EDESIGNZ LIMITED
Internet Development

web www.edesignz.co.nz
email info@edesignz.co.nz

DEVELOPMENT
PLANNING

Budget Planning Advice for Ecommerce Sites

If you think that access to information is critical to your business, you may find you are using typical Ecommerce functions such as Information Processing and Transaction / Sales Reporting, without utilising any online processing mechanism.

When required, building this last component into the structure of a Site, which is already utilising what are typical Ecommerce-related functions anyway, makes the transition from E-Business to E-Commerce very efficient and cost effective, for any size of Company.

This Document presents the following information about Ecommerce:

- Definition of Terms
- Development Stages of Ecommerce
- Further Background Research on Ecommerce
- Useful Web Site Links
- Development Information: What we can do for you

We can be contracted to provide an Ecommerce Solution for you.

Please find the appropriate Contact Details if you want to take this further and develop ecommerce ability for your Site. Or just email us at: ecommerce@edesignz.co.nz

---

EDESIGNZ LIMITED
Internet Development

web www.edesignz.co.nz
email info@edesignz.co.nz

Budget & Planning Advice for Ecommerce Sites

Definition of Terms

What is E-Business?
Any Internet-related transaction between two or more parties, not involving the exchange of monetary compensation for such transactions. Email is the obvious example. Therefore, businesses in the main could be said to conduct e-business regularly. E-Business may make use of some E-Commerce processes: Product Management, Customer Relations Management systems and other reporting tools, without the strict need to engage the Payment Processing tools that turns an E-Business Site into an E-Commerce Site.

What is E-Commerce?
This is a specific sub-process / extension of E-Business: a situation in which money is used as the primary method of compensation for any services rendered between two or more parties, and that this exchange takes place via Internet-enabled processes.

Read on for information about:

Development Stages for an Ecommerce Site
Be as aware as you can be of how the process of Design & Launch for your Ecommerce Web presence from the word Go!

Further Background Research & Information about Ecommerce and Web Links
We enable you to find out more about Ecommerce in general, trends worldwide in Ecommerce, and what other issues affect an Ecommerce Web Site. Visit our list of recommended Sites that will tell you all you need to know about Ecommerce trends and consumer habits online.

Development Information
We can be contracted to provide an Ecommerce Solution for you. Please find the appropriate Contact Details if you want to take this further and develop ecommerce ability for your Site. Or just email us at the following email address: ecommerce@edesignz.co.nz

EDESIGNZ LIMITED
Internet Development

web www.edesignz.co.nz
email info@edesignz.co.nz

Budget & Planning Advice for Ecommerce Sites

Development Stages for an Ecommerce Site

Be as aware as you can be of how the process of Design & Launch for your Ecommerce Web presence from the word Go! Use it as a checklist to tick off what you already know about the Development process and what areas of information you need further clarification of.

1. Web Site Interface and Backend Development

The Store Front: Where everyone arrives to purchase from your Store. The backend development usually entails creating a Database of Products. This is highly recommended, even if you intend only to make Products searchable at present, but intend for these to be purchased online at a later date. The process of integrating futher Payment Processing Components and Reporting Tools on a ready-to-go infrastructure to build these upon will come at much less cost than starting over again.

2. Customer Purchase/Order Interface

Product Selection & Checkout System used for actually requesting the Products to buy from you. You may or may not find a shopping cart is appropriate at this stage. A shopping Cart is typically any solution that allows the user to purchase more than one item in any one purchasing “session”.

3. Site Payment System

Technical Interface to O.P.Ps: Your Site must process Order requests in the format understood by the Bank's online Payment Processing system to check Cards online

4. Online Payment Processing System

Your NET-Enabled Merchant/Bank System will process the Card details. Each Bank is different, and all charge varying Fees for processing online. This is usually based on Volume of Sales. It will be a different rate card than would apply to other forms of Credit Card processing, because of the inherent risks of Online Payment Processing. Basically, such transactions are processed as “Card Not Present”: simply put, this guarantees that the Card is legitimate, is not barred from use (either listed as Stolen or stopped by the Bank for any other reason), but does NOT guarantee the funds are actually there. There is up to 120 days for a chargeback to occur on the Card. This is part of the usual process of accepting Credit Cards online.

