



Proposals and Strategies for Women Entrepreneurs



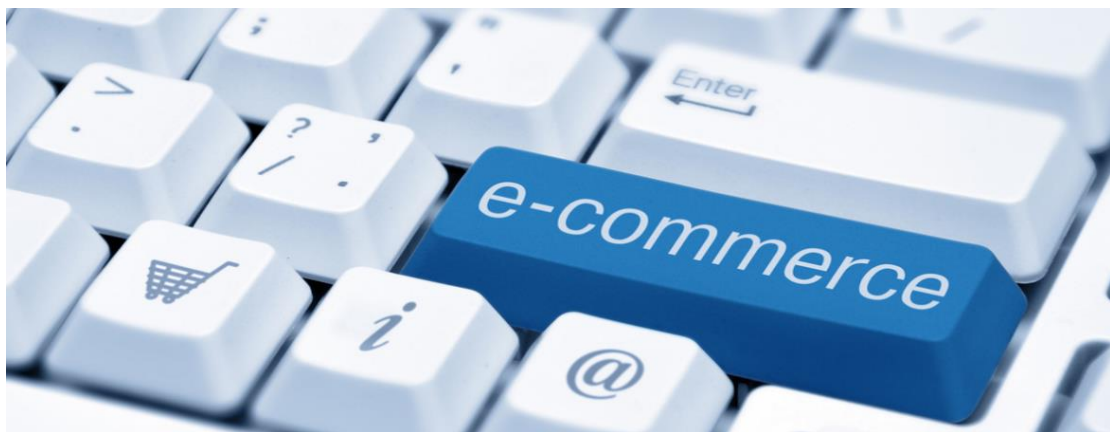
E Commerce Module

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Internet really has revolutionized the modern world. It's changed the way we interact with one another, the way we consume information, and even the way we do business. These days more and more people are taking the leap starting their own eCommerce store. And really, it's easy to see why. With **low barriers to entry**, global transactions totaling over **1.2 trillion euros in 2014**, and **double digit growth forecasts**, the potential really is staggering.

In the past, if you wanted to open a store, your customer base would be limited to those within a certain radius of your store. These days, you can open your doors much wider, on a national, or even international scale.

The purpose of this eCommerce module is to inform on all the key elements of setting up and running an eCommerce business.



Definition

Electronic commerce, commonly written as e-commerce or **eCommerce**, is the trading or facilitation of trading in products or services using computer networks, such as the Internet. Electronic commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems. Modern electronic commerce typically uses the World Wide Web for at least one part of the transaction's life cycle, although it may also use other technologies such as e-mail.

History

History of ecommerce dates back to the invention of the very old notion of "sell and buy", electricity, cables, computers, modems, and the Internet. Ecommerce became possible in 1991 when the Internet was opened to commercial use. Since that date thousands of businesses have taken up residence at web sites.

At first, the term ecommerce meant the process of execution of commercial transactions electronically with the help of the leading technologies such as Electronic Data Interchange (EDI) and Electronic Funds Transfer (EFT) which gave an opportunity for users to exchange business information and do electronic transactions. The ability to use these technologies appeared in the late 1970s and allowed business companies and organizations to send commercial documentation electronically.

Although the Internet began to advance in popularity among the general public in 1994, it took approximately four years to develop the security protocols (for example, HTTP) and DSL which allowed rapid access and a persistent connection to the Internet. In 2000 a great number of business companies in the United States and Western Europe represented their services in the World Wide Web. At this time the meaning of the word ecommerce was changed. People began to define the term ecommerce as the process of purchasing of available goods and services over the Internet using secure connections and electronic payment services. Although the dot-com collapse in 2000 led to unfortunate results and many of ecommerce companies disappeared, the "brick and mortar" retailers recognized the advantages of electronic commerce and began to add such capabilities to their web sites (e.g., after the online grocery store Webvan came to ruin, two supermarket chains, Albertsons and Safeway, began to use ecommerce to enable their customers to buy groceries online)..

What is an eCommerce store?

An eCommerce -short for electronic commerce- store is simply a way for people to buy product or services over the Internet, through a website. Or, in the simplest terms possible, an eCommerce store is an online shop. Many big online retailers, including Amazon, ASOS, and Overstock fall under the eCommerce heading, and many businesses with offline presences also have an eCommerce arm, like Ikea and Dixons.

If you've ever bought anything online, you'll know how eCommerce works from a consumer perspective. The focus of today's guide is to introduce eCommerce from a business perspective.

