
eCommerce can be a great marketing tool. But there are no shortcuts. Here's a roadmap around the toughest twists and turns of selling products online.



Top 10 Mistakes You Must Avoid When Building An eCommerce Web Site

By Jennifer Meacham, special to AIS Media

It is a marketing tool whose time has come. eCommerce. As the world's appetite for goods and services purchased online expands annually, more businesses, from smaller, local retailers to large enterprises, are turning to ecommerce to merchandise directly to their customers.

Whether an online store is completely virtual, like Amazon.com, or complements its brick and mortar infrastructure with an online shopping option, like Borders.com, one thing is clear: There are right and wrong ways to build, manage and promote an ecommerce web site.

In this article, ecommerce industry insiders help us examine the more common mistakes “e-tailers” make when designing, launching and trying to maintain their web sites. Whether you already have a shopping cart system or are considering buying or building one, you will be certain to benefit by knowing the “Top 10 Mistakes You Must Avoid When Building An eCommerce Web Site.”

Mistake 1: Designing your site for form not function.

Design Your eCommerce Site with Your Shopper's Needs in Mind

PRETTY ---FOR SAKE OF PRETTY --- DOESN'T CUT IT IN THE SELLING WORLD. For today's online shopper, the Web is a tool, not a toy. By and large, today's online shopper has done his research, knows what he's looking for and has logged onto a site to take action on that knowledge. If your website design and functionality doesn't match your audience's objectives, users will simply click elsewhere to a site that does. "Today, the single greatest enemy of good Web design is the designer," writes Gerry McGovern, a columnist for Clickz.com and author of "The Web Content Style Guide" (Financial Times Prentice Hall, \$27).

The time until a user abandons a confusing or slow loading web page has shrunk from about 30 to 7 seconds according to Jupiter Research. That's why Audible.com simplified its homepage design. "We changed the color of the ['buy now'] button, changed where the sign-up is, and what copy we put next to it," said Audible.com's new Web designer, Pedro Sostre, a specialist in creating selling pages. "They've seen conversion rates (the percent of site visitors that convert to buyers) go up over 30 percent. That's huge, especially for a site that gets so many hits as they do."

Form should follow function (that's why templated e-commerce services have sprung up, using tried and tested selling page layouts and navigation tools). Even great-looking graphics or designs that limit functionality will cost you visitors and sales if you're not taking your audience into account.

What browsers do they use?

Your site must be compatible with all of them, including Netscape and Mozilla (both of these are free to download, so you can easily use them to run your own tests once the site is live). Some ecommerce software tests all browsers for you.

Figure 1: 'Deconstructing' the Best Color Strategies on the Web



At first glance the palettes above (an Ideabook.com compilation) might look a bit drab. But each row represents the main colors used on three of the most diversified commercial sites on the Web. A is the palette for the New York Times, B for Barnes and Noble, and C is for Apple Computer's Store. "Why are they so similar?" asks Ideabook.com. "Because the best site designers understand that if you're going to show what you sell, you do it in a way that makes the product or service the focus." Use these colors in words, symbols, backgrounds and borders. "The best way to design a unique palette is to 'deconstruct' the color strategies of the materials you most admire," reports Ideabook.com. "Deconstructing is a fancy word for analyzing what is happening--determining the colors used and how they are applied."

How much research and how many photos do they want to see?

The best sites make additional research and photos available by clicking on a "Technical Information" button on the product's selling page. This keeps the number of graphics down on the selling page, decreasing load time for the rest of their customers.

Is your product information easy to understand and is it clear how to make a purchase?

Test this out with a small focus group of friends and potential customers. It's easy to devise simple surveys asking your test-users if they understand what a given page or process is trying to communicate. If they can't figure out the desired action your site is trying to convey for you, neither will your buyers.

Does your product come with an incentive?

Incentives like free shipping or additional free products for a limited time can help make your audience want to buy. Find out their preferences through customer surveys or test the method by trying it out. If it doesn't work, don't do it. The beauty of Internet marketing is that you can use your audience as your focus group to help hone many of your marketing decisions.

Color is serious business.

What colors influence their buying decisions? Find this out by matching your audience to demographics in the Pantone's Consumer Color Preference Study, Colorcom's international survey or Jill Morton's Color Voodoo for Ecommerce. "Color packs the power of conveying a mood or message, and it can make or break sales," reports Colorcom's Global Color Survey of more than 60,000 consumers worldwide.

The greatest of ease

Ultimately, people buy when it's easy and they feel secure. Though design is important in communicating that, it's not what actually sells your product. Buyers buy when the sales copy, navigational tools, price, shipping options, return policy and "buy now" incentives meet their needs. If your design cuts out or gets in the way of those selling features, industry experts say you'll also be cutting into your sales.

