

Complete Guide to Building an E-Commerce Business

Advancement in technology and an increasingly savvy consumer market has made e-commerce a powerful force in the global economy. With more people opting to shop on the Internet, SMBs take steps to reach this market by setting up online shops.

As more payment services providers get into the market, setting up an e-commerce website is no longer cost-prohibitive. Today, anyone with basic web skills can set up a robust e-commerce site within a few days and without breaking the bank.

So, you want to set up an online store? Good. But first things first.

One of the major things that buyers are concerned about when shopping online is their security. With major online fraud cases being reported around the world, you cannot blame consumers for being extra cautious. Therefore, when setting up an e-commerce store, you need to plan carefully and keep security at the forefront of your installation.

With that said, this guide will take you from setting up your ecommerce site to fulfillment and marketing. Let's get started.



The Planning Stage

Before you jump to building your store, you must know what you will sell. At the least, answer these three basic questions before proceeding:

- **What kind of products do you want to offer?**
- **Are there any competitors in your niche?**
- **How would you like your website interface to look?**

This is the planning stage of your business. You need to carefully consider your goals and how you see your company. It also helps to start building your brand before you even start developing your site. To begin, buy a matching domain name for your company and get a logo designed.

You can also start building clout for your business even before you launch. If you are online, set up some profiles on social media networks like Facebook and Twitter and start connecting with potential customers (more on this later in the marketing segment of the eBook).

You can also create a Google account for the company to access apps such as Google Analytics and Google Docs that you can use for your business. Having a YouTube account is also important especially if you will be using video to market your store.

The major work at this stage is to secure your store's brand across the various online properties. This should not take you more than a week to finish. Get a list of web properties that you want your store to have a presence on and open accounts using your company's name as the user name.

Domain Name and Hosting

If you already have the name of your shop, it is time to start setting it up. The first thing to do is to register for a domain name. This should not cost you more than \$10 for a .com extension. You can use NameCheap, GoDaddy or any other domain name registrar you prefer. Your domain name will be part of your brand. Think carefully about the name you want to use.

After getting the domain name, you need to find a good hosting company. Look for a hosting company that has good servers and that will be able to run your online store. If you do not have any preferences, you can stick with servers that run PHP. The language is open source and is supported in most server environments. Make sure your hosting accounts will support PHP and MySQL databases.



Also, check the features and capabilities of the hosting account. To begin, you want an account with your own cPanel and unlimited bandwidth. With hosting companies like Bluehost and Hostgator, you can get unlimited storage and bandwidth for less than \$300 per year (based on their fair file storage policy). There are many guides online that can help you with choosing the right hosting company.

Choosing Your E-commerce Package

You can build your online store through hosted solutions or self hosted solutions

i) Hosted Solutions

There are companies that host e-commerce scripts on their servers and provide everything that you will need on the backend of your site. This is referred to as a hosted solution. With hosted solutions, you will not have to upload any files or perform any programming. The only thing you will need is a domain name to redirect and give your shop a unique URL.

ii) Self-Hosted Solutions

You can also choose to host ecommerce scripts on your servers. This is what constitutes a self-hosted solution. You can use either open source or paid scripts and customize them to meet your needs. The installation process is simple even if you are not a programmer at heart.

Pros and Cons of Hosted Payment Gateways

Hosted payment gateways significantly reduce the time it takes to start an e-commerce store. With the gateways, you do not have to program or install any scripts on your website to start accepting payments online. You simply need to create a page for your business (on the checkout provider) and link to it. When users select an item on your store, they will be directed to the payment services provider checkout page to pay. After the payment has been made, customers will then be redirected to a “thank-you” or any other page on your website.

The biggest drawback of using hosted solutions is that you may see lower conversions. Most online shoppers are hesitant to complete the checkout process on a third party website where they will be redirected to.

However, some hosted solutions have packages that allow you to customize the checkout pages to match the design of your website. Having a consistent brand is crucial for a good user experience on your shop.



TIP: When choosing a hosted checkout solution, keep in mind your customers' user experience and security.

Top Hosted E-commerce Solutions

Many hosted solutions provide a good experience to users with you doing very little on your end. The solutions have fairly similar administration panels, where you can upload photos and add catalogue entries.

When using a hosted solution, be prepared to lose a lot of opportunity for customization. However, you will benefit from added security and personal staff support.