Who Can Open an eCommerce Store?

In a word: anyone.

The numerous barriers to entry to running a traditional commerce store simply don't exist online. You won't need to spend months searching through potential premises. You won't need to secure a potentially risky long term lease on the building and spend a small fortune fitting it out. You won't need to hire a small army of workers to help you run the store. You won't even need to buy all your stock upfront—many eCommerce stores only purchase stock after they've made a sale, completely minimizing their risk. **With an eCommerce store, things are just easier.** All you really need is a website, and this will be relatively quick and easy to set up, and will cost a fraction of the price.

Of course, there are some things both an online and offline store will need—for example, you will still require some security and a way to process payments—but these are much quicker, and cheaper, to install.

With this in mind, literally anyone can start up an eCommerce store. Far fewer people will have the financial means, or appetite for risk, that a bricks-and-mortar store requires. **This has led to a highly competitive online marketplace, where anyone and everyone can try their luck; from tiny one-man hobby sellers, right through to the huge multinationals we're all familiar with.** And of course, many of the big retailers have a presence in more than one shopping channel, known as omni-channel retailing. For example, they might run an online eCommerce store, a bricks-and-mortar store, have a catalogue, and sell via direct mail, all under the same brand. Who's to say that your eCommerce startup can't expand into these other areas, too?



Getting Started with eCommerce

Now, at its heart, an eCommerce business is a commerce business.

The business principles required to run an offline store still apply to running an online store, although the problems you will encounter will differ.

With this in mind, the basic outline of an eCommerce business model is very similar: you need products to sell, a place to sell them, and a marketing strategy to attract customers. With eCommerce stores, you'll also need a strategy for actually delivering the goods you sell, as a customer is unable to simply lift them off the shelf.

Let's take a look at each of these concepts in turn, and compare how your approach will differ to that of an offline commerce store.

A Product to Sell

First up, your eCommerce store is going to need product/s for you to sell. These can be produced either in-house, or sourced externally.

As an online retailer, you're not limited to online suppliers when it comes to sourcing your products, any offline supplier is perfectly viable. However, due to the nature of an online business, most eCommerce owners will do business with other online businesses. In many ways, the approach to finding products for an eCommerce store will be identical to that of an offline store: find the best product at the best price—simple, right? However, there is one major difference.

Digital vs Physical Goods

Now, in general, the goods you sell from an eCommerce store will be identical to that of an offline store—if you sell guitars, a Gibson is a Gibson whether bought online or offline, right? However, running an eCommerce store also gives you the opportunity to sell digital products, too. A digital good is an intangible version of a real world physical good—think eBooks rather than books, and downloadable music and videos instead of CDs and DVDs.

These have a number of advantages over physical products, from both the buyer and seller points of view. From the buyer's perspective, a digital product is great because it can be downloaded instantly. No waiting multiple days for delivery. For sellers, there's no delivery cost, you never have to worry about selling out (a download doesn't impact stock levels) or conversely buying too much stock.

A Place to Sell: Your Website

The main difference between an eCommerce store and a brick-and-mortar store is where you do business. Of course, for an eCommerce store, it's online. To do that, you're going to need a website. Now, your website will be arguably the most important part of your eCommerce business.

After all, your website will be the place where your customers interact and buy from you. The design of your website will heavily influence their opinion of you, and impact how likely they are to make that purchase.

Put simply: **If you want to run an eCommerce business, your website is something you must get right.** Unfortunately, it's not as simple as just picking a website and running with it—there are a number of things you need to consider.

If you've never built a website before, the whole process can seem intimidating. The aim of this guide is to break down everything you'll need into simple terms, to make the process less frightening, and more manageable.



Content Management System

If you're new to web development, building a website from scratch seems like a daunting task. The good news is that you won't need any programming skills to create your website: you can make use of what's called a Content Management System (CMS). This essentially provides the framework for your website, which allows you to add and edit pages on your website with just the click of a button—perfect for if you're looking to add and organise an entire product range. There are a number of CMSs available, but this can get overwhelming for beginners. For simplicity, I'll stick to comparing two of the most commonly used CMSs, WordPress and Shopify.

WordPress versus Shopify

Now, WordPress is actually the most popular CMS today, powering over 20% of the Internet. It's a self-hosted CMS—meaning you'll need your own webhost—but is otherwise completely free to use. There are two versions of WordPress, WordPress.org and WordPress.com. WordPress.com is fine for testing the waters, as it is completely free to try (you won't require your own host), but there are plenty of limitations that make it unsuitable for running an online store.



