



Helping Your Clients Make The Move to eCommerce

Session OR010

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The positions we hold often give the unsuspecting Internet entrepreneur the idea that we are the best initial contact when considering the world of eCommerce. They focus their thoughts on shopping carts, HTML code and Service Level Agreements. Our NEW job is to inform them that they need to first consider marketing, financing, staffing and order fulfillment before worrying about their Internet interface. Knowing the other factors they need to consider and helping them arrange all aspects of their new venture presents an amazing opportunity for you to move into this market and provide a service that will be very valuable (to you and your client).

The goal of this presentation is to give you a better appreciation of the fact that many e-businesses will fail because they did not consider any aspect of e-business beyond their web site.

How is your company setup to handle incoming E-Commerce clients? Do you have services that you can offer them beyond domain hosting and Web Authoring? Do you have an affiliation with a payment gateway and shopping cart to help them get started? Is there a "business" oriented service that you offer to help them with many aspects of e-commerce?

Hopefully you leave here today with plans to become an even better e-commerce host than you are today! And... **MAKE MORE MONEY!!!**

One thought you may have is "Why do I care if the client has considered all of the factors involved in e-business?" Well...if they fail...you lose a client...if they succeed and you were a part of their awakening process, you'll keep the client longer, increase web hosting revenues, get referrals if you provided them with consulting services, you'll be the hero....you know the rest.

What is eBusiness?

Activities carried over computer-mediated channels

What is eCommerce?

Transactions carried over computer-mediated channels that comprise the transfer of ownership or the entitlement to use tangible or intangible assets

I can't participate in eCommerce because I do not know how to create a web site!

Well...did the owner of the corner store do his own plumbing an electrical work?

There is very little difference between starting up a physical retail location and an e-commerce retail operation.

The entrepreneur still needs a business plan with expense forecasts, revenue forecasts, employee requirements, market research and financing.

Partnering arrangements and alliances still need to be struck. These include partners such as advertising channels, banking arrangements, credit card merchant services, government registration, marketing, landlord (Web Hosting service or provider) suppliers for stock and supplies, shipping and broker services (for international orders)

Remind the client that when you take the "e" out of eBusiness and eCommerce we are left with what the concept is all about!

Ensure that your client understands that there are many aspects of running an e-business. Do you need to be an expert on everything they need to know? NO! Will it make you look better if you come across as knowledgeable enough to remind them to consider these factors? You bet!

So who's out there, anyway?

The presentation offers some Internet User Demographics. It is important for your customer to know who the buying public is.

Gender Distribution

Male	65%
Female	35%

Age Distribution

0-30	31%
30-39	27%
40-49	26%
50+	13%
Refused	3%

Income Distribution

0-40K	24%
40-74.9K	33%
75K+	25%
Refused	18%

Ethnic Background

White	83%
African American	5%
Hispanic	3%
Asian	3%
Other	3%
Refused	3%

More numbers....

63% of the respondents do some job-related work at home

49% report travelling for business

19% live in city of over 1 million people

27% live in city with over 100,000 population and less than 1 million

20% live in suburbs (within 20 miles of a city)

6% live between 20 to 50 miles from a city

18% live in cities or towns less than 100,000

10% live in rural areas.

As the Internet becomes standard for transactions, dollar volume will grow to \$220 billion in 2001 from \$2.6 billion in 1996.

Some considerations for your client (and you)

Product Offering

Sometimes the venture will end before it begins because the product or service they're considering is not a good e-business idea.

Some points to have your client consider

Can the product be sold remotely?

Can it be shipped internationally?

After the cost of shipping, is the price still competitive?

Is it easily "shippable"?

Financial Transactions

The main reason for being in business is to sell your product or service and get the money. Does your client know how the money will move from the customer to them?

What type of payment options will you accept?

Does your credit card merchant agreement allow non-signature payments?

Does the merchant bank require a security deposit for such transactions?

Can your web site accept payments? Visa? MasterCard? Checks?

Will you authorize payments immediately on-line?

Marketing

Has your client considered the large task of marketing? Are they under the impression that a few search engine submissions will lead them to fame and fortune?

Marketing Budget?

Search engines will NOT do the job.

Click-thru banners?

Conventional marketing still the most effective way to spread the word.

Consult a professional marketing firm if necessary.

Order Fulfillment

Many people setup their business, get their first order then ask "Now what?". Many experts have written on the topic of order fulfillment and all agree "lack of" is one the top, if not THE #1 reason for failure in e-commerce. Lack of prompt fulfillment leads to order cancellation, credit card complaints and bad referrals. A weak link between your suppliers and the final customer will cause a breakdown in the prompt delivery of a product.

What are some of the consideration to ensure you can fill orders?

Dependable suppliers

Solid shipping arrangements

Solid arrangements with customs and brokers

Guarantee order turnaround

Quick reply to email requests

Fast and effective return policies

Selecting a Web Host or Internet Feed

Sooner or later, after all of your invaluable advice, the Internet portion of the equation is going to be considered. Some larger projects will entertain ordering their own feed

from a Tier 1 provider and run their own servers. Many more will find an ISP or Web Hosting Firm to handle the job. What should they be looking for?

Dependable and established hosting firm?
Able to satisfy secure server requirements (SSL)?
Knowledgeable staff (you)?
System accessible to them and their "webmaster"?
Can they handle the potential traffic?
Can they provide a service level agreement?

Web Store (Shopping Cart)

Now that the plan is set and the customer has considered all of the factors and such, they need an interface that potential customers will find easy to browse. They also need something that is maintainable. Larger companies may need to find a solution that interfaces with their inventory and accounting systems.

Some other considerations:

Ensure that the vendor is established and reputable (ask around mailing lists)
Compatible with credit card interface and web server (hopefully it's Apache!)
Easily maintained
Flexible enough to change layout of the "store" periodically.

Costs

As with any other project...the eCommerce client needs a clear and concise breakdown of their Internet related costs. Don't forget to quote on obtaining their certificate and domain name, the shopping cart, hosting, bandwidth and mailbox restrictions, just to name a few. Being the professional that you are, this will not be a problem!

Visiting other E-Stores

It would be a good idea for your client to visit successful e-stores to see examples of good site layout, payment options, online documentation and customer service options. Most shopping cart vendors have client's "stores" listed on their site for you to visit. You can also visit the big boys like www.amazon.com or www.chapters.com. One of my favorite examples is at www.iaw.com/ss2. This is one of my customers who runs a very basic site and is achieving great numbers in terms of orders and sales figures. He is currently setting up a new site that is full eCommerce, but he markets this other site very well and runs a great service in terms of customer service and fulfillment. He is a good example of how the other aspects of eCommerce can prove to be more important than the web site itself.

Resources for Shopping Carts and Payment Gateways

These are not endorsed by me, Apachecon or anybody associated with this presentation...they are just a few examples....

www.quikstore.com
www.openmarket.com/shopsite
www.mercantec.com
www.internetsecure.com
www.touch.com
www.lend.org
www.cybercash.com

Some other resources

e-com-ic.gc.ca
www.ecc.ca
www.nua.ie/surveys
www.nua.ie/clickonomist/current.html
cyberatlas.internet.com
www.isp-resource.com/incogNETo/0000006.shtml
www.isp-resource.com/incogNETo/0000013.shtml
www.iaw.com/99006.pdf
www.emarketer.com/estats/welcome.html

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