e-Commerce Guide

Are you new to e-Commerce and full of questions? Or unsure about one specific aspect? Then this e-Commerce guide could be of great help to you.

Brought to you by FINESTSHOPS.COM

Introduction

You've heard the predictions and read the endless statistics about the impact of the Internet on our economy. Just a few years ago, the Internet was something new that not many people knew much about. Now, it is changing the way we communicate and conduct business.

Today, the Internet provides users the opportunity to search for information at any time of the day or night and to communicate instantly with the use of e-mail and electronic forms. And now with the addition of online shopping, the impact of the Internet is continually exceeding all expectations.

E-Commerce often allows existing merchants the opportunity to expand their client base. It can also be a cost effective method of marketing products/services and displaying an inventory of products. Traditionally, merchants had to set up physical show rooms or produce costly catalogues to preview their products. Now, the Internet can provide an electronic vehicle to enhance this marketing strategy.

Whether you are using an electronic store in place of a physical one, or are using it to enhance your existing retail outlet, the decision to set up an e-commerce site should be based on a solid plan, preparation and realistic expectations on investment and return. Just as you would develop a plan for your physical business, so should you for your online venture.

An old service back in vogue

e-Commerce is nothing new. It's just a 200-year-old service repackaged: the latest way to sell goods and services.

The term e-commerce is often associated with selling products or services over the Internet.

Often, when you try to understand something new, it helps to compare it to something old. Like a man did at a seminar on e-Commerce.

As I was talking about the Internet - and how to use it to sell your goods and services to customers in the comfort of their homes - the man suddenly spoke out. "Hey," he said, "that's just like 200 years ago!"

He was thinking back to the days when merchants had to pack their goods onto carts pulled by horses or donkeys and traveled to their customers to show off their offerings.

"If I understand this right," the man said, "then the Internet can be my modern day cart - except I won't have to travel anywhere and customers can buy from me any time."

He was right, of course.

Only today's "Internet cart" is much more powerful. Every day it presents millions of goods and services to tens of millions of customers - anywhere, anytime - even if the sales person is fall asleep.

It helps shop owners provide better services with little effort, increases customer loyalty, helps gain new customers and best of all does it for very little money.

It's not rocket science

You don't have to be a rocket scientist to get into e-Commerce. It's easy. There are some pitfalls - but they can be avoided.

e-Commerce: it may sound daunting to you. But don't be intimidated by the word. Think of it simply as opening a shop in a new suburb; a rather big suburb on a huge freeway, where everyone can easily drive past and with a parking lot that will be the envy of your competitors.

All you have to do is pack your goods into your very own shop in this new suburb called Internet. This has been made very easy with special shop building software allowing you to do this with a few mouse clicks.

Of course first you have to decide if you want to get involved. The information we provide in this guide will help you make up your mind.

And once you have a shop, you must protect yourself against shoplifting.

Just like in any other shop.

I'll show you how. If you do it right, you'll have less problems than in a real shop.

What is the Internet?

The Internet is a huge worldwide network of computers connected to each other. There is a lot of technology behind the Internet. But all you really need to know is that these computers are connected and can talk to each other.

There is no home of the Internet or a master computer. Just lots of computers all over the world with lots of information all hooked together. If you have access to the Internet, you can read, hear, and view all this information from your own computer.

More and more people use the Internet to communicate with each other every day, to get information and entertainment - even to go shopping.

And according to research, millions of people prefer using the Internet to watching TV.

For example according to some research one third of all Internet users in the USA with access at home would rather give up their TV than their Internet (Arbitron/Edison Media Research).

You couldn't demonstrate any clearer how important the Internet has become.

What Is a Web Site?

A Web site is a series of pages which are developed using HTML (Hyper Text Markup Language) and when viewed by a Web browser (i.e. Netscape, Internet Explorer) can display text and graphics.

Also, with the help of other languages and technologies, can play sound, display video and retrieve information. A Web site may be extremely attractive, informative and entertaining, but may also be quite static.

A static Web site is one that communicates only one way and doesn't allow for true interaction. A truly effective business Web site provides some methods for customers to provide feedback, ask questions and search for relevant information within your site.

Some components of an interactive Web site are:

- e-mail links;
- electronic forms which provide a method for customers to provide input;
- searching capabilities;
- connection to information databases for customer use

Almost anywhere in the world people can get access to these web sites by linking their computer to the Internet via a telephone line and a special computer device called a modem. And people can also make their information available via the Internet - even shops - so that anyone else can get access to it. I'll show you how to do both, soon.

How the Net became a mall

While the Internet has been around for decades, it hasn't always been used for e-Commerce.

At first, the Internet was only used by governments and academics. But as it continued to grow and improve, more and more people gained access to it - even people with little computer knowledge.

Today there are hundreds of millions of people using the Internet anywhere in the world.

Some business people went absolutely crazy and spent hundreds of thousands or even millions of dollars to try to sell their goods on the Internet. Of course especially at the beginning there weren't enough customers on the Internet to support such huge investments. So they went broke or are going broke even today.

But things have changed. Today tens of millions of people buy online. And a few hundred dollars allow you to start selling them goods. Quite obviously the situation has changed dramatically since the early days - which after all weren't all that long ago.

The low costs of getting started and the positive results many businesses are experiencing, have led to an explosion of online shops.

What is an Internet shop?

You can do business on the Internet by selling goods and services on special interactive web pages.

As you can display virtually any information you want on the Internet, nothing stops you from displaying information about your products and services - for everyone to see who has access to the Internet.

This is exactly how e-Commerce started. In the early stages this was all many people did. And even today this is better than to completely ignore the Internet.