Going forward, when I refer to WordPress, I am talking exclusively about WordPress.org. This is the version which can be used to create an online store.

With WordPress, you start by installing a theme for your website. A theme is the visual design used for your site. There are literally thousands of themes available. Some of these are completely free of charge, while others are classified as premium themes, and come with a price tag.

The theme you choose will control the design and layout of your website, although many themes have options to customise things like the color scheme. Themes can also be altered by hiring a developer. With some really good themes available for under 40 euros, you can have the foundations of a great looking website at a relatively low price. The quality of themes varies; so when choosing a theme, we recommend you look at the number of sales, star rating from buyers and the comments on the theme. WordPress also allows you to install what are known as plugins, which offer very specific functionality to your website. For example, if you want to allow social media sharing on your website, you can install a plugin to add social icons to each page. As with the themes, there are thousands of plugins—both free and premium. If you decide to use WordPress, you'll need to install an eCommerce plugin to add shopping cart functionality to your website. We'll explain how to do this soon.

If you want more help and direction with picking a theme or plugins, there are a number of great WordPress resources around, including theme and plugin round-ups, reviews and how-to guides. Some of the best are WP Tavern, WP Lift, and WP Explorer. If you are brand new to WordPress, you might find this set of introductory WordPress tutorials useful.

Shopify

The other CMS we're looking at is Shopify.

Shopify was created specifically for the purpose of powering eCommerce stores, and it now runs more than 100,000 online stores.

Shopify is a hosted CMS, otherwise referred to as a software-as-a-service (SaaS). Essentially, it is an all-in-one solution, taking care of everything you need to run an eCommerce website. It's great to have the option of keeping everything under one roof, but at the same time, the Shopify service does have limitations when compared to WordPress, and is rather expensive. As with WordPress, you get to choose a theme, which provides the general design for your website. There are far fewer themes available, but these were all designed from an eCommerce perspective. Many of the themes can be customised within the framework of the theme, or you can also hire a developer to tweak the theme exactly to your liking. There are free themes available, but the premium themes are a little pricier, between 70 euros and 150 euros, which is still very cheap when compared with a custom build, and much cheaper than a brick-and-mortar store. Like WordPress, you can also add plugins to your theme, although the vast majority of these are paid plugins. With the platform catering exclusively to eCommerce stores, your website will come with an in-built shopping function out-the-box, which gives you one less function to configure.



Hosting

Every website needs hosting. A web host essentially stores your website on one of their servers, which means it can be accessed by other Internet users.

Put another way: no host, no website!

Now, if you've decided to use Shopify, all hosting is included within your monthly plan. If you want to stock more than 25 products, the plans start from 25 euros per month, and go as high as 150 euros. As far as hosting goes, that is quite expensive. However, this also includes all security considerations and a shopping cart solution.

If you want to use WordPress, you'll have a lot more hosting options. Some popular web hosts include Hostgator, Bluehost and Siteground, with plans available from a staggeringly low 3 euros per month. There are a number of dedicated WordPress hosting services available; these are called "Managed WordPress Hosts." Not only are these services among the fastest hosts around, but they will also help you manage your WordPress website by optimizing it for speed, security and updates. You can do all this yourself, but it's useful to have specialists helping with these tasks. One of the more popular managed WordPress hosting services is WP Engine, with plans available from 25 euros per month.

E-COMMERCE



Domain

Your domain name is your web address, and is what your customers will need to type in to access your website—think www.amazon.com.

When you start using Shopify, you will be able to use a free address, for example <http://bettysboutique.shopify.com>.

While this address will do the job, a custom domain is highly recommended. Doesn't <http://bettysboutique.com> just look that much more professional?

If you are serious about running a proper eCommerce business, your own custom domain name really is a must. You can buy a custom domain through Shopify or your chosen host for simplicity, but often the most cost effective way is to use a different service, for example NameCheap. With custom domains available for less than 10 euros per year, you really have no excuse not to invest in one.

Shopping Cart

Your eCommerce website will also need shopping cart software. In online marketing, a shopping cart is a piece of e-commerce software on a web server that allows visitors to an Internet site to select items for eventual purchase, analogous to the American English term "shopping cart." In British English, it is generally known as a shopping basket, almost exclusively shortened on websites to "basket."

