E-book

The beginner's guide to e-commerce

If you want a website that reduces your workload while increasing sales, you need to put some planning in place right at the very beginning. Get hints & tips to starting an e-commerce store.

Call **1300 638 734**
or visit www.netregistry.com.au

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Recent reports show that Australian e-commerce is currently worth $12 billion in 2010 and is predicted to rise to $18 billion by 2014. Every year, more consumers are turning to online shopping for convenience, range and speed.

But launching into the online marketplace can be a very expensive mistake if you aren't prepared. Online consumer behaviour is very different to what you'll find in the average shopping centre and merely transferring an existing business model into a website may be a mistake. Online stores have many unique benefits over traditional businesses. By creating an e-commerce website that plays to these strengths and provides a simple customer journey, you stand a greater chance of converting idle website visitors into paying customers.

If you want a website that reduces your workload while increasing sales, you need to put some planning in place right at the very beginning. So what do you need to take into account when planning your own e-commerce adventure? What is the formula for online sales success?

Spend that extra profit margin wisely!

A major benefit of an online store is the greatly reduced running costs. No rent, less staff, etc. Instead there's a small monthly hosting bill and the time you want to put in. This means a far greater profit margin to play with.

But don't pop the champagne just yet. You need to stay competitive in a busy online world. If, for example, $1 of every offline sale ends up in your pocket after expenses and stock are covered, keep a similar level for yourself online and put the extra margin to work.

Rolling some of it into marketing can increase sales, providing more revenue for more marketing to produce more sales in a continually growing spiral of success. Alternatively, you can afford to be more price competitive, attracting customers away from the competition with the promise of greater bargains.

The great advantage of e-commerce is the ability to run an extremely lean and efficient operation, allowing you to squeeze every dollar for maximum benefit. How you choose to allocate those dollars will be up to your individual business.

I have a website – Isn't that enough?

A successful e-commerce operation is far more than just another website. Planned well, it can become an automated sales machine – your only employee willing to work tirelessly, 24 hours a day without complaint and with maximum efficiency for very little cost.

Yet many aspiring e-commerce websites rely far too heavily on the business owner doing the heavy lifting to truly be efficient. This reduces the levels of convenience and simplicity that would keep customers coming back. Websites that require the visitor to call or fax to enquire about pricing, receive a quote or to lodge an order remove the prime benefit of running an online store. Marginally better – although not much – are those websites that insist on using email or enquiry forms for every activity, still requiring manual responses.

These business owners often argue that they prefer to answer every individual enquiry personally in the belief that it allows for a more tailored response while keeping control in their hands. However, response times are crucial in closing a sale. Step away from the computer for a day or even a few hours, never mind going to sleep, and your potential sale may have already moved elsewhere in search of speedier gratification.

The best e-commerce websites are entirely self-service with immediate results – and nothing required from you except updating new stock when needed – and even this can be automated to a degree. Allowing for immediacy and instant purchasing can have a dramatic effect on conversions as the sale is closed while the customer impulse is strong. Add a delay into the mix and it's like giving the potential customer a cooling off period before they agree to buy.

Getting started

There are a few ingredients that separate an e-commerce site from a regular website, but the core components are the same. Every website, no matter how simple or complex, needs a domain name, a hosting account, a web design template and the content to stick in it.

But to truly create an automated e-commerce website, you will need to add shopping cart software and a payment gateway. The shopping cart allows a customer to select products, add postage etc and submit a complete order. The payment gateway allows your website to process their credit card or Paypal payments and transfer the funds straight into your business bank account via your merchant facility.

For ease of administration, it makes sense to get all of these ingredients from a single provider instead of juggling multiple billing cycles, terms and levels of service. Packaged e-commerce solutions can work out cheaper as well.

By logging into your admin panel, you can see the completed orders with all the details you need to pack and ship the items. Simple.

But even simpler are some e-commerce packages that combine many of these elements into one billable – coordinated package. Netregistry's StoreXpress can take care of the hosting, design and shopping cart in one integrated service. Just add a domain name and a payment gateway to get your products online quickly with the minimum of fuss.