However today things have become a lot more sophisticated - and consumers expect more.

Simple information pages are no longer enough. Today a real Internet shop is interactive. It allows customers to easily navigate through your product information pages, to search for specific products and to preferably get more information than they would for example get from a catalogue.

It also allows customers to click on buttons to add products to a virtual shopping cart - a software program which remembers which products a customer wants to purchase. It calculates total costs payable, including tax and shipping, and sends the shop owner the orders from his Internet customers. For the customers it makes the shopping experience interactive, easy and fast.

These transactions may take place between your company and a new customer, or you can do business with existing customers and even other businesses. Business-to-business is where an actual financial transaction is expected to grow even ten times faster than business-to-customer commerce.

So, let us walk through a typical e-commerce transaction.

1. You must first develop a site that allows potential customers to find your products or services. A customer will browse through your electronic catalogue and select items to add to their shopping cart.

2. Once customers have finished selecting their items, they will fill out an online order form. This usually includes entering the customer's name, address, etc.

3. Order processing software will then calculate the totals, taxes and shipping information (usually based on delivery destination) - credit card number, expiry date and shipping address. This form must be secure.

4. Payment processing software encrypts the order total and payment information and contacts the

credit card company to verify that the card number is valid and the total amount within the cardholder's limit.

5. Once authorized, a message is usually transmitted immediately to the customer and the merchant verifying the order, and the order processed.

Depending on the sophistication of the storefront software, and whether the merchant has his inventory and other back end systems integrated with the store, customers may even be able to track their orders through the shipping process.

Now that you know how a transaction happens online, you might wonder how all of this is facilitated. This can be the tricky part. Tricky does not mean impossible, but the challenges are the numerous options available and finding the right solution for your business.

The next section presents a process that will help you to develop a clearer understanding of the options that are right for you or, at least, a knowledge of the questions to ask the Internet professionals that you will be working with.

e-Commerce: here to stay

People enjoy the convenience of shopping on the Internet. And more and more are discovering it.

Every day, more and more people go shopping on the Internet - and this is just the beginning. It is predicted that soon almost everyone will be doing it. But even today hundreds of millions are doing it worldwide - although not as often as some may want you to believe, and of course not all in your country.

It is easy to see why. Imagine, for example, a young mother who needs to get to the shop. She could bundle the children into the car and battle the traffic, noise, queues - or she could log on to the Internet at home, order what she needs and have it home delivered. Some supermarkets already offer this service - delivery guaranteed within two hours. My wife can't wait for this service to become available in our home town.

Or imagine an elderly person or someone who is housebound, an executive with a busy lifestyle or someone looking for a product he just can not find in the shops nearby - if he finds the time to go there to look ...

As e-Commerce grows, more and more people are enjoying the convenience of shopping in their own time from home.

And as e-Commerce grows up and overcomes some of the concerns people still have about it, it will become more and more essential. Put simply: e-Commerce is here to stay, because it makes life generally easier for the majority of people using it.

Get on top of it or get run over

You are facing a revolution. If you don't get on top of it, you may be left behind by those who do.

A few years ago nobody had heard about the Internet. Today everybody has. Many even prefer it to TV. It is as simple as that. The fact that you are reading this guide shows you are taking things more serious than many of your competitors. Congratulations. Because with all these people shopping on the Internet, you'll at least need to know what is going on.

Granted, you could just ignore e-commerce, continue with business as usual, and it mightn't even hurt you - for now.

But shopping habits are changing dramatically. Customers expect more and more service. Among these services access via the Internet rates high: because it saves time. Remember how no one thought fax machines where needed? Or mobile phones? By providing e-commerce as a service, you ensure your customers stay loyal to you - and you will gain new ones.

Research in the USA has shown profits increase by up to 10% in brick and mortar shops, who also opened a shop on the Net, and promoted it to existing clientele. This included purchases by many customers who checked out the products on the Internet to save time, but then purchased them in the real shop, anyway. Keeping in mind it only costs a few hundred dollars to get involved, it sounds like a good deal to me.

And just think of all those businesses which successfully sell only on the Internet, competing and surviving against the big chains.

Get your foot in the door

e-Commerce is still young. But it is continuously growing. More and more consumers go online every day. Most of them have more money to spend than the average consumer.

Your Internet shop can be a sideline to an existing business - or a new venture.

Your Internet shop can generate direct sales - from people ordering directly via their computer - and indirect sales - from people who browse your web site and then visit you in the real world to buy or call you up. So even if you don't sell much via the online shop, your overall sales should still go up if you promote your Internet shop properly.

Questions to Consider

The following questions are important because the solution you will choose for your electronic store will be based largely on these questions. Let's go through each of these questions one-by-one so you can better understand their significance.

1) Realistically, what is your budget?

Well, you know what they say ... "you get what you pay for." This isn't always entirely true as you could certainly pay a high premium, hire someone who doesn't have your best interests at heart, and end up with an ineffective and poorly designed store. On the other hand, there are some solutions that won't break the bank and will do quite a nice job of selling your products. However, the most important thing about setting up an e-commerce site is to get all the associated costs up front. This means design charges, Web hosting fees, transaction costs, etc. We will go into this in more detail later in the document.

2) How technically inclined are you?

If you feel you are fairly technically inclined and have some of the basic skills and tools at your disposal, you may be able to develop the store, or parts of it yourself. With some of the browser-based solutions, i.e. IBM HomePage Creator, you can point and click and select options that will create your store. Your responsibility would be to scan images, convert them to appropriate file format (.gif, .jpg) and upload them to the Web server.

3) How many products do you plan to sell (now and in the future)?