The software allows online shopping customers to accumulate a list of items for purchase, described metaphorically as “placing items in the shopping cart” or “add to cart.” Upon checkout, the software typically calculates a total for the order, including shipping and handling (i.e., postage and packing) charges and the associated taxes, as applicable. These applications typically provide a means of capturing a client's payment information, but in the case of a credit card they rely on the software module of the secure gateway provider, in conjunction with the secure payment gateway, in order to conduct secure credit card transactions online. Some setup must be done in the HTML code of the website, and the shopping cart software must be installed on the server which hosts the site, or on the secure server which accepts sensitive ordering information. E-shopping carts are usually implemented using HTTP cookies or query strings. In most server based implementations however, data related to the shopping cart is kept in the session object and is accessed and manipulated on the fly, as the user selects different items from the cart. Later at the process of finalizing the transaction, the information is accessed and an order is generated against the selected item thus clearing the shopping cart.

Although the most simple shopping carts strictly allow for an item to be added to a basket to start a checkout process (e.g., the free PayPal shopping cart), most shopping cart software provides additional features that an Internet merchant uses to fully manage an online store. Data (products, categories, discounts, orders, customers, etc.) is normally stored in a database and accessed in real time by the software.

WooCommerce - Most Popular Plugin for WordPress ECommerce

WooCommerce also comes with a number of plugin extensions—some free, most paid—that allow you to add extra functionality to your store, including the ability to seamlessly integrate your chosen payment processor, or to set up repeat billing.



Once WooCommerce is installed, you'll be able to create product pages from your WordPress dashboard, where you can add details of your product, images, prices, shipping costs and even stock levels.

As you add your products, this will also create a storefront, where users will be able to see your product range in a grid, and also allow users to add a product to their basket. It can be tricky to find your bearings with WooCommerce, but fortunately there is some very detailed documentation to help you out.

It's worth noting that not all WordPress plugins are compatible with every theme, so make sure your theme supports WooCommerce before purchasing.

Payment Gateway

To run an eCommerce website, you'll need a payment gateway to authorise and process your customer's transactions—money isn't transferred directly into your bank account.

After each transaction is processed successfully, the money goes to a holding account, called a merchant account, where it can then be withdrawn into your own account.

If you take the self-hosted WordPress approach, you'll have a number of options available to you.

The two most popular payment processors for WordPress users are PayPal and Stripe. PayPal has been around for a while, and you might be familiar with it due to its connection with eBay. Stripe is newer, but has the advantage of offering an onsite payment procedure.

PayPal works by whisking customers away from your website to a dedicated payment page, where they can pay via their PayPal account, or by inputting their bank details. Stripe, allows a customer to pay via card directly from your website.

From this point of view, Stripe offers a better user-experience—it's a more straightforward process—but PayPal is easier to integrate. There's nothing to stop you using both, and, in most cases, this would be the solution I recommend.

If you take the hosted approach with Shopify, your website can make use of their own in-house payment gateway, but you also have the option of an external solution, like PayPal or Stripe.

All three services are free to set up and integrate—you're only charged for each successful transaction processed, with a small fee deducted from the money you receive. Now, there are a number of factors that influence the fees you pay—your location, the number of transactions you process, and your membership level.



Website Security

As well as a payment gateway, you'll also need on-site security before you can begin taking customers' card payments on your website. You must comply by a standardised set of rules, called PCI compliance. There are a number of aspects of your website that needs to be PCI compliant: your server, your payment gateway and your shopping cart. The good news is that these are things you won't have to deal with, as all the major hosts, payment processors and shopping carts—the ones I've included in this article—are all PCI compliant. However, in some cases you will also need an SSL certificate for your website. An SSL certificate provides extra security for your customers by encrypting the connection between your customer and your website. This is essential when dealing with sensitive information like credit card details.

Now, whether you will have to personally set up an SSL certificate or not will depend on the payment processor you use. If you use PayPal, this is something you won't have

to worry about. The sensitive payment information is not entered on your website—rather it is entered on PayPal’s own website—meaning PayPal has to provide SSL.

Because Shopify offers an all-in-one service—hosting, shopping cart, payment gateway—they also include SSL. Stripe users will have to take responsibility and set up their own SSL certificate. However, this is actually less difficult than it sounds. The simplest approach is to contact your hosting provider and buy one from them. If you use one of the big hosting companies, they will even take care of the installation—which means one less thing for you to worry about!

Marketing Strategy

For any business to survive, it needs a steady flow of customers. For offline businesses, that means customers through their doors, and for an eCommerce store, that means people looking at their website. When you’ve built your website, you need to develop a strategy to get visitors to it.

