

DigiYouth training material

E-commerce



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1. E-commerce

What is E-commerce?

E-commerce



E-commerce is the buying and selling of goods and services, or the transmitting of funds or data, over an electronic network, primarily the internet. These business transactions occur either as business -to-business, business to consumer, consumer to consumer, consumer to business and government- to consumer. E commerce is conducted using a variety of applications, and it can be made by different types of payments. In order to regulate all of these things, a legal regulation of e commerce and consumer rights exist.

Video "What is E-commerce?":

https://www.youtube.com/watch?time_continue=17&v=AhgtoQIfuQ4

Electronic commerce or E-commerce is the process of buying and selling between businesses and consumers without a physical store, usually through an electronic medium. Often, this term refers to the internet as a marketplace but the term can also refer to retail activity through any electronic method. The technologies that support e-commerce include e-commerce or mobile commerce, electronic transfer of funds, internet marketing, electronic data interchange, inventory management systems, and online transaction processing among others.

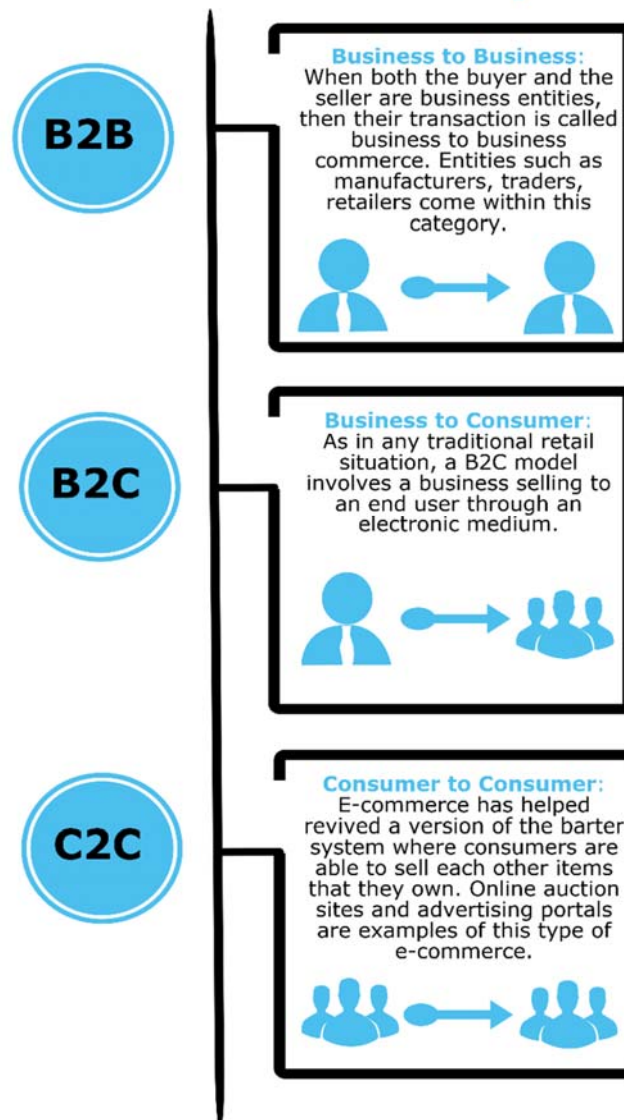
E-commerce businesses may employ some or all of the followings:

- Online shopping web sites for retail sales direct to consumers
- Providing or participating in online marketplaces, which process third-party business-to-consumer or consumer-to-consumer sales
- Business-to-business buying and selling;
- Gathering and using demographic data through web contacts and social media
- Business-to-business (B2B) electronic data interchange
- Marketing to prospective and established customers by e-mail or fax (for example, with newsletters)
- Engaging in retail for launching new products and services
- Online financial exchanges for currency exchanges or trading purposes.