As you will see later on in this document, charges for e-commerce solutions are often based on the number of items or products in your catalogue. Monthly fees are often based on these numbers and can rise rapidly if your catalogue begins to increase.

If you are planning to sell numerous items, you may wish to look at a more flexible type of solution that won't become too expensive as your business grows.

4) Are you looking to integrate a storefront into an existing Web site or are you starting the entire process from scratch?

You may already have a basic Web site and have decided to add a store component. If this is the case, you may want to begin by talking with your current Web host to see if it offers any e-commerce solutions. You may also have some existing database integration or technologies on your current site that need to be taken into consideration when selecting your storefront option (note: you do not have to host your site and your store in the same place, both can be just linked to each other).

After you have considered these questions, let's get down to business. What options are available and what are the costs involved? To put it all together, let's go through the components of an e-commerce site and the options available to you.

Your Shop Building Options

Web Design/Catalogue Development

A good Web designer will be able to give you a professional looking site that is easy to navigate and expresses the culture of your company. With some of the

storefront solutions that we will discuss, you may be able to create a site with little technical knowledge; yet, in many cases, it may not be appropriate for you to build your store - you may need to concentrate on the business aspect of your store and leave the technical and design issues to someone else.

When selecting a designer to develop an e-commerce site, ensure he/she has significant knowledge and experience. In most cases, you will not only be contracting the designer to actually develop your site, but to assess your needs and recommend technologies and solutions that are right for you and your business.

Advantages of hiring a Web Developer:

- professional looking site;
- saves you time;

Disadvantages of hiring a Web Developer:

- not many web designers have significant knowledge and experience to build an online store;
- you will have to pay for every update over and over again;
- you will have to pay for additional expenses such as hosting and secure certificate;
- can become very expensive.

Cost for design specialists can range from $50/hr and up. Many designers will offer package deals for basic sites for those businesses wanting to get a presence on the Web.

Template Service

Template service is an online browser based template like Yahoo Store or IBM's Home Page Creator service. This type of service provides a relatively inexpensive solution for small businesses that want an effective store, but don't require full control over every aspect of the site's merchandising and technical capabilities. It is most appropriate for small stores that don't have a large number of items for sale.

Merchants can create simple store by selecting options and filling in items such as product description, company information, etc. You would also need to upload graphic files and logos that will be displayed on your electronic store.

Template Advantages:

- easy to use;
- all tasks handled from within your Web Browser (i.e. Netscape, Explorer);
- relatively fast set-up;

- no need to install any software on your computer;
- little technical knowledge required;
- no need to find a Web Hosting Company or ISP as the store is hosted on the template service providers site.

Template Disadvantages:

- limited flexibility in store design and layout;
- your store looks very much like other stores developed with the template service;
- no customization of store functionality is available;
- costs usually increase as additional catalogue items are added.

Template Service Fees

The fee usually consists of a basic monthly charge plus additional fees. The additional fees depend on the number of transactions your store requires or the number of items your store carries. IBM HomePage Creator, as an example, ranges from $45-$300/month which does not include the costs associated with real-time credit card authorization. The template service will usually set you up with a third party payment processing company for this service.

If you are interested in a template solution, take a look at the seller's Web site; they often provide demos or allow you to create a "test store" prior to signing up.

Storefront Software

Storefront software is a tool that you or your developer can use to create your store. These range from very simple and inexpensive packages to more complex and scalable packages that are much pricier. Again, the package that is right for you depends on the options you need.

Storefront software, which is often referred to as off-line software, varies in terms of sophistication and features. Some software is very simple and straightforward; others have enhanced features and options, i.e., product options, inventory integration and administrative options.

Advantages of Storefront Software:

- usually more powerful and more flexible than template services;
- more control over the layout and organization of your store;
- work with many Web hosts (confirm with your ISP);
- relatively few restrictions for enhancing or changing a store.

Disadvantages of Storefront Software:

- may be more complicated to use than templates;
- must be installed on your computer and hard to manage from out of office;
- you have to work off-line with the software and upload to the server;
- may assume or require technical or programming knowledge.

Storefront Software Fees

Fees for storefront software range from about $350 to $1000 with more complex packages priced even higher. The site developer would be required to load this software on his/her computer and would have to upload the completed files to a compatible server (Microsoft IIS, etc.). Use of this software is often limited to people with some technical knowledge as even viewing the completed files in most cases requires the use of a server.

Also, the storefront package is just that... the store. Merchants will still have to pay fees to a web host for their server space, set-up a merchant account and a payment processing service, and in most cases, a developer to actually create the store within the software framework. Many storefront solutions offer merchants the ability to download their software for a trial period. This is highly recommended before you purchase.

Storefront Outsourcing

There is another option available which combines the advantages of Custom Development, Templates and Storefront Software solutions: **Storefront Outsourcing**. The outsourcing company takes care of developing and maintaining your store without you loosing control over it. Usually you will have a web based control panel to manage your products, inventory, orders and customers; and outsourcing company will handle hosting, maintenance and design changes.

Storefront Outsourcing Advantages:

- all tasks handled from within your Web Browser (i.e. Explorer, Netscape);
- relatively fast set-up;
- easy to use;
- no need to install any software on your computer;
- little technical knowledge required;
- no need to find a Web Hosting Company or ISP as the store is hosted for you.
- more powerful and more flexible than template services;
- more control over the layout and organization of your store with relatively few restrictions for enhancing or changing a store;

Storefront Outsourcing Disadvantages:

- cost can be higher than with templates but usually not significantly, especially for the stores with large quantities of items.

