

# Introduction to Ecommerce

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On August 12, 1994, a headline appeared in the *New York Times* that read: "[Attention Shoppers: Internet is Open](#)." The day before, a Philadelphia man named Phil Brandenberger had logged into his computer and used his credit card to buy Sting's "Ten Summoner's Tales" on the retail platform NetMarket... for \$12.48, plus shipping.

It's not a remarkable story in today's terms—the data suggests that *you*, reader, have almost certainly purchased something online within the last month—but Phil's transaction made history because, for the first time, encryption technology had facilitated an internet purchase. Together, Phil and Sting had made the world's first ecommerce transaction.

Of course, the numbers have grown exponentially over the quarter-century since. In 2017, [ecommerce facilitated \\$2.3 trillion in global sales](#) (increasing 23.7% from \$1.9 trillion the year before). That number is expected to [more than double](#) (\$4.8 trillion) by 2021; [\\$659 billion in sales](#) is anticipated for that year in the U.S. alone. And *those* are just statistics for the retail sector. In the U.S., the average consumer now spends over [\\$2,100 a year on internet purchases](#)—[36% of their shopping budget](#)—and that percentage is expected to skyrocket.

Perhaps surprisingly, offline purchases still dwarf online ones (ecommerce sales in Q1 of 2018, for example, [accounted for only 9.5% of total sales](#)); but as "Generation Z-ers" come into the workforce, generate disposable income, and become old enough to apply for credit cards, we'll see a paradigm shift. [67% of millennials prefer shopping online](#); so you can imagine what the landscape will look like for Gen Z-ers, who were virtually born with computer and mobile screens in front of their eyes.

Commerce is changing. And this isn't a passing trend. Indeed, the annual growth of online sales is expected to occur so quickly that some experts predict [95% of purchases will be made online by 2040](#). What that would mean, of course, is the near-obsolescence of the brick-and-mortar store. And what that means for *you*, as a businessperson? It's now *mandatory* to start adapting to the rapidly-evolving landscape of online sales and merchandizing.

Thankfully, [ecommerce software](#), with its automations and integrations, has made bringing your business online a win for both yourself and your customers. And we're not just talking the ease with which you can "set up shop." We're talking software that lets your ecommerce business run like a well-oiled machine *day after day*—with everything from your shopping cart, to your chatbots, to your payment gateways, to order and inventory management, to shipping, to finance, to site analytics, all working together.

We'll get there shortly. But let's first begin at the beginning.

## What *is* Ecommerce?

A silly question to ask? Too basic? After all, isn't ecommerce just that set of technologies that allows you to buy and sell "things" (goods and services) on the internet? Well, sure; that's online *shopping*. But ecommerce is ultimately much broader than that. It runs the gamut of online business transactions: from online shopping, to online ticketing and reservations, to internet banking, to payment encryption and payment gateways, to online auctions. Anytime "money" is transferred as data over an electronic network, ecommerce is happening.

But from a *selling* perspective (which is probably why you're here), we tend to think of ecommerce as even broader than that—including electronic information exchanges that aren't "transactional" in the monetary sense. It covers the range of online business dealings: from discoverability, to online catalogues, to mobile transactions (dubbed "mCommerce"), to inventory management, to sales, to digital coupons, to orders, to delivery. In other words, it's infinitely more complicated than "selling"... which is why we've created a comprehensive ebook to support you through every phase of the journey.

Of course, ecommerce isn't just concerned with physical goods, which get "showcased" online and shipped—though big retailers such Amazon and Zappos make it easy to think so. Ecommerce businesses also offer:

- digital products (think ebooks, stock images, online courses, or software)
- services (think Netflix, or consultants and freelancers who offer services on personal websites or in freelance marketplaces like [Fiverr](#)), and
- affiliates (when merchants connect with independent marketers who help promote and sell the merchant's products for a commission: think blogs and influencer websites)

We've written this content for those of you who sell physical goods; but keep in mind that you'll be situated in a much larger ecosystem than retail.