Mistake 2: Your site is difficult to manage and update.

Choose a Shopping Cart with Easy Product Uploads and Downloads

OFTEN, THE HARDEST PART OF STARTING UP AN ONLINE STORE IS LOADING PRODUCT PHOTOS, SKUS AND DESCRIPTIONS. "It took way longer than I thought it would," says Amy Vance, who just hand-uploaded 254 products to her new online educational toy shop, SmallBluePlanetKids.com. "I thought I would have this part done in two months, and it took us at least six months to upload the photos and individually add each new product with information people can't touch or see: the colors, the textures, the brand."

The best ecommerce providers automate this "import" process.

Ideally, you should be able to take a basic Excel spreadsheet of new products and their descriptions and have each product automatically posted to the catalog and their separate pages, complete with bulk photo uploads, resizing and optimization.

Take it for a test drive

You'll also want to easily be able to pull out all of the product data you entered for use in the cart you like better. So, before settling on an ecommerce cart, make sure it offers a trial period. -- where you can either pay only for the time you use or get a refund on the software or one-time licensing fee -- and make sure your trial cart has an export feature that lets you remove the information you've put in (usually in the form of an Excel spreadsheet).

Otherwise, you'll be stuck having to repeat all your work. Additionally, make sure your new cart has the "import" feature so you can simply take your downloaded spreadsheets of categorized data and upload them to automatically populate your store.

Mistake 3: Your site keeps shipping costs a secret.

Build a way to Calculate Shipping Costs at Point of Purchase

THE COST OF SHIPPING CAN MAKE OR BREAK A SALE. Between 30% and 40% of consumers compare product pricing before making a purchase, according to Forrester Research. In December 2004, Nielsen/NetRatings found that 89 million consumers were visiting comparison shopping sites like BizRate.com and NexTag.com before making a purchase.

Tools of the trade

With the advent of comparison sites that include shipping calculations and shopping carts that provide automated shipping costs in real-time on selling pages, a growing number of consumers won't even shop a site unless it affords them an easy way to figure out their total costs.

Don't slow the momentum

"An effective strategy for reducing shopping cart abandon rates is to include a shipping calculator or applicable shipping costs within the purchase clickstream," said Jamie Bloomquist, AIS Media Marketing Communications Manager and former Internet marketing consultant. "Without it, prospects tend to go back to find the shipping costs and lose the momentum of the sale. It has to be easy. It may sound like a small thing but it's not."

Look for the state of the art

Some shopping cart systems offer automated shipping tools, where you pick the mailing companies you'll use, set up online accounts with them, and the system automatically figures shipping costs based upon the weight you enter for a product during system set-up. Be sure to account for packaging as part of the weight.

Mistake 4: Your site keeps too many secrets.

Go Out of Your Way to make Shoppers Feel Confident and Secure

PEOPLE'S CONCERNS START TO FLARE UP DURING CHECKOUT. Let them know you're a real company by giving full contact information, including a physical address and designated customer service phone number, during the checkout process. Then back up that contact information with logos from your secure payment processor (such as VeriSign), the Better Business Bureau and the credit card companies you accept. "Logos either greatly boost conversions or at least keep them neutral," Bloomquist said. "In other words, they can't hurt."

Just like brick and mortar

In a brick and mortar shopping situation, customers can ask questions to set their minds at ease about your integrity. Your web site needs to be a virtual facsimile of that experience. Have a decent return policy, linked to from every selling page. Tell buyers what you're going to do with their information before they type it in. Get a toll-free number. Openly share your privacy policy; ideally it would clearly spell out that you won't sell or give away people's names or private information. Follow through on customer complaints.

Can SPAM before it cans you

Lastly, comply with CANSPAM in your e-mail communication by including a subject line that matches your e-mail content, a valid reply address, and full contact and unsubscribe information at the bottom of every e-mail. But even if you comply with these laws, other web publishers on your server may not. If your website is hacked or if the other sites on your shared server violated CANSPAM your site could still be affected. It may be temporarily blacklisted – long enough for you to call your ISP to find out what it's doing to get this reversed or for you to contact the CANSPAM compliance agency directly. Additionally, if you violate CANSPAM guidelines some search engines will no longer list your site.