Storefront Outsourcing Service Fees

The fee usually consists of a basic monthly charge plus additional fees. The additional fees depend on the number of transactions your store requires or the number of items your store carries. The outsourcing service will usually set you up with a third party payment processing company for this service. If you are interested in an outsourcing solution, check out provided demos.

Example of Internet Store Outsourcing Service:

- http://www.finestshops.com

Security - the perception counts

Most horror stories you may have heard about doing business on the Internet are wrong. What is true however is that many people ignore common sense when moving their business on the Net.

Security is an important issue on the Internet. But the reason for security being so important is not really that there are so many problems. The reason is that so many people think there are many problems; even when all research shows this is not true.

On the contrary: Web-based transactions are, in many cases, safer than those that take place over the phone or even in shops built with bricks and mortar.

A shop on the Internet can be best compared with a mail or phone order business. Customers buy products from you without you actually seeing them or their credit card.

According to VISA and MasterCard transactions via the Internet pose no extra risk to customers compared to mail or phone orders.

Other research has shown that companies selling via the Internet actually experience less problems than their phone and mail order counterparts in the real world.

Knowing this takes care of two issues. Your customers don't need to worry when shopping on line. This knowledge is slowly spreading, with more and more people willing to buy on the Internet. And you don't have to worry about doing business on the Net - if you use common sense and don't ignore basic safety rules.

If you use common sense, the Internet will be a safer business environment than the real world.

Security for customers

Worries about lack of security are the number one reason stopping people from buying over the Internet. Even if these worries are not based on reality.

In 1999 it took newcomers to the Internet on average more than 12 months before they made a purchase on the Internet. Today this average is down to less than four months - and falling. Of those who have bought on the Net, 98% want to do it again. These figures clearly indicate security concerns are declining.

Yet as long as concerns are around, you must take care of them so you can turn all visitors to your Internet shop into customers.

The most basic way is to provide all your contact details on your website. If possible allow people to call you on the phone. Often just being able to talk to a real person helps overcome worries.

If you have a real brick and mortar shop, list the address on your web site. You will find that people worried about security check you out on the Internet and buy from you in your real shop. In which case your Internet shop has worked like a high powered low cost add for you.

Allow customers to print out their order so they can fax it or mail it to you. While this is not more secure it gives people the feeling of more security. If it gets you the order, it is worth doing.

And of course you should accept orders in your online shop in a secured environment, in which all orders get encrypted while being transferred over the Net.

The two browsers Internet Explorer and Netscape support a special encryption method. It ensures nobody can read an order, while it is being sent via the Internet. This encryption method is called SSL.

A small padlock or a key at the bottom of a browser window usually indicate to a customer, when a website is secure - although a connection can be secure even if this symbol does not come up. Seeing it however is a guarantee.

Because SSL is widely known and accepted, you should always use it when accepting orders online, to make customers feel more comfortable.

Also tell them right on your home page that your shop is secure. The more you inform them about security, the better they will feel about buying in your shop.

Or you could use a real-time payment service provider doing the transactions for you. While this may come at a cost, it means you have a 3rd party taking care of security issues. Many of these services also can screen out a number of fraudulent transactions.

And of course you will not have to manually approve payments yourself via the telephone.

Security for shop owners

Research shows shoplifting is less of a problem on the Net than in the real world. But don't take this for granted.

Dealing with payments on the Internet is no different to dealing with payments in a normal business - you need to take the same precautions. Every day, shop owners in the real world must be wary of credit card fraud, bouncing checks and shoplifters.

Fortunately on the Internet you have one big advantage over bricks and mortar shops. While a shoplifter can walk into a normal shop, grab a product and walk out, this is usually not possible on the Internet. The only way a customer can shoplift from you on the Net is by presenting you with a false order. Using for example a check from a bank without having money, or a false credit card.

Your advantage of course is that at this stage you still have the products. And you should only send them out, if you feel comfortable that the order is real and the customer can pay.

If an order is suspicious in any way, check it out. Call the customer. Verify the address. Cancel it, if you have any suspicions. On the Internet you have the advantage over the shoplifter. Use the advantage, and your shop will be safer than those in the real world.

Encrypt your orders with SSL

Three letters can make all the difference. They stand for encryption method which ensure your customers can shop in safety.

Internet browsers such as Internet Explorer and Netscape Navigator support a special encryption method. It ensures nobody can read an order, while it is being placed on the Internet. This encryption method is called SSL.

Because of the high security SSL offers, it is widely used in Internet shops to secure orders. Of course your FinestShops Storefront comes with SSL included free of charge - no need for you to worry about it. Any order details sent via the Internet by FinestShops store are by standard SSL encrypted.

How do you get the money?

You have addressed all security concerns. But how do you get the money from a customer?

For some reason many people think everything is different, if they do business over the Internet. This is wrong. The Internet is just an additional sales channel - albeit a very powerful one. So accepting money over the Internet is no different to accepting money from a customer who orders a product from you by telephone.

You can ask people to send you a check, money order or to transfer money into your account. Or you can offer them Cash On Delivery or use any other payment method you can think of. Of course you should be satisfied that the selected payment methods meet your security requirements.

Accepting credit cards payments over the Internet can be done using a compatible merchant account or real time payment service provider.

Accept payments in real-time

Merchant Account

A merchant account is an account that you set up for your store in order to accept credit cards as a form of payment. You must have a merchant account activated for each type of credit card you accept, i.e. Visa, MasterCard, etc. The merchant bank coordinates the transfer of funds between the payment processor, your bank and the cardholder's bank.