>> LINKED to the Payment Processing System: Bank Processing on Card Status

Feedback on Credit Card status. If positive, this could trigger the automated sending of an Invoice for the Product selected as proof of purchase, rather than requiring the User to print off a separate page for this purpose.

5. Order Fulfilment

You would decide whether your Products go out by Physical Post Services, or via Web Site Download. You would also decide how to link the Postage Prices to your Site: dynamically connected to the Postal Services website, or you might just update this manually. This is one of the biggest issues to sort out, with regard to online sales. You have to take special consideration about advising overseas consumers about rights when it comes to Returns / Exchanges and so forth. As they will be doing this from the other side of the world, the context and protocols under which such things are conducted New Zealand will not make automatic sense.

6. Reporting Tools

Product Management & Reporting, Financial Reporting (Sales, Refunds, Income & Expenditure), Customer Relations Management: To enable successful ecommerce, you should have a range of analysis options ready to use. Where people are buying from, the

EDESIGNZ LIMITED
Internet Development

web www.edesignz.co.nz
email info@edesignz.co.nz

popularity of product ranges, what times of the month are more popular, and more. Also, you should have a process set up to communicate easily with your customers. Real-time is popular: that way customer queries can be answered on the spot, giving a better chance of an immediate sale than responding hours later, when they might have found someone else to do business with.

EDESIGNZ LIMITED
Internet Development

web www.edesignz.co.nz
email info@edesignz.co.nz

Budget & Planning Advice for Ecommerce Sites

Further Background Research about Ecommerce

We also present a list of Web Site links that enable you to find out more about Ecommerce in general, trends worldwide in Ecommerce, and what other issues affect an Ecommerce Web Site

The Cost

Perhaps a better way to think about this is in terms of sales lost through not having ecommerce, as opposed to expense paid to have a solution implemented. You will find that a well deployed solution makes up for any outlay, as you are now able to sell Services the world over, not to a restricted market as might be found in your local area.

Security

While it is true that there are issues that still have to be worked out with regard to ecommerce security, most security issues really comes down to applying due common sense:

Development Side Security Issues

Commitment to the costs of proper security considerations, proper internal security and monitoring practices, and protection of data at the Server-end, as well as while in transit across the Internet are what successful e-tailers are about. Most security breaches are the result of data being compromised on the Server where the details are collected, but where this data has not been re-encrypted again after secure transit.

Merchant Side Security Issues

Bad online Merchant habits also have given ecommerce a murkier image: no privacy policies, barely adequate returns/refunds statements, and no clear distinctions to be made about money used for transactions (local currency only, or USD), all this adds up to bad *human* practice. Bad experiences with online shopping are *not* always a case of system problems: these can be plugged with properly funded and designed solutions and infrastructure to attend to proper service needs, but a bad merchant will always be bad. Merchants should be clear about what rights their Customer has and spell this out boldly. The Internet is an international medium, and as such, people do not necessarily know your local customs with regard to their consumer rights.

Consumer Side Security Issues

Checking that there is a secure Certificate on the Site, that there are adequate physical contact details (premises and a landline number at least), policies on returns/refunds, privacy, and disputes resolution methods, clarification of indeminities, warranties and other consumer guarantees, and where these are enforcable. All this helps to reduce the incidence of being taken advantage of by fraudulent Merchants, and helps prove you have followed basic safety guidelines if trying to initiate a refund from the Merchant.

Consumers Online

The purchasing decisions of Consumers are made on the same values that any kind of successful trader, online or otherwise, should hold as important: a high standard in customer relations and presentation plus a product in demand. The difference between ecommerce-enabled businesses and using traditional forms of commerce (anything not Internet-enabled), is that your Customers can interact with you as if they were physically at your place of business; even if they're on the other side of the world.

EDESIGNZ LIMITED
Internet Development

web www.edesignz.co.nz
email info@edesignz.co.nz

Budget & Planning Advice for Ecommerce Sites

It allows you access to previously unreachable markets, normally a problem related to lack of physical proximity. The Internet is not restricted this way at all: new growth opportunities are now just a click away.