Now, many of the marketing strategies to get feet through doors in the offline world will also be relevant online—word-of-mouth will always be powerful, and traditional print and television adverts can build awareness (if you have the budget). eCommerce stores can also make use of social media, to help expand their online presence. Not only does social media provide you with a way to interact with your customers, but every time your company is positively mentioned, this is essentially a gold-plated seal of approval—the online version of word-of-mouth. People respect their friend’s opinions, so if someone is vouching for you on Facebook, other people are likely to check you out. However, by far the main source of traffic for most eCommerce stores will come from the search engines—Google, Bing, and Yahoo. How do you get your website to appear on the search engine results page (SERPs)?

There are two solutions: paid and free.

The paid solution is the quickest way to get your website to appear prominently in the SERPs. Every search engine has a paid set of results for each search query, with Google’s AdWords being the most popular. Essentially, you analyse the types of phrases your potential customers might be searching for in Google, then bid for that phrase. For example, a hardware store might bid for search terms such as “buy power

tools.” The more you bid, the higher your website is listed. You pay each time a user clicks on your link, rather than for a set period of time.

Google Search Results and SEO

The free approach is a much longer process, but far more lucrative, not to mention cost-effective. In the online world, it’s referred to as SEO, or search engine optimisation. Each search engine has its own algorithm which determines how websites are ranked for each search query. You can take certain actions to help your website rank better for the keywords you want to target. SEO is an extensive subject, outside the scope of this article, but one of the best ways to help your website rank better is to get other websites to link to your websites. Each link tells Google that your website must be high quality to be link-worthy, and this causes Google to look on your website more favorably.

If you can rank well for several key keywords, you’ll have the regular influx of traffic your eCommerce store needs to survive. If you want to learn more about SEO, Moz is a fantastic resource.

Shipping

The other major difference between bricks-and-mortar commerce and eCommerce is the way customers receive their products.

With an offline store, it’s easy: customers simply lift the products off the shelf, take them to the checkout to pay, then walk out of the store with them.

With an eCommerce store, you’ll need to find a solution for delivering your products to the customer. If you’re not careful, this can take a lot of time and effort—multiple trips to the post office each day isn’t ideal!

The good news is that there are a number of more sophisticated solutions available to you.

At the moment, everyone is getting excited about dedicated shipping fulfilment services. These work by centralising all aspects of your shipping: you simply get your suppliers to ship your products directly to a fulfilment center, where your inventory is stored, ready to be packaged up and shipped out to your customers following a successful order. This takes you completely out of the shipping equation, giving you more time to focus on the more productive tasks. Fulfilment services shot to prominence recently, with Amazon announcing its very own fulfilment service, and Shopify have since announced their own service for users. WordPress users shouldn't feel left out, because there are a number of shipping startups popping up for you to take advantage of. These include Cloud Fulfilment, as well as the Amazon service (provided you also run an Amazon store). eCommerce stores can also use what is known as a dropshipping business model, which we've briefly touched on already. With this approach, your suppliers ship the products directly to your customer. From your point of view, this is highly beneficial: you don't have to worry about buying 1,000 units in advance; the supplier simply ships following each order. This minimises your risk of holding unwanted stock, cuts down on delivery charges and the time involved and also eliminates storage costs.

The Dropship Model for eCommerce Shipping

Armed with this information, you should have everything you need to get your eCommerce business off the ground. If you think you're too late to the party, you couldn't be more wrong. The future of eCommerce is rosy, and there are a number of exciting challenges ahead.

For example, in 2014 Internet users on mobile and tablet devices will finally outnumber good old-fashioned desktops—and mobile users are spending more time on mobile apps than on the desktop web. How will the eCommerce world adapt to consumers' changing preferences in how they want to shop online? Will the rise of 3D printers see an explosion in personalisation and customisation, and how will online retailers handle this? Many forecasters believe this will be the end of the fixed SKUs in favour of the infinitely customisable product range. Could this also open the door for independent product designers to sell their products, in the same way that Kindle created a marketplace for the self-published author? And what of crypto-

currencies? With the surge in popularity of Bitcoin, a number of big online retailers, most notably Dell, have invested heavily in the cryptocurrency infrastructure. How will other online stores react to the increasing consumer pressures to integrate cryptocurrencies as a valid payment method? From both a consumer perspective, and a business perspective, there are certainly exciting times ahead for eCommerce.

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