## Ecommerce Channels

Whether you're *moving* online or *starting* online, you'll have a number of channels through which to sell your product... and we suggest you employ all of them. We'll dive more deeply into them in future pages; but they're worth summarizing early on so you can start mentally preparing for them:

### Branded websites

This your real estate. Your online landing pad. It's self-sufficient; you operate it yourself; and it's as close to a brick-and-mortar store as you're going to get in the virtual world: You sell your own products, to your own customers, on your own terms. No middleman. These stores are often built on shopping cart platforms such as [BigCommerce](#) or [Shopify](#), though these "digital storefronts" have to be integrated with back-end features from *other* software companies to get the most out of them. [Commerce Plus](#), on the other hand, is either *already* integrated or can be easily integrated with our other software applications: from [CRM](#), to [email marketing](#), to [conversion optimization software](#), to [contextual surveys](#), to [live chat](#), to [accounting software](#), to [social media management](#), to [inventory management](#), to [predictive analytics](#) with AI.

But whatever commerce platform you choose, *this* is where you'll build your brand.

## Online marketplaces

We'll dive into omni-channel selling a bit later; but if you plan on selling online it makes a world of sense to go beyond your own website to get more consumers' eyes on your goods. (Think of this as the virtual analogy to renting space in a shopping mall.) [Amazon](#), [Etsy](#), [eBay](#), even [Alibaba](#)... these are all sites you're probably familiar with; and they exist to facilitate transactions between you and your customers. The pros of having a middleman? You're relieved of technical burdens, the marketing is essentially done *for* you, and the "foot traffic" is already *there*. And depending on your commerce platform, integrations with third-party sellers may already be set up—or can easily be set up—*for* you.

## Social media

Social sites (Facebook, Instagram, Pinterest) aren't exactly "ecommerce platforms"; but they're certainly allowing sellers to showcase their merchandise, and allowing *users* to become *consumers* through easy access to those sellers' online shops. Think [Facebook's business pages](#), [Instagram's shoppable posts](#), or [Pinterest's pins](#), which let users click right into an ecommerce site from a product image to make a purchase. In this way, social sites can facilitate sales. Additional third-party solutions, like [Like2Buy](#), can also take users directly from a product on your social feed to its product page.

For context, there are [3.4 billion active social media users](#), averaging 5.5 social media accounts per person, which they spend an average of 116 minutes a day on. You can't afford to ignore these numbers. Consider, early on, how you'll integrate social commerce into your sales and marketing plans.

## What are the Benefits of Ecommerce?

We probably don't have to tell you about the benefits of ecommerce from a *consumer* perspective: Accessibility, convenience, breadth of selection, and the ability to compare prices without running

around town before all the stores close—not to mention personalization and potential cost savings—make shopping and buying online a compelling option. But of course, the benefits *consumers* experience translate to benefits for *business*. Here are some of them:

- **Low barrier to entry.** Regardless of how short you are on time or money, an ecommerce business is within reach. Bank loans for inventory, equipment, and storefront rent simply aren't necessary. Ecommerce platforms don't require you to be tech-savvy, so you don't have to hire a web developer. With [WYSIWYG editors, readymade templates, and a wealth of automation](#), you can have your storefront up and running in an afternoon.
- **24-hour, global reach.** The only obstacle to a consumer *not* discovering you is a lack of internet access. You're "open" 24 hours a week, 365 days a year—which naturally means more sales—especially as so many consumers do their shopping in the "after-hours." And because you're not tied to a single geographic location, your customer reach is as wide as the world is. That means the opportunity to target market segments—and massive global audiences—you could never have imagined with a brick-and-mortar store.
- **Lower operational costs and higher margins.** No sales staff, no rent, no heating or electricity, no store maintenance. Your biggest costs will likely be for warehousing (unless you plan on using a drop-ship model) and product storage (unless you plan on storing in-home). Of course, the lower the operational costs, the more cost-savings you can forward on to your customers. And the more competitive your prices are, the more market share you'll have.
- **Scalability.** As sales increase, you won't be constrained by location, space, or rent inflation: You can scale up without having to invest in new locations or hire a larger workforce. What's more, your ecommerce platform allows for easy, rapid expansion: Simply add (or delete) products to your platform with a few button clicks.
- **Laser-like targeted marketing.** Selling your wares online lets you collect a wealth of consumer data based on [site navigation](#) and buying behaviors: What products are users clicking into most often? Which products make it to the shopping cart but rarely make it through checkout? What search terms did visitors use to find your shop? What's the correlation between geographic location and product sales? And so on. These rich consumer insights will allow for a [continual improvement of your customer personas](#), which, in turn, means more targeted marketing campaigns and better-tailored experiences for current customers. Ultimately, this means you're spending less on customer acquisition, increasing conversion rates and sales, and inspiring customer loyalty. After all, your customers are now getting personalized shopping experiences; they won't want to give that up.
- **Niche market dominance.** This benefit follows from the previous ones. The combination of

analytics and a global reach will allow you to eventually home in on your *exact* "type" of customer. And because you've got a much bigger pool to sell to, you *can* sell a niche product without worrying that there simply aren't enough consumers within the vicinity of your shop to sustain the business. For you niche specialists, that means you get to keep selling what you're good at... and what you love.

