

# **Basic E-Commerce: What You Need to Know**

Finding The Missing Pieces of  
Your e-Commerce Puzzle

# **Our journey will include...**

Basic e-Commerce Overview

Tech-ese Translator

"You **HAVE** to start an on-line business. The internet does all of the work for you. All on-line businesses make LOTS of money and you hardly have to do anything!"

If it was only that easy...

# The Major Parts of the e-Commerce Puzzle

- **Something To Sell**
  - INVENTORY -- goods or services
- **A Place To Sell**
  - Domain Name
  - Hosting Company
- **A Way To Sell**
  - Shopping Cart... Miva of course
  - Other Channels
- **How To Sell**
  - Branding
  - Operations

# Something to Sell -- INVENTORY

- **Inventory is what you are selling whether it is goods or services**
- **You need to keep track of inventory, either with software or by counting it**
  - Unless you have a never ending supply

- **You will need to store physical inventory**

- Or have it drop shipped from the manufacturer to your buyer...

- Or use an Order Fulfillment Warehouse...



# Drop Shipping

- **You take the order and the manufacture or distributor ships it directly to your buyer.**

## **– PROS**

- You do not pay for the item until your buyer pays
- You do not need space to store the item

## **– CONS**

- You have no control over when the item is shipped
- If it is lost or damaged the shipper has to file the claim
- What if they ship the wrong item or your buyer wants to return the item

# Order Fulfillment Warehouse

- Order Fulfillment Warehouses provide warehouse, packing, and shipping services...for a fee
  - **PRO**
    - You do not need space for your inventory
    - You do not need staff to pack & ship your inventory
  - **CON**
    - You have to rely on reports for inventory levels
    - You cannot see what the packages look like when they ship

- **Tricks for getting inventory the lowest price**
  - Deal directly with manufacturers
  - Ask about specials, discounts, free shipping & terms
  - Go to Trade Shows
    - [cyberexpo.com](http://cyberexpo.com)

# A Place To Sell

- **Register Your Domain Name**
  - A Domain Name is your address on the internet
  - Register.com or GoDaddy.com
  - Search the Domain Records at [www.Whols.com](http://www.Whols.com)

- **Hosting Company**

- This is the company that provides the space for your website.
- Hosting companies should have 24 hour customer service, eMail support is ok.
- They should have PEOPLE who answer the phone, or return phone calls

- **Website**

- What people see when they go to your domain
- If you want someone to build it for you, you will need
  - Web Designer -- designs your website, the look and feel
  - Web Developer -- develops your website, the way it works

- **Security Certificate**
  - Security Guard presence for your buyers (that little yellow lock) which allows information to be transferred securely (encrypted) across the internet.
    - Obtain from your hosting company...there is an annual fee
- **Your website should also include**
  - Contact information
  - Privacy Policy
  - Site Map (for search engines)

# A Way to Sell

- **Shopping Cart Software...Miva, of course**
  - What Shopping Cart software does...
    - Displays your inventory
    - Allows your customers to put items in their shopping cart
    - Gives your customers a total for their items in their cart
    - Adds shipping charges to their order
    - COLLECTS their payment information
    - Sends Credit Card/eCheck information through a Payment Gateway and receives an authorization number & status
    - Keeps track of inventory (remember if it is in someone's cart it is not considered inventory)

- **Credit Card Merchant Account**
  - Setup through with a banking institution
  - They charge a per transaction fee AND a percentage of your sale
- **Payment Gateway**
  - A combination of software and hardware that provides the connection between your shopping cart software and your Credit Card Merchant Account.
    - There is a monthly fee; however, sometimes it is included with your Credit Card Merchant Account.
- **PayPal is a Merchant Account AND a Payment Gateway**

- **Other Channels -- eBay, Amazon, Froogle, Overstock, etc**
- Can be a great way to get customers to your site
  - I send a newsletter in my packages with a discount coupon to my website
  - I list our eMail address –  
**Betsy@BestFriendsGeneralStore.com**
- It can be challenging to integrate your inventory between different Channels



# The Frequent Chewer

by Betsy and Norman

A dog can NEVER have too many toys!

### A few barks from Betsy.



Well, I think that I finally qualify as a farm dog! We now have three horses, Nikol, W, and Jenna, living with us. Horses are just like big dogs because they eat, sleep, and play. Mom says that they poop more though. They seem like pretty nice animals, but they are not near as smart as I am, and they do not know how to bark.

Mom said I have to talk about Halloween costumes because we have lots of friends that like to wear them. I cannot believe that any self-respecting dog would wear a costume — but I would look darling in one if I wanted to wear one! Mom looked and looked until she found dog costumes in all sizes — including XXXL! So if you want to wear one, we have one for you! Don't forget that we also have Impassions — they are costumes that are just hats & bandanas — Norman likes them.

