

HOW TO START AN E-COMMERCE WEBSITE

+ Hints, Tips & Pitfalls



WWW

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How to Start an e-Commerce Website Sample Chapter

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Get a shopping cart with CMS...

Okay, if you have read this far, you may be a bit overwhelmed with the complexity of it all. But I think you will find shopping carts and CMS a breeze!

What is a shopping cart?

A shopping cart is a pre-designed web site that functions mainly as catalog of products. They are all built differently, and usually cater to as many e-Commerce needs as possible. Depending on which one you get, they can communicate to banks, other web sites, databases, re-sellers, warehouses, and more!

What is CMS (content management system)?

This is a system that manages content, but in a variety of ways. In a nutshell, it is content which comes from your database, as opposed to content which is kept inside a website file. Forums, Blogs, and Shopping Carts are kinds of CMS.

Shopping cart types

e-Commerce Software (out of the box – downloaded then uploaded onto your server)

- Best for scalability, modifications, and design versatility
- Usually costs a flat fee
- Requires some effort to install or configure functionality (mail, payments, add-ons etc.)
- Requires effort to make it look good, but it pays off!
- More options – more complicated

e-Commerce Service (3rd party – no downloading required, hosted and run on providers server)

- Easiest to setup
- Probably won't require any effort for setting up functionality (e.g., mail, payment, add-ons)
- May mean constant adverts, or the providers logo on various (if not all) pages
- Regular fees
- Usually less options – less complicated

e-Commerce add-on (attaching an ordering function to an existing website, e.g. PayPal)

- Easy to use, but requires coding efforts to install
- Requires original site to apply it to
- Requires a medium level of coding ability
- Regular fees
- Not advisable for beginners

What features are available in shopping carts

I am not going to list all the features available in shopping carts because there are too many – but I will make a suggestion. The best thing to do is to go surfing the web, and look at your competitor's web sites. See what they have, decide if you need it, start to compile a list of requirements for your own website!

It's so hard to decide on a shopping cart because there are so many options, but don't lose sight of your goal. Don't pay for features you won't need or use! Some features may only add minimal functionality to your site, but can cost a fortune.

How much do shopping carts cost?

Once again, this will always vary. If you go for a free shopping cart, that's a bonus! They can cost thousands, but they can also fall well under \$100US. Most decent and appropriate ones that I have seen cost \$100US-\$300US.

What features do I need?

I have drawn up a basic table below to help you decide on what features you may want:

Medium to big web sites

- Unlimited products
- Unlimited categories
- Import export features
- Tell a friend
- Affiliate program
- Feature product
- customer based prices and products
- Cross selling products
- Wish lists
- Stock control / reports
- Reviews
- Forum
- Blog

Small website

- Tell a friend
- Stock control / report
- Blog

International websites

- Multiple currency's
- multiple languages
- Order tracking
- Tell a friend
- Reviews

Specialty

- Ask a question
- Order tracking
- Make an offer
- Tell a friend

Video/software/music/eBook

- Digital delivery
- Online Downloads
- Reviews

Security

To make sure that no one tampers with your website, or steal credit card details, there are a few simple things you can do to protect yourself. Don't worry, these steps are easy.

Most shopping carts offer some security measures, but this doesn't make you hacker proof. In fact, there is nothing that makes you hacker proof. Since all shopping carts are built on the same technology (ASP or PHP), they all suffer the same weaknesses. The key is to use layers of security, which means to use all the measures that you have available.

When a website gets hacked, the target could be your database, your admin, or your files in general. It is actually

really hard to cover all area's.

Here is a small list of ways to protect you:

- Change your passwords from time to time
- Don't keep your sensitive or protected files in folders that have a revealing name
- Choose passwords with numbers, upper and lower case, 8 digitals long, and have special characters (!*&)
- Don't choose a password that you use anywhere else
- Get regular audits (www.comodo.com) – these services usually come with an icon that you can put on your store, and they have been known to boost sales
- Apply updates to your shopping cart when available
- Apply security patches to your shopping cart when available
- Always use https when navigating through your admin area (if you have SSL installed on your server)
- If you want (and have the option), consider deleting all customer credit card details after purchases
- Sign up with a managed firewall service (www.able-Commerce.com) – these services usually come with an icon that you can put in your store, and they have been known to boost sales. They are not free though
- Choose a shopping cart that records IP in the admin and store section
- Choose a shopping cart that can blacklist (block) IP addresses and users

Remember that usually it's only the bigger web sites that are targeted, so if you're starting out small, maybe consider taking extra measures like the firewall and audits as you get more traffic and profit.