The best defense

You may want to investigate getting a hacker-safe rating certification to post on your site while customers are placing an order (its maker, ScanAlert, claims the certification can increase average orders 15%). On the back end, you may want to explore back-up options that will allow your business to go on like usual if

your Website address *is* temporarily blacklisted. One option is to request a separate server for your e-mail. “If the lights go out, you still have phone service because it operates on a different power grid,” says Tom Harpointner, CEO and founder of AIS Media. “It should be the same with your Web services.”

Don't be cheap

If you're serious about building a high-revenue e-commerce web site that can produce thousands, even tens of thousands of dollars a day in sales, then by all means, don't be cheap. Spend a few hundred dollars a month for a quality dedicated server so you don't have to worry about having to deal with problems caused by other people.

Mistake 5: Your site has unrealistically high prices.

Set Your Prices Based on Realistic Information

WHEN TIMES ARE TIGHT, SO ARE WALLETS. That's why comparison sites like Travelocity, discount sites like Overstock and Amazon, and auction sites like eBay are hot. You'll need to do your research to make sure you have a product that compares well.

Shop and compare, your customers will

Try comparison engines such as: BizRate.com (includes merchant ratings, reviews, tax and shipping information); Buyer's Index (20,000+ web shopping sites and mail order catalogs with 300+ million product offerings); eShop (MSN's shopping channel; offers Buyer's Guides with tips and tools, editors' suggestions, and other features beyond the price comparisons offered by other shopping search sites); NexTag (total price comparisons with tax and shipping, store ratings, product reviews and photos); mySimon (one of the original shopping search engines, now owned by CNET); PriceGrabber (available in English or Spanish, including specialized product searches for retailers in Mexico and Brazil); PriceScan (includes magazine ads, vendor catalogs, web sites, etc. Unlike most other shopping search engines, information is presented for both online and offline merchants and PriceScan does not charge merchants for listings).

See how the pioneers have done it

A great open book test on pricing is Amazon.com. It would be great ---for them--- if they could charge what a local bookstore would charge and simply include shipping. But is that enough of an incentive to get the buzz and traffic that will sustain your business? Probably not. “Few people are willing to do that,” Harpointner says. Figure out shipping costs and delivery. Consider offering free shipping on higher value purchases and take a lower profit. But make it worth your while. For example, LiveAquaria.com offers free shipping on purchases over \$250.

Price makes a difference

Affiliate Ben Chui predicts sales through his comparison shopping site BensBargains.net where “huge” in 2004 because of his reputation as a bargain-hunter. “I find the best price on any particular day on numerous products, and that resonates well with people right now,” Chui said. “If you go into a store and everything there is the cheapest you've ever seen it, I guarantee you they will be coming back.”

He doesn't have a newsletter, doesn't send out emails and doesn't pay for search engine placement. His first-time visitor traffic is driven by natural search, message boards and word of mouth. The rest comes from people that have his site bookmarked.

Yet he's still able to pull in an excellent income from the work he does finding promotions and searching for best prices by hand, without the aid of software. Although he holds a master's degree from Berkeley, he's now “doing this full time.”

Mistake 6: You can't deliver your product orders on time.

Plan Ahead for How You're Going to Fulfill Orders

INCREDIBLE BUT TRUE. I've run into business owners selling everything from custom foods to high-dollar electronics who are putting their products online but haven't yet figured out how to ship. DHL, ground service only, next day, pre-packaged, post-packaged, UPS, FedEx... if you wait until you get an order it's often too late. You could be charging too little for shipping and losing profit, or you could be charging too much and pricing yourself out of the market.

Plan to do a dress rehearsal

Delays in shipping send a message to the customer that your business is smaller. You'll want to make sure you have a ready supplier for all of the packing materials you'll need. You'll also want to do a few trial packages to make sure you're accurately charging for envelopes, packing peanuts, tape and the like. It's also not a bad idea to sign up for your own electronic postage service, like that offered by Pitney Bowes. Weigh the test package to get a read on how much your actual postage costs will be. Be sure to account for that in your cost to the consumer (or widely advertise that you'll pick up the cost of shipping if you can build it in).

The virtual solution?

Drop shippers handle the software portion of getting orders to the merchants. Only about 30% of drop shippers handle shipping for orders placed outside of their respective countries of origin, so shop around if you're looking to add international sales. For instance, Wendy Robinson, owner of NoWhereToMillionnaire.com, is not doing any fulfillment. The fulfillment house manufactures it and ships it out.

Mistake 7: Your site is slow or suffers from downtime.

Establish Competent Site Backup and Site Maintenance Systems

YOUR WEB SITE IS ONLY AS GOOD AS PEOPLES' ABILITY TO REACH IT. You may have the best hardware for your server, but if your Web host cannot match this with a good connection to the Internet, you may experience downtime that results in loss of business. Remember, your site can only be as dependable as the infrastructure that supports it.

