

New to E-Commerce

start selling online in **7** easy steps



Selling online can seem complicated but it can be quite simple if you know the right steps to follow. That's why we've compiled the seven steps to e-commerce, a list of some of the key things you need when you're getting started in online business.

- 1. What is e-commerce?**
Find out how having an online shop can be a launch pad for your business
- 2. Plan your e-commerce venture**
From data uploads to customer service, get a plan of action in place
- 3. Website hosting**
Get your online business up and running with a secure platform
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It's all in the name – how to create a good web address
- 5. Designing a website**
Create a good look and feel for a great shopping experience
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Search engines and beyond – how to get visitors to your site

1. What is e-commerce and what can it do for you?

Let's start with the basics: what is e-commerce? E-commerce is the buying and selling of products or services over electronic or "e" systems – in other words, the Internet.

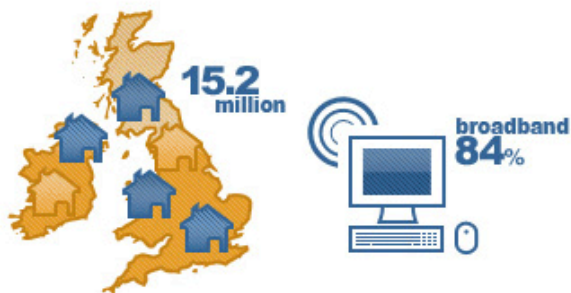
E-commerce has expanded rapidly over the past few years and is set to continue at an even faster pace. Payments are made by credit or debit card, bank transfer or by alternative payment methods such as PayPal.

Although the high street may still be bustling, more and more consumers are now choosing to shop online. As well as avoiding the crowds, retail websites are often the preferred option because of the variety of products on offer. Also many smaller, more niche businesses often will not have a visible shop front in a prime location, so people search online instead. For these reasons, having a website can be more cost-effective for your business and in many cases, a launch pad to success.

According to National Statistics*, 15.2 million households in the UK are now connected to the Internet – that's about 61% of UK homes. With 84% of these online households using a broadband connection, shopping online has never been easier or faster.

What does this mean for business? If you have a website, customers can buy from you 24 hours a day, seven days a week, meaning much greater chances of a sale.

* Based on National Statistics Internet Access 2007 - Households and Individuals report, issued 28 August 2007



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2. Plan your e-commerce venture

There are three main factors to take into account when planning your website:
Operational, Customer (User) Experience and Payment.

Operational: E-commerce is all about running a business online. With this in mind, all the key elements of your business operations need to be considered when planning your website. From how you manage your stock, orders and deliveries, to price changes, promotions and marketing, your website should be built to cater for all your core operational needs, so that your online business can run smoothly and efficiently.

If you are already running an offline business, you may have an existing system or database which will need to link up with the back-end of your site, so it has up to date information on product availability, pricing etc. If you're starting a business from scratch, then you can create your operational structure alongside the planning of you website.

You can own the technology behind your website and build it from ground up, or use a pre-built solution with templates and features off the shelf – this is recommended for most businesses, as you can start with basic functionalities then add or enhance features along the way.

Customer (User) Experience: Although a website is a “virtual” shop, the customer remains key. In fact, the customer experience is almost more important on a website, as there are no helpful assistants to point shoppers in the right direction! Customers should be able to clearly navigate their way through the site and find what they are looking for. Once they have decided to make a purchase, they should then be taken through a quick and easy checkout where they can pay for their items and then receive confirmation of their order.

You also need to consider how you are going to interact with your customers and how they will contact you. Make sure you provide clear email and telephone contact details on the site and also in any automated email messages such as shipping confirmations or payment invoices. You might also like to include a Frequently Asked Questions page to address typical customer enquiries.

No matter how simple or complex your website may be, it's essential to create an intuitive, user-friendly shopping experience for customers – so not only will they find what they're looking for and make a purchase, they'll also want to come back and recommend the site to others.



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2. Plan your e-commerce venture (cont.)

Payment Solutions: An essential part of any e-commerce site is, of course, accepting payments and making sales. PayPal is likely to be the best payment option for your new website, as it allows businesses to accept payments funded by major credit or debit cards, by bank transfer or by PayPal balance. Businesses can set up agreements directly with Visa, Mastercard or other credit card companies, however this can be rather costly. With PayPal, you are automatically able to accept multiple payment options, without the need for individual contracts.

PayPal offers a diverse range of payment solutions for businesses, such as Express Checkout allowing customers to pay in just a few clicks; or Website Payments Pro, a complete solution that offers you a merchant account gateway to accept payments online, or by phone, fax or email. There are no set up fees and you can start accepting payments quickly and easily.

To compare PayPal payment solutions, go to www.paypal.co.uk/compare.

Please note that it is important to consider whether the payment solution is hosted or not. If the payment solution you choose is not hosted you will need to ensure you are PCI compliant.

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3. Host your website

In order to have an online presence, all websites need to be “hosted” by a web hosting company or “platform provider”. When choosing a web hosting company, there are a number of things to consider including cost, reliability, bandwidth, server speed, technical support and very importantly, security.

