

Is your business ready for e-Commerce?

(Part 2 - Operational & Technical Considerations)

Welcome back. We hope that our last issue got you thinking about different products and services that you could start selling online and the business model that you are going to follow.

We would now like to discuss some practical elements for you to factor in when setting up your e-commerce site.



Operational Details

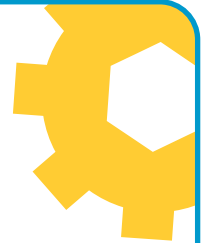
▶ Payment

Customers desire to pay for their products using the method most convenient to them, these could include credit card, COD, bank transfer, checks etc. You need to determine the payment habits of your best customers and decide which you can provide. Keep in mind that the more choices of payment, the greater the cost you will have to bare in terms of tracking and inventory control.

If your customer is the international community, you have to cater to payments by different currencies. Are you going to allow this? Before making this decision you have to know the following:-

- What are the key currencies in which you will accept payment?
- Who is going to take the currency risk?
- Is fraud risk significant?
- Which payment gateway are you going to use? If you are targeting a Singapore customer base, then eNets is the obvious choice. If you plan to accept payment in foreign currencies then PayPal and World Pay are alternatives.

- If you are catering for COD, think about how you will handle/cost in people not accepting delivery?



▶ Delivery

Your goods need to be delivered conveniently to the customer after the orders are placed online. So how are you going to get your products to them?

Have them pick it up from you.

This might be an option you want to provide your clients if you and the customer are both located in the same country, you have a brick and mortar store and if it is a physical product you are selling. However, it's not always the best option, because online shoppers expect the product to be delivered to them.

Provide the product on line.

This is useful only for computer programs, videos, mp3 tracks, e-books, etc. It is great because you do not need to keep physical inventory in terms of stacks of CD's but you need to install software to enable file transfers.

Shipping.

This is probably the most conducive and widely used mode of delivery. Things that you need to consider when shipping products are the following:-

- What is a reliable shipping company? Do they provide tracking?
- Do you want to provide option of surface or air delivery?
- What is the pricing mechanism that you have agreed to with the company? Is it based on weight, volume, whichever is higher or based on the number of packages?
- How do you plan on billing the customer for the shipping? Are you going to give free shipping if the volume/invoice is above a certain amount? This can be used as a tool to drive up sales on your site. If you offer free shipping for orders of over \$100 then clients are incentivised to shop for more than \$100. Is there going to be a flat rate billing?
- Where is the product going to be shipped from? Obviously if you have multiple vendors shipping from different locations that will be harder to manage in terms of the shipping algorithm that you develop for your site which will mean more cost for you.

▶ Marketing

Just because you have an e-shop does not mean that people will come to it. Just like a bricks and mortar store you still need to build awareness of your store. You can do this by:-

- Traditional marketing practices like advertising, news articles, flyers etc.
- Ensuring that you have used good site construction practices for Search Engine Optimization.
- Performing Search Engine Marketing through sites like Google, Dog pile, Yahoo, Alta Vista etc.
- Affiliating yourself with related sites.
- E-mail Marketing.
- Viral Marketing.
- Using online referral techniques.

▶ Customer Service

Like any business, customer service is an important aspect to consider. If your customer is happy, they will come back and also refer your site to others. Elements that will keep the customer coming back are :-

- How easy is your site to navigate? Can the customer access what they require easily? (Please see our previous Interact issue for further details at www.designdepot.com.sg)
- Ensure that your return policy is well stipulated and reasonable.
- State your privacy policy clearly. Let your customer know how their data will be treated and who else will have access to it. Confidentiality is important to users.
- What kind of customer service are you going to provide the client?

Technical Considerations

Brace yourselves as we get a little technical. To set your site up you will also need the following services.

Domain name registration.

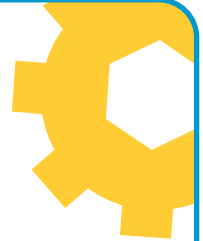
You will need a party to host your domain name (e.g. bestbookstore.com).

Website and Email Hosting.

Your website needs servers to store and display your content. If you are running an e-commerce website, you will need the following services;

- Webserver
- Database server
- Backup services – optional but strongly recommended

Email hosting usually comes packaged with the website hosting services.



Technical Support.

If you have in-house technical resources, then they can be responsible for trouble shooting any problems that may arise on your website. If not, you may need to contract a professional to handle this. Remember the greater downtime on your site the more money you lose.

That was quite a lot to digest! If you would like to find out more about eCommerce solutions, and some help in unlocking the doors to your e-Commerce site, do feel free to contact us and we will be happy to help you with your requirements.

We hope to shop with you soon!

PS: Found this newsletter informative and useful? Email us with your comments, questions or other topics you would like covered at custservice@designdepot.com.sg

Not subscribed to our Interact! enewsletter? Subscribe now at www.designdepot.com.sg to get on our preferred customer mailing list!