There are many hosted e-commerce solutions you can go with. The following three are among the top solutions:

a) Shopify

[Shopify](#) makes it easy for anyone to set up an e-commerce site. The website has great demos on how easy it is to set up a store with them. Some of the features you will enjoy by setting up a store with them include a custom mobile template, unlimited server bandwidth, SSL security, a personal app store and more.

Shopify offers a lot more customization than other scripts in the market. To choose a theme, simply log into the admin backend and select the design you want. If you have CSS/HTML knowledge, you can edit the raw website design online. The editor has a simple User Interface (UI) that is similar to the WordPress theme's editor.

Shopify also offers live chat and support 24/7. [Here are examples](#) of stores built using it. You can try it for free for 14 days or choose a package that will suit you. Pricing starts from \$14 to \$179 per month depending on the features and functionalities you are looking for. Compare the pricing structure [here](#).

b) Yahoo! Merchant Solution

Yahoo! Merchant Solution may also be right for your small business. The layout of Y!MS is fairly straightforward and can be easily customized. From the admin panel, you can check custom analytics to see how your site is performing, where visitors are coming from, split test your offers and so on. You can accept popular payment options on your Y!MS store including credit cards, checks, money orders and PayPal. [Click here](#) to see all the features of Yahoo ecommerce solutions.

If you are looking for a hosted solution, Yahoo is a great company to partner with. You can take your business from development to launch using Y!MS. Moreover, if you are looking for more customization, the [small business network](#) is a great place to find talented designers and developers.

Y!MS ecommerce plans start from \$19.98 to \$224.96 per month depending on the package and features you need. [Here](#) is a detailed comparison of the available plans.

c) BigCommerce

[BigCommerce](#) is similar to Shopify but has limited features. The website has a clean interface, making it easy for users to sign up. You can easily add users, products, features and take payments online in just a few minutes.

BigCommerce offers plenty of customization so you will never have to worry about branding. The company gives you everything you need to set up an online store including a website, domain name, secure shopping cart, product catalog, payment gateway, email account and so on.

The stores are built and optimized to rank well on Google and are also mobile friendly. The company's built-in marketing that includes discounts and coupon codes, automatically generated customer lists, newsletters, and social media integration make sure you have an edge with your store from the beginning. There are many beautiful store themes you can choose to get started with. [Click here](#) for a showcase of stores powered by BigCommerce.

BigCommerce pricing ranges from \$24.95 to 299.95 a month depending on the features your need. [Here](#) is a breakdown of the features for each price package.

Top Self-Hosted Solutions

If you do not want a hosted solution, you can make your own e-commerce scripts or use other open source or commercial shopping cart scripts. You will have to host the script on your web servers and control things from your end.

There are many shopping carts you can go for but only a handful are worth testing. Your website launch and needs are unique and you may need a feature that another solution may not provide. You need to research well to get the right script for your business.



Below are some the best self-hosted e-commerce scripts you can try:

a) Zen Cart

[Zen Cart](#) is a popular open source script that will work in most web hosts. The script is free to download. The only downside of using the script is that your website will feature a “Powered by Zen Cart” message at the bottom.

Zen Cart is best for those with some programming knowledge. The cart can be integrated with other modules to improve its functionality. [Here](#) is a list of services that the company recommends.

Zen Cart has a vibrant community that is always pushing things to the next level with the script. You can spice up your site with [plugins and add-ons](#) from independent developers. For a sample of websites using Zen Cart, [click here](#).

b) Magento

[Magento](#) is another good script you can use for your e-commerce website. The script is written in PHP and is frequently updated. As is the case with Zen Cart, you will feel more comfortable using Magento if you are well-versed with HTML and CSS.

Magento provides tools that give store owners increased control of their stores. The tools include site management, marketing promotions, analytics and reporting, catalogue management, search engine optimization, product browsing, mobile commerce and others. [Click here](#) for an overview of complete product features.

The product comes in both Professional and Enterprise editions. The Professional edition is best for SMBs and plans start at \$15 per month. On the other hand, the Enterprise edition is best for mid and large sized businesses and license fees start from \$15,500 per year.

c) WordPress

If you are comfortable using WordPress, you can easily set up an ecommerce store using various free and paid plugins. Examples of popular plugins that will enable your WordPress site and have ecommerce capabilities include [WooCommerce](#), [WP e-Commerce](#), [Cart66](#), and others.

If you are using WordPress for your ecommerce store, you should be concerned about security for your customer’s data. There are many tutorials that show how you can secure your WordPress site.

