

Planning for E-commerce

Introduction

E-commerce plays an increasingly important role in the way in which products and services are purchased.

E-commerce systems such as your website can be used to market and sell to customers, and to provide after-sales support. E-commerce can also be an important part of strengthening relationships and improving the efficiency of your dealings with suppliers and other key trading Partners.

This guide looks at the key issues to consider when planning for the introduction of e-commerce. It provides advice on how best to identify the opportunities for e-commerce within your business and the solutions available. It also emphasises the need to plan for the ongoing development and maintenance of any e-commerce system at the outset.

There are several different ways you might use e-commerce in your business.

Direct sales

Many businesses use e-commerce for the direct selling of goods or services online. For some businesses such as those selling software or music, the actual sale and delivery of goods can be made online. However, for most the supply of goods will continue to require a physical delivery.

If you plan to sell online, you may need to rethink many of your business activities. This is because you will fundamentally change the way in which you interact with your customers - for example, if customers place orders online instead of talking to a salesperson. You will also need to work out how every aspect of a transaction is handled - including order confirmation, invoicing and payment, and deliveries and returns.

Pre-sales

You can use your website for pre-sales activities - exploiting the widespread use of the Internet to generate sales leads. At its most basic this can be through the use of "brochureware" - having an online version of your promotional materials on your site. Other options include email campaigns or online advertising to attract visitors to your own website where you can promote your products.

Post-sales support

You can also use the Internet to automate aspects of your customer support to reduce the number of routine customer service calls. This can be achieved by using your site to answer the most frequently asked questions, or by putting technical information online.

However you decide to use e-commerce, it is important to define your expectations from the outset. What level of sales are you hoping to make? How many sales leads are you looking to generate? What percentage reduction in customer telephone calls are you expecting to achieve? Ensure that targets are put in place so that you can measure the success, or otherwise, of your e-commerce facility.

Making an e-commerce site easy to use

The ease with which a customer is able to use an e-commerce site is an important part of its success. It's also an important part of your online brand image.

There are three elements of the shopping process that influence how easy and enjoyable the customer finds it to shop on an e-commerce site - the shop front, shopping cart and payment software.

Shop front

The shop front is the interface presented to the customer. This often incorporates an online catalogue that enables them to browse for products and identify those they wish to purchase.

Customers should be able to find the product they are looking for quickly. An eight-second guideline is frequently cited –if customers are unable to find the product within that time, they are likely to go to an alternative site.

The design of the shop front should make shopping intuitive, with the customer knowing at all times what stage of the buying process they are at.

Shopping cart

This is the software that facilitates easy selection and payment for products purchased by a customer from an e-commerce website. Once the goods have been selected, the customer should find the checkout clearly signposted, so that they can proceed to pay for the goods.

The system should process the order speedily and provide you with a summary, including any packing and shipping requirements. It should also generate a printable receipt and allow you to send a confirmation email to the customer.

Payment software

Most customers will wish to pay for their purchases with credit or debit cards. There are three options for accepting such payments - you can:

- open a merchant account
- use a payment processing company
- set up an online shop within a virtual shopping mall

The key tool for delivering e-commerce services is the business website. This must be specified, designed, hosted and maintained.

Specification

The website specification should clearly identify what the site is trying to achieve and how its various components will contribute to this. An understanding of the intended user audience is required for both technical and marketing purposes.

Domain name

Domain names are an enormous help in the branding of a business. Your domain name should be easy to remember and spell, and should show what your business is all about. If not, then potential customers will surf elsewhere and possibly find your competition.

Check if the domain name you are planning to use has already been taken at the Nominet website

Website hosting

If you purchase your own domain name you can either host your own website or have an Internet service provider (ISP) host it on your behalf.