effective Content

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**Your site is fast and getting traffic, but conversion rates are disappointing. You may have problems with the tone of your content**

### **Do You Believe?**

You must have passion for the product or service you are providing. If you don't believe in it, why should visitors to your site? A lack of belief will result in weak content and poor conversion rates. If you are selling quality, you are doing the prospect a favor. The tone of your site should reflect this in the content.

**To effectively convert prospects, every entry page of your site must tell visitors:**

1. What you offer,
2. How they will benefit, and
3. Demand they take action.

### **Entry Pages**

Many sites have conversion problems related to entry pages. Most people automatically envision the home page as the sole entry path to the site. Sweat, blood and tears are spent making the home page just write. Conversely, a fraction of the same effort is applied to internal pages. This is a fundamental mistake.

If server statistics are checked, you may be surprised to find significant amounts of traffic entering your site through internal pages of your site. Yes, a large percentage of visitors are entering the site without seeing the home page.

If your “hook” is only on the home page, your conversions will suffer. Make sure you have a concise summary of your service and the benefits on every entry page to the site and conversions will improve.

### **What You Offer**

Tell visitors exactly what you do with the first sentence. Don't be subtle. You only have a few seconds to get their attention. Don't waste it. The opening sentence should read something like, “At XYZ, we offer quality tools at wholesale prices.” Bam! The prospect knows exactly what you are offering and if it fills their need.

### **Benefits**

Tell your prospect how they will benefit from doing business with you. Don't assume they understand it. Again, be blunt with something like, “You save money when you buy from us because we have a low overhead and free shipping.” Bam! Now the visitor knows you sell tools at a low price. This combination should result in shopping activity if they have any need for the tool products.

### **Demand Action**

What do you want prospects to do when they visit your site? At the end of your content, make sure you tell them. “Click here to order” is a perfectly fine statement, but adding a benefit is optimal. “Click here to order with free shipping” is a superior demand. Regardless, make sure you tell them what to do and make it is easy as possible to take the requested action.

If you are offering quality, you are doing clients a favor. Make sure the tone of your site reflects that fact.

## Chapter 8: Managing An Ecommerce Business

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**Many ecommerce business owners have a hard time understanding trends. An ecommerce business runs on the same cycles as a brick-and-mortar business.**

The dot com industry learned that ten years ago. They believed they could ride the wave forever, then everything crashed. This left many people wondering what happened. The fact is, nothing happened. The ecommerce business community worked like all markets do.

Tracking a business's cycle is easy. All the business owner needs to understand is a few basics, and track how they interact, and how that interaction effects profits. This can be done on a simple spread sheet, or in a table in Word.

### **The Consumer**

Sales techniques come and go. In today's market, the best way to sell is by creating a relationship, and / or educating the consumer about the product. In the sixties appliances were sold by promising to make mom's life easier.

In the eighties men stood on platforms in malls and laughed at their wife's stupidity, and challenged the men passing by that if they wanted their tomatoes sliced properly, they needed to purchase the knife on sale. Both of these sales techniques would fail today because the consumer has changed.

The new marketing tool is a web site. It is still so new that most business owners mistake it for a digital brochure. Even the simplest website is capable of drawing consumers from a large area, and varied demographic.

There are three variables it must contain to be effective. The first is graphics. Image is everything. The second is content. The web site is a wonderful place to educate future clients, stay in touch with current clients, and send out newsletters and emails informing clients of events they would be interested in.

## **Trends**

Many trends affect the types of products and services people will purchase. Is this the time to bring out a high carbohydrate treat, when 17 million of the late Dr. Atkins' books are sold as soon as they are released?

When everyone is downsizing, is it the time to make a new office divider that gives the workers more privacy and comfort? It might be, if there is a way to make it possible to address some of the cubicle etiquette problems.

All businesses have trends that directly affect their success.

Finding these trends is one way to ensure a business's growth.

However, ride it, then abandoned for the next trend.

It is important to remember that trends are started by society. If television does not strengthen the believe that 'skinny is beautiful' then Dr. Atkins empire would crumble. If people were more social then cubicles would not have replaced the typing pool.

## **Life Cycle / Business Cycle**

When a business is in its infant stage, there is an over population of potential customers, because the business has not created a niche. Meeting the demands of your customers is important, but always be aware that trends change, and life cycles come to an end. That is why business owners should update their marketing information at least once a year.

### **Every product has a life cycle. Every business has a cycle.**

A good manager watches the trends carefully. Sometimes a change of advertising venue is needed. Other times may demand a new product. Maybe the product needs to be changed to meet new market demands. It is the business owner's job, and marketing manager, to make stay a few months ahead of the game.

Staying ahead of the game can keep a business one-step ahead of their competition

## Chapter 9: Shopping Carts and Online Stores

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**Setting up an internet shop can be very confusing and bewildering, especially if you are someone with very limited technical knowledge.**

With hoards and hordes of solutions available, offered by thousands upon thousands of website design companies and software developers, it is easy to choose a system that may not necessarily suit your business.

Many companies have spent a lot of money on their ecommerce website solution, only to find that it does not work for their business. Unfortunately for them, this usually means a trip back to the drawing board, arguments with their developer and inevitably the need to spend more money so that the site will work in exactly the way they want to.

So, what can be done to make sure that the shopping cart solution you choose is the right one for your business? First of all, you must have a clear idea of what you want to achieve from the site. Spend some time to make good notes and write down a clear and concise plan and method of operation for your site. It will help very much if you take a good look at your competitor's websites, especially the successful ones.

Visit your competitor's sites, browse through the various sections, making notes about the structure of the pages, the site navigation and anything else of interest. Ask yourself questions as you check through the site. Are you able to quickly find the items you are searching for?

Is the checkout system simple to use? These are just some of the elements you should be looking at. Compile as much information as you can, take the best constituents and combine them with your own ideas to create a well-defined and structured plan of what you need. Once you have put together a well thought out site plan with all the required features, it will make up good a brief that can be worked on by a website designer.

How you go about turning your site plan into an actual website will depend on the budget you have to spend. There are many options that can be explored, from shopping cart software that will enable you to build your

online store yourself through ready built, off the shelf solutions right up to completely bespoke programmed websites built from the ground up by a competent web development company.

Whatever route you take, you should spend time researching the various systems and improving your knowledge so that you can make the right decision before committing yourself to spending lots of time or money on your project.

Although you can spend a small fortune getting you on line store up a running, you really don't have to. There are simple to use systems which use tried and tested technology to get you up and running in a short period of time. Many of these systems don't require you to have any technical knowledge either.

To take credit card payment for goods online you will have to make use of a web based payment gateway. There are many to choose from but all of the payment processing solutions make profits by charging you a percentage of the transaction fee, so you must make sure to take this into consideration when calculating your profit margins.

Look for an ecommerce system that is readily configured to use the payment gateway you choose. This way, once you have opened your merchant, account all you need do to start to take credit card payments through your website is enter your merchant account number into a web page form in your site admin.