Each merchant account is given a classification. In the case of e-commerce, you will be classified as having a "card not present" or "mail order/telephone order" merchant account. The merchant account number(s) obtained from your banking institution will need to be provided to your payment processor. This will allow them to integrate with your store and provide real-time payment processing services.

If you are unable to obtain a merchant account from a financial institution, you may wish to contact an Internet Payment Service such as Internet Secure at (http://www.internetsecure.com) or PSIGate (http://www.psigate.com).

Merchant Security Deposits

To ensure that they have significant funds available to cover potential charge backs, some financial institutions require substantial security deposits before they will issue you merchant status. A charge back is a request from the cardholder or card issuer to reverse a purchase that was made on your online store.

Payment Processors/Payment Gateways

These are companies which authorize and instantly approve credit card orders that are made on your online store. This allows shoppers with valid credit cards to complete purchases and prevents those with invalid cards from completing a purchase.

If you don't want to process credit card payments yourself, or your bank is not willing to give you a merchant account to process credit cards, a real-time payment service provider can help you. If you have a bank account allowing you to accept credit cards over the Net, then such a service can make the payment approval process easier.

Without a real-time payment service you would receive for example credit card details of a customer with the order, and would have to approve them manually yourself. This you would do by typing the details into a little terminal hooked to your bank or by calling a special phone number. It is the most cost effective method and works well, unless you receive lots of orders. It could be a good starting point to keep your costs low, until you have established your shop.

If you get many orders, using a real-time payment service can help you streamline your operation. Some of these services also use sophisticated credit card fraud detection methods, helping safeguard you from fraud. Your FinestShop Storefront is compatible with around 30+ different services. You can find the list of these services at this url: http://www.finestshops.com/pay_processing

If you do not have a merchant account, then these service providers can support you by either helping you get such an account or by accepting credit cards in your name. This may well be worth using, as the majority of people on the Internet pay by credit card. Not being able to accept these cards will cost you customers. You will need to decide if the benefits outweigh the costs of such a service.

Payment Processor Fees

Fees vary from company to company, but typically consist of:

- a one time set-up fee;
- a monthly fee; and
- a per transaction fee.

Often payment processors work with the financial institutions, so their fees are integrated with the merchant account set up. When you contact these organizations, inquire if they bill direct or through your selected banking institutions.

In both cases the service provider checks every order immediately when it is being made, approves or disapproves it and eventually transfers the money into your account.

The most popular payment processing options are: www.authorize.net for online merchant account and www.paypal.com for real time payment processing without merchant account.

Your Window to the world

Your web site is like your business window to the world. It should look as professional and appealing as possible.

Ever noticed how you always walk past some shops in a mall - never giving them a second look? Or how a dirty front window or dusty display of a store keeps you outside?

It's the same on the Internet. A web site that looks unprofessional immediately signals to a customer low quality; even if you are selling high quality products. Just like in the real world.

But there is one big difference: unlike in the real world you can get a first class impression without spending tons of money.

To create a great impression in the real world, you must spend big on building an impressive shop. On the Internet even a small merchant can look big. After all, customers are only looking at web pages. If these are well designed, customer may even perceive you as bigger than you really are.

This is exactly the trick used by many on-line businesses, who have managed to compete successfully with the big boys. If you put your business on the Internet, do it properly. Don't risk your reputation with an unprofessional Internet presentation.

The first page of your web site - your 'home page' - is like your street window display. It should look professional - and entice people inside.

Many web sites have a nice logo picture on the first page and nothing else. New visitors have to guess what the website is about. You would rarely see a shop in the real world not using the street window to let people quickly know what they have on offer.

Don't think the Internet is different. Just as people can quickly walk past a shop in a mall, they can quickly move on the Net.

Professional design however does not mean lots of gimmicks. A clean lay-out, a single image, couple of featured products and some interesting text work much better than some overloaded pages, which appear confusing and give no clear idea of what the site is all about.

Don't blow your 30 seconds

While the Internet is getting faster, for many it is still slow. You have 30 seconds to attract your customer. Starting now.

Regardless of how your shop is created: there is one rule you must know to make sure you get the best for your money. It's not even a new rule: *More is not always better* also applies to the Internet.

If you have been looking at different web sites on the Internet, you may have noticed that it sometimes takes a long time before a web site can be seen. Actually sometimes it takes so long, you stop waiting and move on to another web site.

While sometimes a bad Internet connection can be to blame, this is also often caused by web design overkill. The web site designer has used so many graphics,

images, sound effects or other dazzling functions on the page, that the resulting page is so big, it takes for ever to download.

It takes too long for a browser on a standard telephone line to take in all the information it needs to display such a page. This is as bad as forcing your customers to stand in a long queue.

The result: Your potential new customer turns away. Some research gives you as little as 30 seconds or less before this happens. So during these first 30 seconds your web site must start showing items to visitors to make them stick around.

Bad programming of a page even with little information can cause the same problem. Always make sure to have a shop designed for speed - so you don't blow your 30 seconds.

Make it easy to reap rewards

Your visitors want shopping to be easy. Don't give them a hard time.

Have you ever been to a web site where you simply could not figure out how to navigate around? And given up in disgust?

You are not the only one. And unless you make easy navigation a priority on your web site, you risk losing your customers in much the same way.

One of the reasons the Internet has become so popular is, that it has become fairly easy to use. But with more and more people connecting, you should expect less and less computer experience. Which is precisely what your web site design must take into account.

While you should be able to expect a minimum in navigation skills from your visitors - they ought to know how to click on words and pictures to view other pages - you should not expect them to go for a treasure hunt on your website to find the one link word that opens your Internet shop.

A good web site design should take the guess work out of the navigation and give the visitor the power to move around with ease.