No one should have a tornado or a flood at the same time

Good hosting companies have multiple connections to the Internet, on-site back-up equipment in case of a power failure, staff available 24/7 to notice and fix hardware problem, and duplicate servers in other locations. "We backup our data every 59 minutes to three different locations, with three different weather patterns, around the United States," said Alan N. Canton, president of Adams-Blake Co., a book publisher selling online at Adams-Blake.com. "That way, no one has a tornado or a flood at the same time." If your host has these types of backup systems, they should be guaranteeing close to 100% "uptime."

Calculate the costs of downtime

The major online merchants spend millions of dollars on back-up systems, IT security systems and business interruption insurance. They know that you can't make a sale if your customer can't find the door, and they can't get in the door if your homepage is down. Yet even half.com and ebay.com went down at 11 p.m., May 9, 2005. These sites had lots of backup and state-of-the-art hosting, yet even they succumbed. It's much easier to quantify these sites' lost sales given their real-time sales-reporting software. A lot of small businesses, however, don't use this type of software. That's why it's difficult to get a grasp on what site downtime really means for the small to medium business. Not only do you lose potential sales, you also run the risk of losing credibility.

Whether you opt for the security of backup solutions should be based upon the site traffic you are currently getting or the site traffic you can reasonably expect. Still, there's the age-old question: "Like insurance,

how much is enough?" Here's Harpointner's take: "If your web site only generates a few hundred dollars a week in sales, a slower web site or few hours of downtime here and there may not affect your revenue much. However, it will hurt your company image. But if your web site generates tens of thousands or even thousands a week in sales, poor connectivity or downtime will hurt both your reputation and can cut a deep hole into your profits. A dedicated server, coupled with a world-class web host with multiple high-speed Internet connections significantly reduces the risk of downtime. Sure, a dedicated server will cost more per month than a shared hosting account. However, consider the cost of downtime."

He compares it to riding public transportation to the airport, where it might make dozens of stops and may not get you there in time, or riding a hired limo that will pick you up when you want and have you to your gate right when you need it. There's definitely a cost differential, but it's one he says is made up in the security of knowing you'll make it to your business meeting in New York to close the multi-million dollar deal.

Mistake 8: Your site is obscure.

Tell the World That Your Site is Open for Business

"BUILD IT AND THEY WILL COME" DOESN'T APPLY IN ECOMMERCE. The truth is, "build it and nobody cares." You have to entice people to buy from you. People must know about your site to make use of it. How are you going to announce the opening of your online storefront? What are the best ways to communicate with your ideal customers? How will you get the word out and keep getting it out?

Tell the world

Perhaps you plan to announce your site in discussion groups and newsgroups, send your information to people who are in associated industries or use your new site as an excuse to thank your suppliers and past clients for helping support you toward this new endeavor. Add up the number of people you'll be communicating with, and multiply it by 4%. That's the typical number that will buy. Consequently, winning at the online game is all about the number of qualified people you can introduce to your product. Your products will only sell well when you are effectively getting those people to your site and convincing them to buy from you.

Press and trade mags

Press coverage is one way to do that. Here's Sanford Jay Barris, author of "97 Marketing Secrets to Make More Money: Your Secret Guide to Growing Your Business Right" offers some advice. "Pick the top 25 publications your target audience reads and call them up and talk to the editors. Get to know the editor. Befriend them. Then send your press release. Also, send your release to any other publication you think may run it. Keep it very relevant to the subject of your Web site and how the publication's readers will benefit from surfing over to your site and what information they will get if they do go there."

"If you can't win the publicity battle, you aren't going to win the marketing battle," says gen-X marketer Laura Ries. "The big winners on the Net -- Amazon.com, eBay, Yahoo! -- have all generated an enormous amount of publicity. Once you win the publicity battle, then you can shift resources into advertising."

Search engine marketing

Another way is to advertise through search engines and banner exchanges. "As companies begin to develop strategies for search engine marketing, they face a looming question -- can we do this ourselves, or should we leverage the services of a professional agency? The answer, in many cases, is 'yes' to both questions," says Veronica Fielding, president and CEO of Digital Brand Expressions. "A combination of in-house and outsourced activities is often the best approach to successful SEM (search engine marketing)."

Don't forget the real world

Barris recommends advertising something of high perceived value to drive customers to your site. You'll also want to mention this freebie in your public relations. "Also depending on the size of your target

universe, it always helps to add a letter campaign to the marketing mix,” he said. “Way too many companies only market online and miss a lot of potential business by ignoring the hundreds of other marketing options.”