Choosing a payment gateway

The varying fee structures offered with payment gateways can sometimes make selecting the best value for money for your online store rather difficult. Some operators may offer discounts on certain transaction types, designed to attract the unwary business. Usually, these cheap promotional fees are attached to low traffic credit cards so you can bet that the high traffic credit card fees more than make up for the promotion. Instead of saving you money, the overall fee structure may turn out to be more expensive.

When selecting a payment gateway, assess the entire fee structure, including hidden charges and set-up fees, instead of getting excited over promotional bargain fees.

Netregistry's Payment Gateway is charged at a simple flat fee of $55 per month with no additional transaction fees. Whether you have three transactions or three thousand, you only ever pay the same amount each month.

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How to apply for a merchant facility

Even if you already have a merchant facility for EFTPOS and credit card transactions, you will need a separate one for online transactions to transfer money from your payment gateway into your account.

To apply for an internet merchant facility, your bank will ask for a number of supporting documents, including a full business proposal and an annual profit estimate. This is so they can estimate how viable your online store will be.

If you have difficulty in producing these documents, discuss them with your bank contact so that you can be sure of providing the level of detail required. Don't be afraid to ask for advice. The bank will also want to see a complete website to check that it is not engaged in illegal activity, such as porn or unlicensed ticket sales.

Internet merchant facilities are free to set up, but will charge a fee for every transaction. It is important to research the different banks to get the best deal. At Netregistry we can fast-track your online merchant account through our preferred banks, St.George or National Australia Bank.

Once the bank has approved your application, your merchant ID and terminal ID can be used to configure your Payment Gateway. This process usually takes about 24 hours.

After setup is complete, you will need to get your web developer to connect your payment gateway to your website. After which, customers will be free to use credit cards on your online store, with the payments automatically appearing in your bank account 3-4 days later.

Many applications for merchant accounts are rejected, usually due to the difficulty in providing detailed profit estimates. But you can still accept payments online even without a merchant facility. By choosing alternative options, such as Paypal, you have the benefits of accepting credit cards online for a small additional transaction fee. However, the more payment options you can offer, the greater the chance of increased sales.

Building your template

E-commerce packages like StoreXpress come prepacked with a number of web design templates to help you get started - but these will still require some modification before your chosen design truly reflects exactly what you want.

Adding your own logos, imagery and brand colours and laying out the content in the optimum way for your products is made easy by the administration panel.

Most designs follow a similar structure and a good starting point is to understand these key elements.

The header - this is the top part of the screen and is often consistent throughout the site. Containing the logo, site name and often the menu bar, it is the prime branding element. Many designers spend a great deal of effort building an effective header – marrying image, colour and logo.

The side bar(s) – most websites have one or more sidebars, positioned on the left, right or both. These contain supporting content relevant to the main focus of the page and are often consistent within different sections of the site: one sidebar for product pages, another for service pages, the blog, etc.

The footer – sitting at the bottom of every page, the footer usually carries the small print, copyright notices and other paraphernalia. The footer is not designed to be a major navigational element of the site, as it is often the last thing visitors will look at, if at all. However, it is still highly important in rounding off the design with an 'end' and giving a location for those less exciting – but still necessary links.

The area that sits between these elements is the main content unique to the page. Simplicity is king when it comes to designing the major content areas. You don't want the copy to become confused or lost by distracting colours and designs. The page should scan easily and for this reason alone the best designs still use a black, simple font on a white background, with content broken up every two or three paragraphs with descriptive subheadings.

There's a good reason why the e-book you're reading right now doesn't have fancy colours and fonts throughout the copy.

Interest can be added to the content by the careful positioning of images and 'boxout' sections of highlighted content.

It is important not to try to be too clever when building your design template. Instead, check out your favourite websites and analyse how they lay out their content. Do they have sidebars on the left or the right? What features do they include in the menu bar? How big is the header? How much content do they include on each page?

There is no need to reinvent the wheel. Most successful e-commerce stores follow similar proven patterns and the best way to understand those patterns is to visit and examine the best sites before applying what you have learned to your own.

The other ingredients

It is very easy to get excited about creating a fantastic design and wonderful infrastructure, only to cheapen the entire site with hastily constructed copy and poor images. Spend a decent amount of time creating informative, inspirational and attractive copy for every product – not merely a title, a picture and a price. Even the best e-commerce design and infrastructure can be worthless if the copy and images aren't up to snuff.