If you are unsure, simply use common sense. For example: When your home page comes up, is it immediately obvious that there are links you can follow?

If not, you may have problems. Think of the links as the map to your web site. If you do not give your visitors the map, they will get lost - and will probably not purchase from you.

Ten tips to make your Website a success

A few simple rules can make all the difference, when creating a website or Internet shop.

1. Map out a plan of your website and shop, and arrange your different products and services into different departments for easy navigation.

2. Decide how you want your shop to look. Make sure the text colour and the colour of the background work together - if the text is hard to read on the background, make a change.

3. Different computers support different text styles. If you want your web site to look the same on everyone's computers, only use Arial, Verdana or Times New Roman.

4. The first page of your Web site - your "home page" - is your welcome page. Make sure you mention who you are and what you're about. This may sound obvious, but many Web sites fail to do it - and lose customers as a result.

5. Your home page will have links to the different departments inside your shop. Make sure this is obvious, so people can find their way around.

6. Make sure you include all your contact details, even a direct e-mail link from your Web site to you. Missing details can make customers suspicious that you may be hiding something.

7. Make sure your Web site is not overloaded with images and visual tricks, like a cheap radio with too many blinking lights. Gimmicks distract customers from the message you want to convey.

8. Make sure pictures only have a small file size in kilobytes. The larger the file, the longer it takes to appear on people's computer screens. If it takes too long you will lose customers. If you must use a larger image, have a link to it from text or a smaller image - then the customer will be prepared to wait.

9. There are two main Internet browsers today: Internet Explorer and Netscape. Your Web site can look completely different in the two if it is not constructed properly. Make sure your website looks good at least in Internet Explorer, which covers more than 90% of the market.

10. Most people have computer screens with a resolution of 800 x 600 or above. Make sure your Web site is designed to look good in different resolutions. If programmed for one resolution only, it may fall apart at a different resolution.

Open your doors to the world

Creating a shop is one thing. Now you must let the world have a look at it.

You have access to the Internet - but the Internet doesn't have access to you. If you want to get serious about e-commerce, you will have to change this.

Don't worry - it's not difficult. First you must have Internet access. And you need space on the Net for your shop.

Usually when you get an account from an Internet service provider for Internet access, they give you some Internet space to go with it. That's all you need to get started, if you want to do it really cheap. Unfortunately it normally means you can not get a good Internet address which your customers can remember, as the ISP will assign you an address.

For a more professional appearance, you can rent Internet space from your ISP or from web hosting companies - companies which specialize in renting out Internet space on their computers.

They provide you with virtual servers - a term which basically means they give you space on their hard disk for a fee. You transfer your pages via the Internet onto their computer - and the world will be able to view it.

One of the best things about FinestShop Storefront – you do not have to transfer it anywhere. It's already hosted for you and all the changes you make available to people worldwide in real time.

You should have your own Internet address to appear more professional. And you still won't have to spend big dollars.

Your own Internet address

You need your own Internet address. You can use the one provided by your ISP. A better option is using your own domain name. Make it easy to remember.

The correct name for a top level Internet address is domain name. Domain name is a Web site address that belongs to you exclusively. It is your 'domain' and may even contain your own name, such as www.JohnGreen.com. No one else can use it. It's like your own street address.

However unlike a street address a domain name can move with you. So if you decide to switch your web hosting company or ISP, you can take the name with you. This means even if you move, your customers do not have to learn a new address for you.

Your domain name should closely reflect your business name or what your business is about to make it easy to remember. Your Web site address should also always stay the same - so customers can always find you again.

Unfortunately finding such a domain name may not be easy, as many names have already been taken up. You can use up to 64 characters; however the shorter and easier to remember, the better. There are also several new extensions to domain names, such as biz and info and others. However the .com or the extension used in your country are still most highly regarded.

When an ISP gives you a free domain name, it is usually not a top level Internet address, but a name based on their own - such as www.my-ISP.com/homepages/JohnGreen. They own the domain name and grant you a sub name. If you move on, you must give it up.

Domain name also allows you to have your own email addresses, making you independent in this regard, too.

Domain names ending with **.com**, **.net** or **.org** can be registered through many different companies (known as "registrars"). To view a listing of these companies, visit the Internet Corporation for Assigned Names and Numbers at http://www.icann.org/registrars/accredited-list.html

The Internet Corporation for Assigned Names and Numbers (ICANN) is a non-profit, private sector corporation designated by the US Government to serve as the global consensus entity to which the US government is transferring the responsibility for coordinating four key functions for the Internet, including the management of the domain name system.

To obtain a **.com** domain name, there is a registration fee (approximately $30). A **.com** domain name may be registered for a period of 1 to 10 years.

If you want to check if your desired **.com** domain name is in use and the rules for registration, visit the VeriSign Web site at http://www.netsol.com

Canadian .ca domains

How does **.com** differ from **.ca**?
Dot-ca is the country code Top Level domain (ccTLD) designating Canada. Dot-com is the generic Top Level domain (gTLD) designating commercial activities. The policies and administration of the **.ca** domain name will be set by the Canadian Internet Registration Authority and governed by Canadian law. The gTLDs are managed in the United States under American law.

The Canadian Internet Registration Authority (CIRA) is a non-profit Canadian corporation that is responsible for operating the **.ca** Internet country code Top Level Domain (ccTLD) for all Canadians.

If you meet the **Canadian Presence Requirements for Registrants** you can register a new **.ca** domain name by following these steps:

> 1. Search for your domain name by conducting a "**whois**" search . You can only register a new **.ca** domain name if it is not registered to anyone else.

