

Make E-commerce Work for Your Business

James Cope, Business Link Adviser

Selling online brings a range of benefits. Retailers can reduce the cost of processing orders and save on set-up and operational costs. Trading online also provides smaller retailers with the ability to reach a global audience and punch above their weight by trading 24/7. Retailers can also take payment more quickly online, use the site as a catalogue for existing customers and track data from purchases to improve the offering. The online retail sector continues to perform relatively well despite the challenges of today's economic climate. With improvements in technology and shoppers spending more online than ever before, retailers are increasingly looking to the web to boost their revenues.

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For shoppers, buying online offers many advantages, not least economies of time and effort in finding the best product at the best price. Nonetheless, with shoppers more cautious about spending, retailers are finding it increasingly tricky to convert interest into sales and priorities are changing. With the advent of broadband, retailers saw their chance to enhance the visitor experience by developing online multimedia features, using all available bandwidth. Now, more companies are focusing on getting back to basics,



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making changes to their sites in a more piecemeal fashion.

While selling online may seem simple, there are caveats. A website that disappoints customers or is overwhelmed by traffic could damage a brand or lose a retailer sales offline. Retailers need to keep abreast of legal requirements regarding the security of customers' personal data, quality and suitability of products and online contracts. E-commerce works best for those with well-defined products or services that can be sold easily without human intervention, and delivered within a predictable time.

With a computer, internet access, email, a website and a hosting service, anyone can sell a range of products and accept orders online. However, would-be retailers must also create processes to support the site and deal with orders, from delivering products and services to collecting payments, maintaining and demonstrating security and complying with regulations.

David Madams, owner-manager of Commercial Lamp Supplies, advises: "It's important to integrate e-commerce with your other channels to market." This Devon-based supplier of light bulbs, lighting and fittings, boosted its

turnover by 20% after launching an online shop with the help of Business Link and Technology Means Business (an advice network supporting small businesses).

"Raising turnover and opening new sales channels were key objectives," he says, "but we also wanted the website to help convert more enquiries into sales. We got many enquiries by phone and email, which took a lot of time to process, but had no automated process to capture these potential customers. Automating our processes has meant we can track buying habits and use this data to improve our offerings. We've also overhauled our buying patterns, increased warehousing capability and improved delivery activities, saving us money. Customer orders come straight into our database from the website, reducing our processing costs. More importantly, the website has improved our cash flow: accepting payments online means we receive them far sooner than before."

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Business Link runs a range of workshops and events providing information about e-commerce and how to trade online successfully. For those about to enter the field, there are a range of possibilities for building a site, from downloading open source software to commissioning a website developer. While the latter is a popular option, it's worth bearing in mind that a developer may retain possession of

the content management solution that powers a website and, if the relationship with the developer crumbles, a retailer risks losing the site's guts, since any subsequent developer will have to pick up templates and recreate databases. It may be possible to ask for a portable system rather than the developer's own.

Search engine optimisation (SEO) helps tune website content to improve visibility which can be key to online success

London-based company Fruit For The Office provides daily fresh fruit deliveries and gifts to offices, households, schools, shops, hotels and restaurants. Its founder Daniel Ox saw the opportunity to refocus his business by going online. It now operates nationwide.

"We already had a static one-page website for our fruit stalls," he explains, "but working with a design agency, we started again from scratch, testing pages for usability and search engine optimisation (SEO) and ensuring we would be able to easily add content in future. I'd advise anyone to build SEO into the website design from day one."

SEO helps tune website content to improve visibility, which can be key to online success. The Business Link website provides a range of helpful SEO guidance on how to design a site, work with an agency, track results and avoid damaging a page ranking (see www.businesslink.gov.uk/seo).

Search engine optimisation isn't the whole story. Working with other businesses to create inbound links can

also create interest: for example, someone selling vitamin supplements might work with personal trainers who could include links on their sites. It's important to work out what might trigger a site visit, and what customers are doing in cyberspace before they make a visit. "Data capture and building customer relationships are essential," says Ox.

Customers need reasons to trust an e-retail site. Product reviews can be very powerful for small businesses that have little or no brand recognition and honest testimonials may drive sales quicker than marketing spend. It's also essential to make a site easy to use. Shoppers need to feel comfortable before they spend, and will inevitably feel more comfortable on a site that looks and navigates like other familiar sites. Personality can be infused through aspects such as customer service and product descriptions.

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Another aspect of online retail is utilisation of data. There are considerable advantages to building into the site, from the start, a facility for monitoring customer habits. Consider three key questions: how often does a customer buy, how much do they spend, and how recently? Used well, this information can help to target customers with appropriate discounts and offers.

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Seeing things from the customer's perspective is crucial, and it's essential to get the basics right. If product descriptions are incomplete or inaccurate, leaving a potential buyer with outstanding questions, a sale may be lost. Even retailers with great-looking sites can be let down by a poor checkout procedure. Similarly, forcing a customer to register before checking out can also result in a failed sale. Most retailers will need basic delivery details, but customers may prefer to build a relationship more gradually as their faith in the site grows.

Site owners often worry about abandoned sales baskets, but these can indicate that potential customers have been convinced enough to click right through to the point of ordering and may now be researching alternatives. If a retailer has got its price position and delivery costs right and it's not possible to find something cheaper elsewhere, the customer may well return (so long as a "save for later" mechanism is offered). Even if a product is more expensive, a secure and attractive site or great returns policy may win customers over. If everything works together, customers will pick up their online baskets and proceed to check out. ■

For more information, contact: Business Link's national helpline on 0845 600 9 006, or visit businesslink.gov.uk