



MEASURE TWICE DESIGN
Business Solutions for the Digital Marketplace

e-Commerce 101

by Jeff Campbell

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Despite the huge amount of investment dollars that were lost when the “dot com” bubble burst, the Internet is not dead. In fact it is more a part of our lives than ever before. A big part of that for many of us is online shopping. The amount of money spent online each year increases dramatically. So, how do you get a piece of this pie?

Just like setting up shop in a “brick and mortar” store, there are certain pieces that must be in place before you can setup shop online. This document will outline what those pieces are, and explain what options are available to the would-be online retailer.

Security

Online shopping is increasing, but so too is the fear of identity theft and loss of privacy. The most important piece of any online store is the security certificate. This piece of software allows a customer’s web browser to exchange information with your web server in a secure encrypted manner.

- For legitimacy and best security, do not use a “shared” certificate, but rather one that is specifically assigned to your company
- Issued by a “trusted” certificate authority
- Your company information is verified by certificate authority
- Installed on your web server by your web hosting company
- Typically valid for one year and renewed annually

Merchant Account

In order to accept credit card payments, your company must have a merchant account. In addition, in order to process transactions in real-time online, you must subscribe to a secure gateway that allows your web server to communicate securely with the credit card processor.

- Merchant fees typically higher for online transactions
- Secure gateway typically involves an additional fee
- Optional – Accept orders online, process offline
 - Advantage – Lower transaction rate
 - Disadvantage – Does not catch denied orders
- If processing real-time with a secure gateway, ensure that your Merchant Processor’s gateway is compatible with your choice of shopping cart software

Professional Shopping Cart Software

There are many options for implementing a shopping cart for your website; however, these options are not created equal. For best results use a professional shopping cart package that is assigned only to your website, and hire a professional to integrate the shopping cart into your website. A change in the look or style of the website when it is time to order will be disturbing to your customers, and may say to them that you are not a legitimate online store, or that you are not trustworthy. Today's online shopper is much more savvy than just a few years ago. They shop Amazon.com and they know what the shopping experience should be.

- Use a professional software package
- Use a professional to integrate
- Viewing the shopping cart or "checking out" should not be a different experience than the rest of your site

My ISP has a Free Shopping Cart – Should I use it?

Most ISPs and web hosting companies offer a shopping cart application for their customers to use, for FREE. Although this may seem like a great cost savings, the results of providing a bad shopping experience to your customers is likely to cost you much more than the investment in doing it right the first time.

As a business owner, we all know that the adage "you get what you pay for" is very true. Free shopping carts offered by ISPs are often very limited. It is very likely that they will not have the ability to fully integrate into your website, and will most likely have a very different look than your site. This look is often a look that you would never choose to represent your company online. If the applications do allow for customization, the interface is often such that it really requires an expert to implement anyway. The experience is often very frustrating to the shop owner, who often spends many hours attempting the feat themselves only to later hire a professional to complete the job.

An additional disadvantage to the FREE route is that you may be forced to use the ISPs security certificate. This means that if a customer clicks on the "lock" icon on their browser to view the certificate, it will not say that it is registered to your company, but rather it is registered to "Really Cheap Website Hosting, Inc." This can be a turn-off to many customers.

Final Thoughts

If you were building your own retail store you would not want the contractor to use the cheapest wood that they found in the “Free Wood Pile” at the lumber yard. Furthermore, you would be even less likely to want the contractor to deliver that Free Wood to you for you to build the store yourself.

Free and cheap are generally not a great deal in the traditional retail world, and these rules certainly apply online as well. When you are ready to open up shop online, do it right. This investment will definitely payoff in the long run. Web surfers know what’s good and what’s not. What your site looks like and how your shopping experience is implemented are even more important online than offline. For a relatively small investment, the small business can look very big online if the store is well built.

When you need the Internet done right the first time...Measure Twice.