Taking Payments Online

Credit cards provide customers with an easy way to make payments at your store. Apart from credit cards, customers may also wish to pay through other methods such as PayPal. You will want to accept payments through the methods that your customers trust and use.

To accept credit cards online, you will need a merchant account. You can check with your local bank for the requirements of opening a merchant account. Usually, you will need to have been in business for

a defined period and have the ability to process a certain amount of transactions within a particular cycle. There are also third party payment providers that offer Internet merchant accounts.

If you are just starting operations, it is highly unlikely that you will be able to open a merchant account. To begin, the lack of operational history will disqualify you. Even if you are given a merchant account, you will pay high setup and transactional fees since your business is considered "high-risk."

Examples of merchant account providers you can work with include:

- [WorldPay](#)
- [MerchantPlus](#)
- [North American Bancard](#)
- [Network Solutions](#)

After creating a merchant account, you will need a gateway. This is a provider that will securely transfer your customer's credit card data to the merchant account. Some bank accounts offer merchant accounts with gateways while others work with third party gateways. One of the most popular payment gateways in the U.S. is [Authorize.net](#).

Other Payment Methods

The good news is that there are payment processors that can allow you to take credit card payments without the need for a merchant account. These alternatives are good for SMBs that cannot qualify for merchant accounts. The leader in this pack is PayPal. Other options you can check include Stripe, Braintree, ChargeBee, Chargify, among others.

Most of the alternative payment gateways offer similar services. Their common features include:

- **Ability to invoice customers**
- **Accept payments from major credit cards**
- **Accept popular payment options like PayPal**
- **Fees charged based on transactions rather than volume**
- **Easy set up (Start selling in minutes)**

Add Content and Products

After you have set up your domain name, hosting and shopping script, you are ready to start selling online. You now have to add your content and products. From this point onwards, you will need to



perform some maintenance and tweak your website design to match the needs of your customers. Set up the store to load fast and its content to be easily found by search engine robots (read the marketing section for more of this).

Ensure your design will provide a good user experience to your customers. Also, provide comprehensive description to the products and use high quality images to make shoppers interested in the products.

Shipping and Fulfillment

Like a physical retail store, you need to maximize the visitors at your store. However, you cannot simply hand over products over the counter. You have to pack and ship the products to your customers, often across state and national boundaries.

Shipping comes with its challenges, including taxes, dealing with returned goods or reverse logistics in general. What happens when goods sold are returned but you don't have a physical location? This challenge is solved by fulfillment service providers.

Online fulfillment providers allow ecommerce owners to outsource the entire fulfillment process. Basically, you get the merchandise that you will be selling in your store shipped to the fulfillment company, and then the company will pack and ship the inventory as each order is received.

Is Fulfillment Right for you?

Using a fulfillment company makes your ecommerce business more efficient. While you can ship the items on your own, you will have to pack and ship each order individually. You may also need a warehouse or garage to store your inventory. All these cut into space and time that you can otherwise be spending more productively.

If you only ship products occasionally online, using an order fulfillment company may not be right for you. Moreover, if you sell fragile items and perishables, your inventory may not be accepted. However, if you are looking to replace your traditional retail store, you may not want to invest in storage space. You can reduce your time investment by using an online fulfillment service.

If you receive a high volume of orders at certain times of the term, using an online fulfillment vendor may be viable for you. When you outsource your order fulfillment, ensure you select a company that can handle orders of any scale.

Marketing your E-Commerce Store

With most e-commerce websites carrying the same products as their competitors, how can you make your store be found by prospects that are ready to buy?

One of the biggest challenges you may face as an e-commerce store owner is generating traffic that



converts on your store. In this section, we will go through how to drive traffic, generate targeted leads and improve your sales.

Before we look at marketing your site, you need to get design right.