Mistake 9: Your site ignores customers between visits.

Institute Newsletter or Other Customer Communication

ONE OF THE WAYS TO KEEP VISITORS COMING TO YOUR SITE IS WITH AN EMAIL NEWSLETTER. Part-time retailer Bob DiCerbo, founder of ClearSave.com agrees. His site – a “check here first” service – keeps online shoppers in the know about discounts, sales, coupons or bargains offered by the sites they patronize.

DiCerbo sends his registered users a carefully honed “e-newsletter” of site deals once or twice a month. The newsletter reminds users of ClearSave.com’s mission and invites them in for a look at time-sensitive deals. The result? Sales generated by this regular communication with potential customers have netted both DiCerbo and his wife comfortable monthly incomes that one day soon could send their kids to college.

Automate it, but make it look otherwise

Your site can have the same one-on-one connection with your customers if you just offer a newsletter option. The size of your subscription base is almost unlimited if you use a shopping cart that includes a newsletter sign-up box, an automated e-mail “responder” to confirm the sign-up, a way to store the information entered, and a way to manage and e-mail your newsletter.

Your shopping cart database should be able to provide you this functionality. If you want to improve effectiveness more, ask your shopping cart provider about integration with an email marketing program.

Beside newsletters

If a regular newsletter isn’t your thing, you may also offer access to a blog, RSS feeds of industry news, notice of specials or notice of new additions to your site. “My latest secret is to drive all my Web traffic to a new one-page Web site where the reader is asked to sign-up so they will be able to ‘Receive new marketing secrets as they are discovered or revealed,’” said Sanford Jay Barris.

“When they sign up they are asked to confirm their e-mail, eliminating the risk of being shut down for e-mail spamming. Now, I have their contact information to further market my products. The sign-up rate has been great -- nearly five folks per day -- giving me on average 150 new prospects per month.”

Jermaine Griggs, a 22-year-old church worship leader from inner city Los Angeles, credits his email list amassed through GospelKeys.com, HearAndPlay.com and a host of other sites catering to the church crowd for the success of his piano lesson sites. Visitors enter their first name and email address anytime they want to pick a free lesson, see a full music score or add a comment to the lesson forum.

The options are free anyway, so Griggs turns them into selections that require visitor input: “I could automatically direct them to all 60 lessons, but ‘Choose a free lesson’ is better than saying ‘60 free lessons,’” Griggs said. “This way they enter their information. We have a 60% conversion rate with that list, and we’re building it by 6,000 people each month.”

Mistake 10: Your site goes live without a marketing plan.

Write a Marketing Plan for your Web Site, You Be Glad You Did

IT’S UNREALISTIC TO LAUNCH A SITE BY STARTING WITH JUST A VAGUE GOAL. Instead, start with your marketing plan and what you reasonable perceive should be its impact on your sales. The internet is full of

books and systems and even software that someone will sell you to create a marketing plan for your business. For starters, your marketing plan doesn't need to be complex. It needs to answer the questions of what you want to achieve with each product you offer and how you plan to achieve it.

Laundry list

At the very least, your marketing plan should be a repository document of the business "common sense" in your head. Basic definitions of the following key components will be most valuable:

- Your products or services
- Your geographic marketing area
- Your competition
- Your competitive differentiators
- Your prices and reasoning why
- Your competitors' marketing methods
- Your preferred marketing methods
- Your distribution methods
- Your customers, demographics, habits, values
- Your goals for reaching customers
- Your prospects (not current customers)
- Your previous marketing attempts
- Cost compared to sales
- Cost per customer
- Cost to acquire a customer
- Your marketing budget allocated
- The marketing efforts you can practically implement now
- Methods of testing your marketing ideas
- Ways to measuring marketing effectiveness

Getting specific

Your marketing plan should also include specific objectives. For example, you may state that you want to create product awareness, motivate customers to buy or simply increase sales. The point is, state it, specifically. Stating objectives make it easier to design an effective campaign and help you keep that campaign on point.

AIS MEDIA Company Profile

Founded in 1997, AIS Media, Inc. is a leading Internet technology and services firm with a global customer base ranging from small retailers to Fortune 500 corporations. AIS Media's services include mission-critical web hosting, Excerpto® Storefront e-commerce system, secure transaction processing, professional web site and web application development, Internet marketing and consulting.

AIS Media's commercial Internet technologies and services are available directly and through its Certified eBSP® (eBusiness Solutions Provider) Network, which consist of more than 150 consultants located throughout North America . For more information and to locate a local eBSP®, visit: www.aismedia.com.