Web hosting

A good web hosting company should offer industry-standard security products and services such as firewalls and SSL certificates to protect the websites they host. As a more cost-effective solution, unless your site is to have very large amounts of data, you will probably look to share a server with other companies. In this case there is a certain amount of disk space available for each of the hosted sites – you should be aware of how much space you are allocated and also find out how many email addresses you can have, keeping future growth in mind.

The following terms are important to understand when thinking about website hosting:

Bandwidth: Also referred to as data transfer, this is the amount of data that your host allows visitors to access during a month. As a general rule, 500 MB of data equates to around 20,000 page views. Although it is not usually a problem for smaller online businesses, if you exceed your allocated bandwidth limit then you will incur an extra cost – so you should check the arrangement with your host.

Disk space: Also known as web space, this is the amount of space your site is allowed to take up on your web host’s hard drive or server.

Downtime: This is when a website becomes temporarily unavailable due to server issues. You should find out what guarantees or service level agreement your web host will offer to compensate for downtime, as this can of course lead to potential loss of business for your site.

Firewall: A firewall is a dedicated appliance, or piece of software running on another computer, which inspects network traffic passing through it, and denies or permits passage based on a set of rules. Firewalls are designed to protect your website.

SSL certificates: Secure Sockets Layer (SSL) technology is a secure web protocol designed to ensure cardholder information is kept safe during the ordering process so that customer transactions are secure. SSL certificates can be purchased from Verisign, a PayPal partner. To make things smoother, it is also best if they can offer an e-commerce package with a pre-installed shopping cart.

Internet Service Providers (ISP) In addition to having the right web host or platform provider, your ISP will also play an important role in protecting your website. Internet Service Providers are companies that offer Internet access to subscribers (just like the Broadband providers most of us use at home). Although firewalls and SSL certificates provide security for your website, there may be unforeseen circumstances when a security problem needs to be addressed very quickly by your ISP. It is therefore important to compare the committed response times of ISPs – the faster they are in responding to problems, the better they will be at minimising any potential loss of business for your site.

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4. Register a domain name

Choosing a web address is almost as important as choosing a company name, as it represents your company's brand and identity online. A web address is also known as the URL or domain name and it is worthwhile to put some careful thought into choosing the right one.

Make it memorable

It might seem obvious but if a web address is easy to remember, it's more likely to be found and used. A simple URL is key to driving traffic to a website, particularly if it is to be featured in printed advertising for example, where customers are invited to visit the site as a call to action – but also so that those who do visit are able to find their way back.

A good web address should not be too long and it is generally better if it does not include hyphens, underscores or full stops as this just makes it more awkward to type.

Make it meaningful

Ideally your URL should include the name of your company, to help raise awareness and recognition of your brand. However, due to high demand, an exact match is not always possible. Think about using words that will help make your web address be meaningful to customers, such as the products you offer or the area you serve. For example "richmondcatering", "giftsforall" or even things like "chillimonkey" for very niche markets! This can also help you stand out and appear higher up in search results (see step 7 Driving traffic).

Target audience

When choosing a URL, it's also worth thinking about where your target audience is based. Websites aimed at the UK market often tend to end in ".co.uk" whereas those aimed at a wider, more international audience should ideally have a ".com" address.

Copyright and ownership

Domain names are intellectual property, which belong to their registered owners. It is essential to do a thorough search of existing domain names before making a decision, so as not to infringe on another company's copyright. Most Internet Service Providers (ISPs) allow users to register a domain name, however make sure the domain is registered in your name so you're in control of it if you ever change ISPs. Also check whether you need to pay a monthly or an annual fee for using the domain and whether it can be kept indefinitely.

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5. Design your website

Consumers who are familiar with shopping online and searching the web will come across many websites competing for their attention. A good look and feel, clear navigation and user-friendly design are key to helping a site stand out in the crowd.

Recent studies have proven that websites have no more than two minutes to win over customers, so you need to make an impact fast.

Simple signposting

With such little time to engage the consumer, it often helps to adopt a “less is more” approach when presenting information and provide clear signs as to where the user needs to go once they have arrived. A good e-commerce site should be clean and easy to use, with intuitive navigation and clear, simple categories that point shoppers in the right direction.

The homepage of a website is much like the front door or entrance to a high street shop. The customer should immediately be able to see which section they need to go to in order to find what they’re looking for – and if there are a lot of sections or levels to choose from, clear sign-posting is required. On certain pages in your site you may also like to include useful links to related areas, however do take care not to overload customers with information once they’ve started shopping.

A good overall approach is to keep it simple and focus on key messages and calls to action, through clean visuals and concise wording.

Brand look and feel

The company logo should usually be featured in a key position on a website (top left hand corner is standard) and will often be the basis for the colour scheme of the site – for example in the navigation tabs, page headers and other design features. The look and feel of a website should be consistent with printed materials and advertising to create better brand awareness.

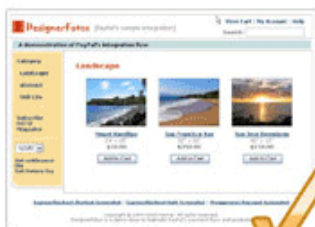
If your website is going to have dark colours or backgrounds, you may want to balance this with brighter images and features to avoid a heavy look and feel. Colour scheme and contrasting also play a key role in making a website more accessible to users with visual impairments, as it can have a significant impact on readability.