2. Select a **CIRA certified Registrar** and proceed with your registration.

3. After completing the registration process with the registrar, first-time registrants will receive a temporary user id and password, which they will have to enter on **CIRA's secure Web site** in order to accept the **Registrant Agreement** and CIRA's **Registration Rules**.

A **.ca** domain name may be registered for a period of 1 to 10 years. The registration fee will depend on the registrar you select, but seems to vary between $25 CDN and $75 CDN annually.

For more information regarding **.ca** domain names, visit CIRA's Web site at http://www.cira.ca/en/register.html

Your biggest problem

You don't have to spend thousands to put a shop on the Net. Doing so might actually be a bad idea.

If you still think setting up a shop on the Internet is expensive, think again. If you can put in some work on a weekend or two, a few hundred dollars will do.

Your biggest problem comes after you built the shop - it is letting other people know that you have one; so rather than spending thousands on setting up, you should concentrate on promoting your shop to your customers. Smart thinking will take your e-commerce venture far without big spending.

Consider this: two small businesses have an e-commerce budget of $2000. One spends the money on having a designer create a basic shop for him. The other spends a weekend on setup, and the money to promote the shop. Who'll do better?

The answer is obvious. Unless you tell others about your shop, you may wait forever for orders.

Let people know you exist

Putting your Web site on the Internet alone is not enough. Now you have to start fishing for customers.

Getting your shop onto the Internet is a great achievement. But it is only the beginning. You have built it - now you must make them come; because unfortunately this does not happen by itself.

If you want customers to enter your Internet shop, you will have to tell them about it. It is unrealistic to believe you can put a web site on the Internet, then sit back and wait for the money to roll in.

For a start, how will people even know your Internet shop exists?

Like in any business, marketing and promotion will be the keys to your success. That's why you shouldn't overspend

on developing your web site. You will need some money to advertise it.

There are many guides on how to market your shop on the Internet. But there are also some very obvious methods which cost little money and will help you drive customers to your web site - some of which will be listed on the next page.

Of course the idea is not to spend millions on making your site work. Bigger companies have tried this and failed. It's all about being smart. Always remember: On the Internet you have every opportunity of competing with the big boys.

How will people find you?

People will not find your business on the Internet, unless you make it easy for them.

One of the most important marketing tools you will need was explained to you already: your own Internet address. But getting such an address - and making it one that can easily be remembered - is only the first task of your Internet marketing effort. Once you have it, you will have to let people on the Internet know how to find you.

In the real world you could do this by placing an ad in the Yellow Pages. On the Internet there is an alternative: the search engines.

Most search engines such as Alta Vista, Google or Yahoo allow you to register your store by filling in a form on their site. As there really are only 10 or so major international search engines and some that may be specific to your country, it is not a huge task.

By letting these search engines know your shop address, you are inviting them to your site. They will index your site so it can be found and displayed when someone searches.

To rank well in search results, you must provide special search result text in your shop, so called Meta Tags. This is easy. All you have to do is fill in the appropriate fields in your shop building software. Good software such as FinestShops Storefront should then automatically integrate it in your pages.

Don't just market on the Net

Being registered with search engines is important. More important can be to let people know in the real world about your Internet shop.

While registering with search engines is important, it is not nearly as important as many so called Internet specialist may want you to believe.

The simple truth is that even people, who use the Internet regularly, are not always familiar with the best ways to use search engines. Or they are simply not using them. And, of course, with the size of the Internet, and the amount of results that can be returned by search engines, being found on the Net has not become easier.

Much more potent therefore can be some very simple rules which ensure you will be found in the real world. Never forget that while you can have customers on the other side of the world, gaining the ones around the corner can be much easier - and be just as lucrative.

If you have a bricks and mortar shop, put up a sign in your window, so that passing traffic and all your customers can see it. Someone driving past may have no time to stop now, but can visit your web site later.

Do you advertise in magazines or newspapers? Do you have business cards, letter heads, business envelopes or use brochures? Always include your web address on all of these. Are you listed in the White Pages? Ask you if they also list Internet addresses.

There are many similar low cost methods to promote your Internet shop in the real world. If you do it properly, you can have a big impact with only a small investment.

Keep looking after your shop

People need to see you are looking after your shop. If it never changes or you do not respond to requests, they'll lose trust in you and take their business elsewhere.

Your Internet shop will need constant attention - just like your bricks and mortar business. It is not a magical, get-rich-quick scheme that works wonders on its own.

First, you must check your e-mails at least daily - to make sure you respond promptly to any customer inquiries and orders. If you do not respond to e-mails within a day or two (preferably faster), people will lose trust in your business. Your Internet shop should also automatically send an order confirmation to your customers, to make them feel comfortable about the order they have placed.

Consider changing your web site every now and then. This could be as simple as changing the text on your first page, your home page. Or you could change the complete look and feel, depending on the season. Just treat your Internet shop like your real, physical shop. Think of different displays or promotions you could use to attract customers.

Keep your Web site updated with new information, new additions and special prices.

This will keep the interest of customers up - and help with sales.

Stay in touch with customers

The Internet allows you to keep in touch with your customers for very little money.

Once you are connected to the Internet, you will have your own e-mail address. This means you will be able to receive and send e-mails. It's even better if you have an e-mail address combined with your domain name, as it looks much more professional, and gives you e-mailing efforts

extra weight. These e-mails can be a very potent weapon in your e-commerce arsenal.

In the real world, businesses have to spend huge sums of money to stay in touch with their customers, to send them letters or call them by telephone. On the Internet all it takes is an e-mail.