An Internet-based Solution can be very beneficial to your ability to constantly improve communication and service to the Customer about your Products and Services. Attention to Consumer requirements easily translates into long term gains for any type of business objective. In this, the Internet is an ideal medium to solicit critical information. At the end of the day, however, you're personal attitude to customers takes you up or down in this business, like any other.

Exposure & Presentation
In the long-term view of things, something which is also the hallmark of a successful venture online, the Internet can help provide an unprecedented amount of exposure for a lesser outlay than may be found in many other forms of advertising costs. So if the Product is something people really do need, and the overall presentation is impressive enough, the step from initial inquiry online to a satisfied buyer online should be smooth.

The Product
As always, it will be the substance of the offering that will inevitably sell the intended Service or Product, especially where they do not require the intended purchaser to try it 'on site', or in any other physical sense interact with the product. If you think you've got the Product, the Internet is a brilliant way of conducting tests (have people register online for any beta/testing versions if appropriate to your Product), without committing to a full launch at once; you may find your market expands where you didn't think it would.

What makes a successful Ecommerce Site?
It may be said that the bottom line is that poor ecommerce sales or methods are often the result of combining poor planning strategies and poor business follow-through, alongside inadequate funding to get a proper system going in the first place.

An ecommerce Site can be successful.

Examples such as Amazon, with no real profit to speak of, tend to skew the attitude toward the potential of ecommerce, more in a negative as opposed to positive way. With Amazon, the expansion was very fast, in a short amount of time, with physical infrastructure (warehouses to contain products) needing to be built at the same time to cope with demand. This is actually not the best way to do it obviously, even if Amazon does happen to be a wildly popular Web Site.

Sort out properly where you intend to get your products from, the reliability of your suppliers, and the ways in which you will get the product safely to the consumer. Do this, and you’re well on your way to a successful ecommerce venture.

EDESIGNZ LIMITED
Internet Development

web www.edesignz.co.nz
email info@edesignz.co.nz

Budget & Planning Advice for Ecommerce Sites

Useful Web Site Links

TNS Interactive Global Ecommerce Report
http://www.tnsofres.com/ger2001/index.cfm

Nielsen Norman Group Report on User Experience with Ecommerce
http://www.nngroup.com/reports/ecommerce/

National Office for the Information Economy Australia
http://www.noie.gov.au/projects/information_economy/ecommerce_analysis/ReportCard/

Forrester Research Insights on Revenues for US eCommerce Goods
http://www.forrester.com

Keenan Vision Insights on Online Purchase Revenues
http://www.keenanvision.com

PriceWaterhouseCoopers Insights on Barriers to Online Purchasing
http://www.pwcglobal.com

NEW ZEALAND

Ecommerce Information
http://www.ecommerce.govt.nz

EDESIGNZ LIMITED
Internet Development

web www.edesignz.co.nz
email info@edesignz.co.nz

Budget & Planning Advice for Ecommerce Sites

Development Information

We can be contracted to provide an Ecommerce Solution for you. Please find the appropriate Contact Details if you want to take this further and develop ecommerce ability for your Site.

Or just email us at the following email address: ecommerce@edesignz.co.nz

---

Ecommerce Infrastructure Development

- Necessary Security considerations to conduct Ecommerce
- Server-side connections to Online Payment Processing Systems from the Web Site.
- Merchant-side Order Handling and Information Reporting Systems.
- Client-side Site Interface Design for the Purchasing System / Checkout System.

Ecommerce System Implementation & Technical Development undertaken

- Integration of existing Sites or Systems (Legacy Integration) to an Ecommerce platform
- Formulation of a new, Custom Solution to interface with Ecommerce requirements

Components involved in an ecommerce Solution may comprise:

- Off-the-shelf Components We can suggest ready-made solutions that might apply to your needs; this may be existing Software on the market, or “self contained” ecommerce Components we have designed ourselves.
- Custom Ecommerce Development Solutions A tailored solution applicable to highly individual requirements.

Sometimes, a combination of the two approaches can bring in exactly the results needed. Give us a call and we will suggest some options.

Email us at the following email address: ecommerce@edesignz.co.nz

---