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Images and speed

No matter how tempting it might be to place images all over a website – remember that as well as cluttering up pages, this can also affect download times. If your site takes a relatively long time to load each page, customers may start to lose patience and move on.

If you need to display a lot of product images on your site, ensure that they are at a reduced to a size that is right for the web. Images for print (such as those that might be used in your advertising) need to be much higher resolution and are therefore much heavier than those used for the web. Images for the web can be much smaller in size yet still maintain strong visual quality.

Getting started

There are several companies that offer web design packages or pre-designed templates for creating websites, alternatively a professional web designer or agency can build customised websites for individual businesses. This decision will depend largely on time and budget.

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6. Order fulfillment and customer satisfaction

Managing orders and ensuring that products are despatched to customers in a timely and reliable manner is of course important for any business, whether online or offline. This is generally referred to as fulfilment.

In order to retain customer satisfaction, generate repeat business and build up a strong online reputation, you will need to have efficient order management and fulfilment systems in place for your website.

At the most basic end, there are systems that cover the number of stock items available and at the point of sale they will calculate the shipping costs based on certain rules that you will have applied (e.g. weight). If you stock a very wide range of products and have a high volume of sales, then it may be worth investing in a more comprehensive system to assist in your order management and fulfilment.



PayPal postage

PayPal offers a convenient and easy way to post items that are sold using PayPal. If you don't already have a fulfilment system in place, this is an ideal solution for sending items to customers quickly and easily.

In your PayPal Account Overview or History page, there will be a 'Print Postage Label' tab next all of items you sell that are paid for with PayPal. By simply clicking this tab you can create, print and purchase postage labels in minutes.

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7. Drive traffic and promote your website

No matter how good a website may look, in order to start making sales customers need to find the site first. That's why "driving traffic" is essential to the success of an online business.

Natural search and keywords

Most people will begin their online shopping on a search engine such as Google or Yahoo. For this reason, keywords are extremely important for enhancing SEO or "search engine optimisation". SEO is the process of increasing the number of visitors that arrive at a website, by increasing the site's ranking in "natural" search results.

Search engines use "spiders" to trawl through the web and find the most relevant matches for words entered into the search box. The simplest way to maximise natural search is to always think about keywords when writing the copy for your website. Try to use the names of the different types of products you sell, or other descriptive words that people are likely to include in their search. The more matches your site has to commonly used search terms, the more chances it has of getting seen by potential customers.

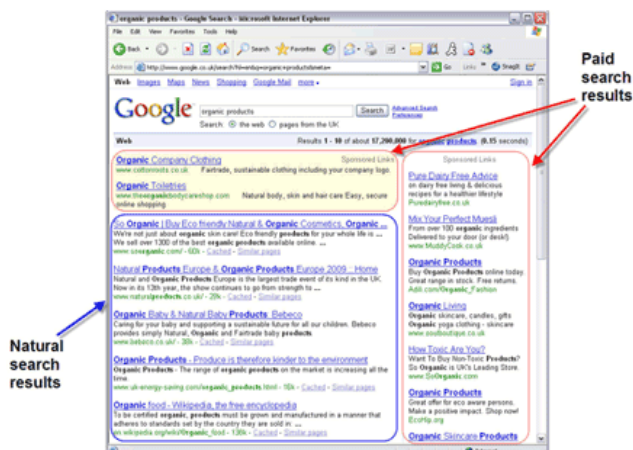
Your web host may also have built-in SEO tools to help generate SEO-friendly URLs and tags for different pages in your site.

Paid search

Paid search or "Pay per click" (PPC) is a form of advertising on search engines, in which advertisers bid on specific keywords which they predict their target market will use. It is when a user actually clicks on their "sponsored link" or "sponsored ad" that the advertiser pays. These ads appear either above or along the right hand side of the natural search results, when one of the chosen keywords is used in a search.

It is important to be selective when choosing which words to bid on, as the wrong choice could end up costing you a lot of money without generating any revenue. If the words you bid on are too generic, certain users who make very broad searches (for example, "original gift ideas" or "women's fashion") may end up clicking on your ad only to find it is not what they are looking for. In these cases even though there will be no sale from this visitor, the click is still paid for.

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Other online channels

Another way to promote websites is in online directories or marketplaces such as eBay or BT Tradespace, both approved PayPal partners. Here you can showcase your offering and drive traffic through links to your website. The buyer recommendation or feedback ratings offered by these well established shopping sites can also be very valuable in raising the profile of a good business at a relatively low cost.

Referrals are another great way to gain new business. If you work with companies in a related field that have a website, they may agree to include a link to your site and vice versa. This kind of reciprocal marketing benefits both parties and adds another level to the user experience.



Last but not least...

You are the most important channel for driving traffic to your site. Make sure you add your web address to all of your company collateral, from stationery to newspaper ads. The more your web address is seen, the more it will be remembered.

Good luck in your e-commerce venture!

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