You can use e-mails to confirm orders, let customers know about the status of their order or provide customer service to customers who want to know more about a product or have other questions.

It is also possible to use e-mail to promote your products. However this can be fraught with dangers, if done incorrectly. This is because by sending product information out to customers without their approval, you could be regarded as spamming them - the Internet term for flooding people with junk mail. You will have to decide if the returns are worth offending some of your customers.

If possible, you should have control over your e-mail address, as the address given to you by your ISP is controlled by the ISP - if you move, you can't take it with you. There are companies on the Internet such as Hotmail.com, which make this possible. However an email address based on your own business name looks the most professional.

Take web customers seriously

If you want your Internet venture to be successful, you must take your customers seriously.

Many shop owners falsely believe - because they don't understand the Internet properly or because a shop on the Internet is not a "real shop" - that somehow customers on the Internet are also less real - and therefore require less attention.

This is why they believe they can get away with unprofessional web sites and inadequate product information.

Don't make the same mistake. While you may have a hard time picturing an Internet customer, they will picture you when they see your web site. And carry their money elsewhere, if they feel badly looked after. And that is very real money.

When people look at goods or services in your Internet shop, they want more than just a picture and a price tag. Give them the full sales pitch. These are real customers - even if they buy in a virtual environment.

This does not require a major effort on your behalf. Your shop will look professional when created with professional shop building software such as FinestShops.com. And there is no law that says you must show all your products on the Net. Pick your best sellers for starters and give them a little more effort. More products can follow, as you become more successful.

Conclusion

An online store can provide an incredible opportunity for merchants to gain exposure for their products and sell them to a worldwide client base. However, it is imperative that the same considerations that would be given to setting up a physical store also be given to an electronic store.

Are your products/services conducive to selling online? What is your competitive advantage, price, ease of use, delivery, convenience? Have you instilled confidence in your site? Is it a secure site? Do you have a privacy policy?

And of course, one of the key components, can buyers find you? Have you implemented a marketing strategy for your online store? This would include actions like registering with search engines and directories, printing your domain name on all printed material cross-promotion with other complimentary sites, etc.

More information on marketing your Web site can be found at http://www.wilsonweb.com/wmt or http://www.27stars.com Business Library.

Also, it is important to remember that, just because you are selling in a virtual environment, it doesn't mean you can circumvent the rules for operating a business in your state/province. The same legal and taxation collection rules that would apply to a physical business, still apply to your online store. Although some of these areas are still a bit gray with this new technology, it is a good practice to operate the same as you would in the "real" world.

And remember, you can sell to whom you wish. If you want to limit your online business to customers in Canada and the U.S. only, then that's OK. If you are not set up to ship overseas, then it is better to state that "up front" than to get into a situation where your products are held up at the border, or the shipping costs are so expensive you lose money. After all, the transaction may be done over the computer but, more often than not, you will at some point have to ship a physical product and therefore be subject to the rules and regulations of the exporting and importing countries.

So make your plan, speak to industry specialists and surf the Web. Learn from other successful electronic stores so that your online venture will be a successful one!

E-Commerce Checklist

- Develop an e-commerce business plan
- Web designer/E-commerce developer
- Storefront solution (template, storefront software or outsourcing service)
- Merchant account(s)
- Payment processor
- ISP to host your store
- Obtain a domain name
- Digital certificate

To save a lot of time and money consider a complete package, such as FinestShops.com Storefront.

Add value to your website by offering this guide to your visitors with **Your name and the link** on every page! **Get your Free Branded Copy here:**

http://www.finestshops.com/guide

E-Commerce Glossary

A quick look at words you may come across when dealing with e-Commerce.

Browser: Software that allows you to read information and navigate on the Internet. The most popular ones are Internet Explorer and Netscape.

Domain name: A Web site address that belongs exclusively to you and takes people straight to your Web site.

Download: When you transfer information from the Internet to your computer.

E-commerce: While there are many definitions for e-commerce, for me it's simply selling goods and services via the Internet.

E-mails: Electronic messages that are sent over the Internet, similar to letters.

Encryption: A process in which information is scrambled so no unauthorized person can read it

FTP: File Transfer Protocol - simply a method in which you can upload and download information to and from the Internet.

Font: The name of a style of text.

HTML: The name of the programming language used to display web pages. Shop building software will take care of this - so there is no need to know it.

Internet: A worldwide network of computers.

Internet Service Provider: A company that gives you access to the Internet.

Merchant: Someone who sells goods.

Merchant account: A bank account that allows people to accept credit card payments.

Meta tags: Special information embedded in web pages, which allows search engines to index and classify your web site better.

Modem: A device that lets one computer talk to another computer.

Network: Several computers hooked together so the can exchange information with each other.

Online: An active connection to the Internet.

PGP: Software that encrypts important information so it can be sent over the Internet securely. Stands for Pretty Good Privacy - and goes up to military grade encryption.

Real-time payment service providers: An online service that will process credit card transactions for you - for a commission.

Search engine: A Web site that helps you find other Web sites on the Internet.

Shop building software: System that allows you to build an Internet shop.

SSL: Software called Secure Sockets Layer that encrypts information before sending it via the Internet.

Traffic: The amount of information being passed around the Internet.

Upload: Transferring information from your computer to the Internet.

URL: Universal Resource Locator - the technical term for 'Web site address'.

Web host: A company that rents out space on the Internet to allow you to place web pages on it.

Web page: A 'page' on the World Wide Web.

Web site: A 'page' or group of 'pages' on the World Wide Web.

Web site address: The address for a web site - so you can find it on the Internet with your browser.

World Wide Web: All web-sites on the Internet combined - used also as term for Internet.