Your E-Commerce Store Design

Whether you are using a hosted or self-hosted e-commerce script, there are two major things about design you should consider:

- **The needs of your target customers**
- **The functionality and usability of the website**

Your store should be designed to close sales. Here are 10 design tips that will improve your conversions:

i) Clear call-to-action (CTA) buttons

Make the CTA buttons on your store easily visible. Use bold color, size and design to make the CTA button stand out to the user. See how the CTA button at [Avon.com](https://www.avon.com) stands out.

ii) Use Auto-complete

Having a search box is a must for your e-commerce store. More than 20% of shoppers prefer finding products using the search function rather than going through the categories. Simplify searches on your store with an auto-complete function.

iii) Visible shopping cart

When customers add items to their cart, they want to know that it was actually registered. Somewhere on the checkout page, have a cart showing all the items added. Make the cart stand out by using contrasting colors from the color scheme of the rest of the store.

iv) Easy navigation

Use site search, filters and drop down menus to make pages or products easy to find. Well thought out categories and filters will help customers find the items they want to purchase quicker. Check the drop down menu at [Walmart store](https://www.walmart.com).

v) High quality images

Use large, high quality images that are optimized to load fast on the website. The best image formats to use for your products are JPEG and PNG. Show the product in multiple angles to help customers to see what they want to buy.

vi) Remove forced registration/login

Don't force customers to do something that they don't want. Requiring forced login or registration to shop is putting a wall between customers and their purchase. If you need users to register, explore other easier options such as using social media login systems.

vii) User reviews and testimonials

Provide customers with feedback from other customers about the products at your store. Allow customers to post reviews of the products. Reviews and testimonials increase a customer's trust and confidence in your product and business.

viii) Progress indicator

Let customers know where they are in the checkout process. Online shoppers are impatient especially when filling online forms. Use page indicators on every page to inform customers where they are in the checkout process.

ix) Eliminate distractions on checkout page

Remove distractions like sidebar navigation on the checkout page. Also, avoid the urge to continue selling on the checkout page. Use single-page checkout pages for higher conversions.

x) Customized experience

Let visitors be able to customize their checkout experience. Provide tools that enable shoppers to sort products by release date, bestsellers, review, price and so on.

After designing your store, you need to promote it. With your competitors looking to win the same customers you are targeting, you need to be proactive in promoting your store and building your brand online.

This is where the real work begins.

Generate Leads to Your E-commerce Store

There are many ways through which you can generate qualified leads to your online store. The major methods are search engine optimization (SEO), content marketing, social media marketing and paid advertisements.

1. Search Engine Optimization

Search engine optimization refers to utilizing different techniques on your website to ensure it appears high on search engine results pages (SERPs) when customers type various keywords related to your products.

Here are some tips that will make your e-commerce store more SEO-friendly.

i) SEO friendly URLs

Your e-commerce site should support static and keyword-rich URLs. You can modify these URLs for better branding identification and SEO benefits.



ii) Use 301 redirects

When you stop selling some products on your website, you may want to delete the pages where the products were listed. When you delete pages, use 301 redirects to guide customers to a new page. 301 redirects improve customer experience on your site and ensure your site retains link juice from the deleted pages.

iii) Use canonicalization

If your site has a number of pages that have the same content, use `<link rel="canonical" href="" />` to tell Google which page should be given preference. This will also make the site safe from duplicate content penalties.

iv) Site speed

It is important for your website to load and open fast. Site speed affects visitor experience on the store as well as your rankings. To improve site speed, avoid using heavy images, flash files, JavaScript and other irrelevant links on your site.

v) Use image Alt tag

Search engine robots cannot read images on websites. To optimize images for SEO, use Alt tags for each of them. The Alt tag is simply a text description of the image.

TIP: When writing the Alt tags, make sure they contain the target keyword of the product.

vi) Product titles and descriptions

Use your target product keywords in the title tags. Apart from this, optimize the product descriptions to improve the click-through rate. When writing the descriptions, make sure you appeal to the customer's emotions.

TIP: Remember, buying is an emotional decision and a customer will click your website's URL on search engine results pages simply because of the information in the description. Write descriptions using persuasive language.

vii) Building backlinks

Building backlinks to your store is the most effective way of ensuring your products will be ranked high on Google when customers search for them.

When building backlinks, you should focus more on building quality backlinks rather than getting a large number of low-quality links. Quality backlinks refers to links coming from websites that are trusted by Google and that are in the same niche as your store.

Make sure the pages on which you want to build your links are indexed by Google. Building backlinks from pages that are not indexed by Google will not add any value to your website.

TIP: Building backlinks can be tiresome and time consuming. You can outsource the work to a professional SEO agency.

2. Content Marketing

Apart from building backlinks, you should have a content marketing strategy for your store. The strategy should guide towards achieving your overall goals of getting more sales, improving brand awareness and increasing your store's ranking on search engines.

Below are some content marketing tactics you should focus.

i) Blogging

Have a blog on your store. You can easily incorporate a blog on your website using a content management system (CMS) like WordPress.