I would rather talk about TOYS — they are training treats that only have one calorie apiece. That way when mom trains Norman he won't get any fat! Mom doesn't need to train me because of course, I am perfect!

### The NOISE Report By Sweet Mom Norman

#### Spooky Sounds!

I will do a trick for a treat any day! But I will do two tricks for a loud, Betsy annoying sound toy! Halloween has great sounding toys so I will be doing lots of tricks! (Did you know that I can play dead and then rise again?)



Betsy Ghost!



My sweet mom is just in for a treat!



Betsy by Witch!



Don't like me? Be a Devil!

The sounds of Halloween include a LOUD squeaky witch, a wailing voice chip ghost, and a voice chip devil. The devil is my pick for Betsy — it says "The Devil made me do it!" That should be Betsy's theme song. I also picked out the perfect costume for Betsy; it does not make any noise except for my laughter — it she ever wears it!

I hope that you have a treat-filled Halloween!

### 10% HALLOWEEN DISCOUNT!

Have you been to our website? For some extra fun we are offering a **10% discount** off of your next order. Just enter **HALLOWEEN** in the coupon code section of our website. Hurry go to [www.BFGS.com](http://www.BFGS.com) or [www.BestFriendsGeneralStore.com](http://www.BestFriendsGeneralStore.com) (same great place, just more to type). Hurry, because this discount expires October 31, 2005!! Remember A Dog Can Never Have TOO Many Toys — or dollsies!

### Order Error???

Mom is NOT perfect like us dogs, so if there is a mistake mom did it! If you find her mistake, let us know and we will bark at her until she fixes it! You can call our mom at 802-515-7033. Thank you for your patience with our mom!

### SAFETY FIRST!

PLEASE watch your dog with his new toys to make sure that they are safe for your dog's chewing and playing style!

**HEY! Lucky Dog!**  
Here is your order from  
[www.BestFriendsGeneralStore.com](http://www.BestFriendsGeneralStore.com)  
A dog can NEVER have too many toys!

# How to Sell

- **Customer Service**
  - This is what brings your customers back again and again
  - Have a written & published policy
    - Make your return policy clear
  - Handling eMail –
    - If you get the same question over & over again...
    - FAQ page or change description

- **Pricing**

- Include cost, selling fees, credit card fees
- Find out what your competition charges
  - Don't be afraid to charge more

- **Branding**

- This is what sets your store apart from everyone else's store!
- Keep doing the Great Mall of America test
- Logo – have it created professionally

- **Marketing**
  - Newsletters
  - User Forums
  - SEO -- Search Engine Optimization
  - SEM -- Search Engine Marketing
    - Press Releases
    - PPC -- Pay per Click
  - Get on Oprah!

- **Shipping**

- If the package your buyer receives looks like the shipper cares, they will be less likely to return it.
  - Buy boxes in bulk to reduce your cost
    - Local box suppliers
    - U-Line at [www.Uline.com](http://www.Uline.com)
- Price your shipping fairly, but make sure you cover your costs

- Order Daily Pick-up and receive a reduced shipping rate (UPS & FedEx)
- Check about technology and/or price incentives
- Order FREE Priority and Express mail boxes from USPS
  - [www.ShopUSPS.com](http://www.ShopUSPS.com)
    - Sign in as a business to get a better selection
- Order FREE package pickup from USPS
  - [www.USPS.com/Pickup](http://www.USPS.com/Pickup)

- **Operations...the rest of the stuff**
  - Invoices, packing lists
  - Email
    - When order is received
    - When payment is received
    - When order ships
  - **Conduct your business as a business**
    - Register your name with your Secretary of State
    - Trade Marks & Copyrights
    - Keep business expenses separate from personal expenses
      - Have a business banking account
    - Accounting, to QuickBook or not to QuickBook

- Order Management Systems – back office software
  - Stone Edge, M.O.M.
    - Automates
      - Email
      - Inventory and other reports
      - Inventory integration between channels
      - Shipping integration
      - Manual orders
      - Purchase Orders
      - And more...



Are

YOU

READY????

# Tech-ese

- **The language geeks (developers, designers, etc) speak to each other which may intimidate users.**

**...we will NO LONGER be intimidated!**

# Tech-ese Translator Sources

[www.UnitedYellowPages.com/internet/terminology.html](http://www.UnitedYellowPages.com/internet/terminology.html)

[www.NetLingo.com](http://www.NetLingo.com)

[http://en.Wikipedia.org/wiki/Category:Internet\\_terminology](http://en.Wikipedia.org/wiki/Category:Internet_terminology)

# Translation guide to Tech-ese

**Does you SEO guy do your PPC?**

Does your Search Engine Optimization guy  
do your Pay Per Click (campaign)?

**...yes, he does!**

## **AFFILIATE**

- A revenue sharing arrangement between two websites. One site will advertise and send buyers to another site for a percentage of the sale.