- **Location independence.** This one's for you wanderlusters. Because your business has *no* "place," *you* can be *anyplace*. No suffering at a desk from 9-5. (You'll choose your own hours of suffering!). No daily commute. If you've got a laptop, an internet connection, and the right [ecommerce integrations](#), you can work from anywhere at any time. Of course, how free you are to travel will depend upon things like your [shipping strategies](#)... but we'll get to those details shortly.

None of this is to say that running an ecommerce business doesn't have its drawbacks. You don't get the experience of connecting with customers through face-to-face encounters. Consumers don't get to touch (let alone try on) your products prior to purchase. Some consumers are still wary of giving up credit card information over the internet. And so on. Thankfully, the vast majority of these disadvantages have fixes in the form of best practices you can apply to your website: [building a personal brand](#) will allow you to connect with customers *whether or not* you ever meet them. High-resolution images, product videos, and a free returns policy will put customers who don't get to handle your product before purchase at ease. Using trusted payment solutions such as [PayPal](#) and displaying trust signals on your site will instill confidence in those more cautious users.

## Getting Your Business Online: The Big Picture

We'll get to all these topics—and more—as this content unfolds. First, a quick bird's-eye view of what we'll be discussing in these ebooks. We're going to assume that you already know what products you're selling and who your suppliers are. You've either got a brick-and-mortar store that you're moving online, you already *run* an online store but you want to up your game, or this is your first foray into commerce—but you've already *done* the work of finding the best possible product for your target market, your industry... and, hopefully, your heart. (Product discovery entails [market research](#), which we've covered at length elsewhere.) These ebooks will focus on all the systems, processes, and details you'll need to put in place to capably—and seamlessly—get the online aspect of your business up and running profitably.

We've written this content with an eye to chronology. We start with setting up the back end of your online shopping cart, and move to curating the front end of your ecommerce site (including how to market products on your site and best practices for great user experience), to setting yourself up for omni-channel selling, to shipping and fulfillment, to post-launch evaluation (including analytics and conversion rate optimization). But it may be useful to see these processes from a visual perspective. It might give you a better sense of the crucial role software plays in supporting these varied, integrated processes:

"Integrated," of course, is the key word in that last sentence: If these processes aren't constantly communicating with each other, you're going to be left behind by consumers while your back is turned because you're too busy trying to keep your systems running to pay attention to their needs. So our suggestion is to choose a software solution that's *more than* an "online storefront," or a "shopping cart," or a "retail platform." Naturally, we're a bit biased, especially since [Commerce Plus](#)—when integrated with Zoho's other software solutions—supports *every* process in the map above.

Ecommerce is still a fairly new entrant to the retail landscape; and regardless of how much you know *now*, the inevitable technological evolutions will mean a constant learning curve for your business. There are aspects of running an ecommerce business you *can* make easier on yourself through automation and integrations... and we can't think of a single reason why you wouldn't do so. At the rate at which ecommerce is exploding and evolving, assuming your "storefront" solution is good enough may very well mean getting outpaced by your industry.

But regardless of what platform you end up choosing, we're here for you. In the following pages, we'll walk you—step by step—through the process of setting up shop, keeping it as general (though as comprehensive) as possible. This way it will be just as useful for those of you who've chosen to work with another platform. At the end of it all, we'll even offer you a "best of," so you can see real world examples of the best practices we've covered.

So get that coffee maker going; we're in for a ride...

*Before you get started on the flashy hero images for your online shop, you've got some logistics to clear on the back end—choosing a payment gateway, deciding on shipping rates and delivery times, writing returns and refunds policies, and making sure your analytics are in place. In the next section, we'll walk you through [choosing the right payment gateway for your ecommerce business](#).*