Why should I buy your fantastic doohickey and not somebody else's? If I'm looking at a particular product, am I likely to have a specific interest, goal or need and does the page explain how those can be met? What typical questions may I have on buying your product and are they suitably answered?

Copy is the most under rated part of many websites. We get excited about the widgets and the colours and the clicking on cool looking menus. Adding in the words becomes a boring inconvenience – but it is the heart of your sales process and should be written with clear, jargon free and simple language.

This may sound obvious but high quality images of all of your products are also essential. If you don't have appropriate imagery, don't assume the kid's digital camera and the kitchen table under a lamp are going to produce the kinds of professional photos you will need. If you are not familiar with photography, talk to someone who is and get their advice. Also, if you are reselling products from an outside manufacturer or distributor, they will often have approved imagery that you can use to market their products – saving you the bother. Contact your supplier and see how they can help.

StoreXpress can help you easily upload and modify your copy and images into your website template with very little technical knowledge needed. It can automatically resize your images to the correct dimensions and position them just the way you want within the page.

Planning your catalogue

The most common mistake new online entrepreneurs make is underestimating how much stock they actually sell. You may offer a range of ten different t-shirts, but that can equate to over 50 products, with XS, S, L, XL and XXL sizes for each style counting as a separate product in your billing system.

This level of separation may seem annoying – after all, it's the same t shirt repeated five times – but your ordering processes and administration will benefit from being able to identify which sizes have sold out and which are overstocked, which are great sellers and which are just turkeys.

By creating email campaigns that your customers value, you can build stronger relationships, loyalty and trust and generate genuine business growth. Netregistry's Mailroom service takes all the hard work out of managing email campaigns and allows absolutely anyone to produce professional, spam free, email communications that work.

Copy is the most under rated part of many websites… but it is the heart of your sales process.

Evolve or die

If there's one thing that is true about the internet, it is that it doesn't stand still. Trends change, customer behaviours shift and new technologies arrive – each with the potential to alter the effectiveness of your online store.

The best online stores have programs of continual improvement, tweaking and updating content to continually improve customer conversion figures. Testing different product buttons on different pages may reveal which one is better at encouraging a sale. Changing the copy may result in better responses – or worse – and can lead to new innovations. Adding extra services, such as courier delivery, money-back guarantees or postage insurance may offer more choices for the customer and create stronger trust.

Above all, the customer should always be the first consideration. Changes and new features should always be in response to what the customer wants. So listen to them. Engage in some email marketing and elicit feedback. Monitor your website statistics to see which pages attract the most activity and which cause the most number of people to leave the site.

There is no such thing as the perfect e-commerce site, but the best ones are always working on getting closer.

Open for business with these tools

StoreXpress - $59.95 per month (plus setup fee)

- Fully featured online store builder
- Customisable design templates
- Integrated payment processing facility
- Step by step wizard

StoreXpress Pro - $99.95 per month (plus setup fee)

- All the above, plus...
- Enhanced search functionality
- Sell up to 1000 different products
- Seamlessly integraters with Australia Post and eBay

StoreXpress Advanced - $169 per month (plus setup fee)

- We can advise an appropriate CMS solution for your needs
- Even complex websites can be made easy for any skill level to use
- You're only limited by how much content you can produce

StoreXpress Premium - $249 per month (plus setup fee)

- We can advise an appropriate CMS solution for your needs
- Even complex websites can be made easy for any skill level to use
- You're only limited by how much content you can produce

Get a free walk-through

Let us show you just how easily you can build your own e-commerce site by booking a StoreXpress demo.

Visit www.netregistry.com.au/storexpress-demo

Streamline your sales process

Payment Gateway - $55 per month (plus setup fee)

- Fee free transactions
- Real-time credit card processing
- Connect via external/internal API
- Compatible with leading shopping carts

SSL Certificates - $199 per year

- Aurthentication / validation domain
- UNLIMITED Server licenses per certificate
- Up to 256-bit encryption
- GeoTrust Site Seal

Netregistry.com.au has everything you need for every stage of your online business. With lower prices and easy services, your website can start paying for itself sooner.

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