Gateways & Banks

In order to receive payments to your bank account straight from your website, you will need to organize a gateway. A gateway is just a method of receiving money into bank accounts, and they need to be decided upon before you choose your shopping cart.

Here is a small list of some popular gateways:

- eWay
- WorldPay
- NetRegistry
- LinkPoint

When investigating receiving payment directly into your bank account, there are little details which many people often leave too late:

Your bank...

- Won't take all gateways, but will have a small list (this list is ever increasing) they will take
- Can accept unlisted gateways in some cases, but at a cost
- May require you to have been in business for a year or so prior to their consent to a gateway
- Will charge a lot of money for gateway services
- Usually requires proof of your working website and security measures
- Will usually charge for setting this service up, plus a monthly fee, plus a transaction fee for each online purchase
- Can ask for photo's of your business and it's activities before they trust you with a gateway

Your Shopping cart...

- Sometimes only offer gateways that are US based, which means non-US merchants can have difficulties
- Can have add-on gateways for your shopping cart if your preferred one isn't a standard inclusion. You pay for this only once
- Usually gives the customer a selection of gateways when checking out

Alternatives

3rd party paying gateways such as PayPal or 2Checkout offer a great alternative to bank gateways. The difference between a bank gateway and a 3rd party gateway is that your money doesn't go into your bank account straight away; instead it goes to your gateway's website where you can transfer your money anywhere you like. You don't even need a shopping cart system to use this method of payment.

For many people, having payments go straight into your bank account is a luxury that's not affordable, but the

alternatives are very viable and easy to use. It's cheaper to use 3rd party gateways instead of a direct bank gateway when your transactions are not terribly high or frequent. PayPal charges its fees based on a percentage of your transaction, and I recommend this method of payment for any e-Commerce starters.

In summary, if you want to have money transferred to your bank, follow these steps in order:

1. Choose your bank
2. See what gateways it will use
3. Choose a shopping cart that has incorporated that gateway

In summary, if you want money transferred through a 3rd Party gateway, follow these steps:

1. Choose one of the more popular 3rd party (PayPal, 2Checkout)
2. Choose a compatible shopping cart

As long as your shopping cart has a built-in module for your gateway of choice, you can turn them on like a switch needing only minimal configuration. Where as if your cart doesn't support your chosen gateway, you may need to pay a developer to integrate it for you.

Tips & Hints

- Offer 2 or 3 different gateways for people to choose from to cover all preferences
- Look around your competitors web sites and see what payment methods they offer
- It helps to have the icon of the gateway on your website at all times
- Choose a shopping cart which has a help forum
- Choose a shopping cart which can support you with help tickets, even if they aren't free. You never know when you will need help, and in most cases you will need someone who specializes in your cart. Support tickets are usually much cheaper then paying a freelance developer!

Pitfalls

- I recommend that you don't consider a bank gateway until it becomes profitable to have one
- Even if you get a bank gateway, remember to include a popular 3rd party gateway for customers who prefer it
- Don't neglect the security on your website – consider putting online security inside your disclaimer to cover your bases

Suggested web sites

http://www.PayPal.com (my recommendation)	One of the best and cheapest online payment methods for e-Commerce starters.
http://www.2checkout.com/	Another great online payment method for e-Commerce starters.
http://www.worldpay.com/	A popular online bank gateway system.
http://www.comodo.com	Great site for SSL certificates and other security measures.

Suggested shopping carts

http://www.oscommerce.com/	Very popular free e-Commerce product.
http://www.vpasp.com/	Popular and feature rich ASP based shopping cart.
http://www.x-cart.com/	Popular and beginner friendly PHP shopping cart.
http://www.lite-Commerce.com/ (my recommendation)	Another popular and beginner friendly PHP shopping cart based on x-cart.
http://www.zencart.com/	Popular and feature rich PHP based shopping cart.

Suggested Blogs and Forums

http://www.blogger.com (my recommendation)	Very popular free hosted blog system.
http://www.wordpress.com	Very popular free hosted blog system.
http://www.wordpress.org (my recommendation)	Very popular free blog system to download.
http://www.movabletype.org/	Very popular free blog system to download.
http://www.vbulletin.com (my recommendation)	Very popular paid forum platform.

http://www.phpbb.com/	Very popular free forum platform.
http://www.simplemachines.org/	Very popular free forum platform.
http://www.mybboard.net/	Very popular free forum platform.