Your blog can serve two functions:

- As an avenue for release of important company announcements or information.
- As a content hub for customers looking for the products you are selling.

The main aim of your blog should be to educate customers about your products. Some of the topics you can blog about include tips on choosing select products, how to properly fit a product, product accessories and so on.

TIP: When blogging, focus on adding value to the lives of the customers. Avoid being "salesy" in your articles, unless you are specifically promoting a particular product.

ii) Email Marketing

Email marketing should be part of your content marketing campaign. The best thing with email marketing is that you can reach your prospects any time that you want.

Successful email marketing is all about knowing what your prospects want and targeting them with relevant content.

iii) Ebooks and White Papers

Producing eBooks and white papers based on your products can help you generate more leads and increase your conversions. Based on the eBooks that leads download, you can know what their interests are and nurture them through email marketing messages to warm them up for a sale.



Educational eBooks that show how your products work and how they will help customers can enhance your brand and make your store the go-to place for any information related to your industry.

TIP: Your content marketing strategies should complement each other. For example, the leads that download your eBooks can be segmented and put in your email list for further targeting with related or relevant content and offers.

iv) Video Marketing

Video marketing is crucial for sales because it gives customers the opportunity to see the product, and know how to use it or how it functions. Have clear videos that show the product in action. Get good actors to present your products, take video shots of the product in different angles and make sure the audio is clear.

TIP: You do not have to host all your videos on your website. Simply upload the videos on YouTube or other video hosting sites and link to them from your website.

3. Social Media Marketing

Social media marketing involves using social networking sites like Facebook and Twitter to connect with customers and close sales. Incorporate social media buttons on your store so that customers can share your products with their networks online.

a) Facebook

To be successful on Facebook, you need to post content that is engaging, educative and worth sharing with your target market. Post high quality photos of your products and link to the products on your store.

If you have specials on your store, announce to your fans on Facebook.

b) Twitter

Use Twitter to engage your customers and prospects by asking them questions and attending to their queries. Find users who are talking about your brand or products by searching various keywords on the network using hash tags.

TIP: If you are running your business with a lean team, you can use various tools like Hootsuite and Buffer to automate your social media tasks such as posting on Facebook and Twitter.

c) Pinterest

Pinterest is good for driving traffic to your site thanks to its visual nature. Pin high quality product



images on your Pinterest account and provide a link to where they are on your e-commerce store.

As your business grows, it may be necessary to have a full time social media manager to manage your Facebook and Twitter accounts. Customers on social media appreciate when they can have a conversation with the company and get their questions answered quickly.

Take Away: Social media marketing is all about relationships. Connect with your target prospects and provide value to them before you ask for a sale.

4. Paid Advertising

When you need instant traffic to your online store, paid advertising is the way to go. Paid advertising includes pay per click (PPC), sponsored emails or blog posts, and banner advertising.

Paid advertisements come in various forms. You can pay for every click, view, number of impressions and so on. When done right, pay per click (PPC) and pay per view (PPV) can drive targeted traffic to your website within seconds of launching a campaign.

The key to being successful with paid advertising is to know your target market and the keywords that they type on search engines when looking for your product. Since you are using money to get your website in front of buyers, make sure your campaigns are as targeted as possible. This will ensure good return on investment (ROI). If you carry a large inventory, you may need a full time PPC or PPV manager to create and optimize your campaigns for maximum ROI.

For advertising where you pay for impressions, (banner ads and PPV) get your ads on online properties where your users hang out. For example, if you are selling a very niche product, you can buy banner ads or impressions on niche forums or blogs with high traffic.

For sponsored emails, make sure the company you choose for the service has an audience that may be interested in your offers. The same also applies for sponsored blog posts.

Content Marketing Evaluation

The only way to know whether your content marketing efforts are resulting in positive ROI is to measure and track various metrics. Each marketing technique should be measured to determine its contribution towards achieving the overall goals of the business.

Some of the metrics you should measure include:

i) Leads and sales: How many sales and leads are resulting from the various marketing techniques?



ii) Website performance: What is your website's ranking on search engines for various keywords? Is traffic to your store rising or falling?

iii) Brand awareness: Do customers know and identify with your store or products? What are people saying about your store on the Internet?

Refine your techniques to ensure the best results. Techniques that result in higher returns should be scaled up while those that do not result in major impacts scaled down.



WAS THIS HELPFUL?

SHARE OR CONNECT WITH US ONLINE!