## **ATTRIBUTES**

- Properties of an inventory item. i.e. size, color, etc

# BETA VERSION

- Beta version software is in the second testing stage before it is released. Beta testers are usually end users that use the Beta version of software and report problems back to the developers. Beta version software is not bug free, but then again is any version?

# **BRANDING**

- What makes your store unique and sets it apart from other similar stores.

# **BREAD CRUMBS**

- A traceable category trail that helps your customers keep track of their movements through your store.

## **CHANNELS**

- Different e-commerce venues. i.e. eBay, Amazon, Shopping Cart, etc.

## **FLAT FILE**

- Flat files are used to upload large amounts of information to software programs. Flat files usually have an .txt extension.

# FTP

- File Transfer Protocol. This is the way files are transferred to the internet. You can use an FTP program (CuteFTP Software) to transfer many files at a time.

## HOSTING COMPANY

- This is the company that provides the space for your website. It has the equipment that sends your website through the world wide web.

# HTML/XML

- HyperText Markup Language - This markup language that tells a web browser how to display a web page. i.e. `<b>bold</b>` shows as **bold**

# HTTP

- HyperText Transfer Protocol - The protocol that moves HyperText files, files with links in them, across the internet.

## **IP Number**

- Internet Protocol Number - your numerical address on the internet

## **ISP**

- Internet Service Provider. The company you pay to connect to the internet.

## **JPEG/JPG**

- Joint Photographic Expert Group - a compress image format for pictures viewed on the internet.

## **KEYWORDS**

- A word or series of words used for searches on the internet

## **LAN**

- Local Area Network - A network that connects computers so that they can share files.

## **LISTING SOFTWARE**

- Software that helps you to place your inventory information on a Channel. I use Blackthorn to list my inventory on eBay.

## **LOGISTICAL COMPANY**

- A company that negotiates special rates with transportation companies (UPS, FedEx, and other carriers)

## **MERCHANT ACCOUNT**

- An account, usually with a bank, that allows you to process credit cards.

## **META TAG**

- A HTML element that contains information to help search engines categorize your website.

## **MODULES**

- Programs that developers design to enhance Miva.

## **OPEN SOURCE SOFTWARE**

- Software whose code is available to users so that they can study or modify it.

# **ORDER FULFILLMENT WAREHOUSE**

- A warehouse facility that stores your inventory and ships it for you.

# **ORDER MANAGEMENT SOFTWARE**

- Software that helps with the "back office" (invoicing, inventory records, shipping, accounting, etc) of an e-commerce site. Such as Stone Edge or Mail Order Manager.

# **ORGANIC SEARCH**

- This is the natural, unpaid for, listing in search engines.

# PAYMENT GATEWAY

- A Payment Gateway authorizes payments for e-businesses and e-Tailers. It is the equivalent of a physical POS (Point-of-sale) terminal located in most retail outlets . Payment gateways encrypt sensitive information, such as credit card numbers, to ensure that information passes securely between the customer and the merchant. (Wikipedia)

## **PDF**

- A file format that is created and viewed by Adobe Acrobat Reader

## **PING**

- An Internet Program used to see if a specific IP address is accessible on line. It will also tell you how many connections it takes to connect two internet hosts.

# PPC

- Pay Per Click - Advertising where the originator pays a certain amount each time anyone clicks it.

# SECURITY CERTIFICATE

- Security Guard presence for your buyers (that little yellow lock) which allows information to be transferred securely (encrypted) across the internet.

## **SEM**

- Search Engine Marketing - Marketing methods used to improve your visibility on search engines, i.e. Pay Per Click (PPC) advertising.

## **SEO**

- Search Engine Optimization - a method used to try and improve your ranking on search engines.

## **SKU**

- Stock Keeping Unit, (product code) – the unique number assigned to each item that you sell.

## **SMTP**

- Simple Mail Transfer Protocol - Protocol used to transfer eMail from servers to servers on the internet.

# SHOPPING CART

- The cart that you put your groceries in... "The software allows online shopping customers to "place" items in the cart. Upon "checkout" the software calculates a total for the order including shipping and handling (i.e. postage and packing) and taxes, if applicable." (Wikipedia)

# STATIC IP

- An IP address that does not change each time you sign on to the internet .

## **SQL or MySQL**

- Structured Query Language - A query language used to create or requesting information from a database.  
Miva uses SQL or MySQL

## **URL**

- Uniform Source Locator, or web address (what you type in the address bar)

## **WWW**

- World Wide Web - it is the global space where images/text/etc are viewed

## **WYSIWYG**

- What You See Is What You Get - a view form of software where the editing view looks very similar to how the final product will look like.

## **Web Designer**

- The person who designs the graphics, look, & feel of your website

## **Web Developer**

- The person who designs the way different components and software work together.

## **WEB CRAWLER**

- **Web Crawler or Spider is a program that searches the web and then classifies the pages that it finds by keywords and Meta Tags. Search Engines use these programs to rank websites by keywords.**

# Contact Information

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