Categories of E-commerce

There are three categories of E-commerce depending on who is involved in the process. These are:

Categories of E-commerce



Types of E-commerce Activities

Under the E-commerce umbrella there exist a variety of activities. These include:

- **Online Shopping:** A prevalent example of E-commerce is shopping via the internet. Virtual stores are created online, often boasting more variety of choices than are available at physical stores. There are also stores that exist only online, and benefit from the lack of investment into physical infrastructure.

- **Electronic Payments:** Payment systems for utility bills, phone, cable and internet bills, as well as online shopping are an important aspect of e-commerce. Here, security needs to be ensured regarding credit card and personal information.
- **Virtual Auctions:** One version of e-commerce is the online auction popularized by eBay. These websites offer customers the benefit of selling to others at the best possible price.
- **Internet Banking:** E-commerce has allowed many people to forego frequent visits to the bank and instead perform their regular banking activities online via secure banking services.
- **Online Ticketing:** Ticketing for almost all types of activities is now done online. This include travel ticketing such as air travel, bus and trains, as well as tickets for entertainment and sports events. This allows people to avoid queues and just go on the day of the event.



Distribution Modes

There are different ways in which e-commerce retailers offer their services. These can be defined as the pure-click, bricks-and-clicks and click-to-brick retailers.

- **Pure-Click:** These are retailers which only sell through an online location and have no physical storefronts.
- **Bricks-and-Clicks:** These are retailers that have both physical and virtual store locations.
- **Click-to-Brick:** These are retailers who began as online stores but eventually expanded to a physical location as a supplement to their online enterprise.

Making the E-commerce decision

Before deciding to venture into an e-commerce business, it is a good idea to ask some basic questions to help establish readiness. Though this is not an exhaustive list but it does offer a good starting point for entrepreneurs.

Making the E-commerce decision



The Basic Questions



- If you have an existing business, does it suffer from internet competition?
- Do customers ask for your website information?
- Do competitors or similar products have an online retail presence?

The Logistics Question



- Do you have the resources to run a shipping operation?
- Do you have access to a storage and shipping area?
- If not, can it be acquired for a manageable cost?
- Will there be a need for additional staff to handle shipping?

Creating a Web Presence



- Will you use an existing platform to list products or create your own website?
- If using an existing platform, which model works best for you?
- If setting up your own platform, does the cost make business sense?
- Will you hire a professional to develop the website?

Shipping



- What shipping mode will you use?
- Do the shipping costs and costs of shipping materials make business sense?
- Will you offer free shipping and absorb the cost?

Benefits and pre-conditions for E-commerce

Various applications of e-commerce are continually affecting trends and prospects for business over the Internet, including e-banking, e-tailing and online publishing/online retailing.

A more developed and mature e-banking environment plays an important role in e-commerce by encouraging a shift from traditional modes of payment (i.e., cash, checks or any form of paper-based legal tender) to electronic alternatives (such as e-payment systems), thereby closing the e-commerce loop.

Benefits of E-commerce

- Expanded Geographical Reach
- Expanded Customer Base
- Increase Visibility through Search Engine Marketing
- Provide Customers valuable information about your business
- Available 24/7/365 - Never Close
- Build Customer Loyalty
- Reduction of Marketing and Advertising Costs
- Collection of Customer Data

Basic Benefits of e-Business E-commerce

- Increase sales - this is the first thing that people consider when dealing with e-commerce
- Decreasing costs
- Increase profits
 - Understanding that profits is not the same as sales
- Expands the size of the market from regional to national or national to international
- Contract the market
- Reach a narrow market
 - Target market segmentation allows you to focus on a more select group of customers
 - And therefore have a competitive advantages in satisfying them

E-commerce - Five preconditions

- **Broadband.** It is more common for Internet users with broadband access at home to buy online, compared with those who have dial-up Internet access. Only three per cent of Internet users emphasized that they were not interested in broadband. The most common reasons given

were that it is too expensive, or that there is a risk of it becoming so in the future, and also that there are no broadband operators in the home area. Increased accessibility to broadband may increase e-commerce. What the State can do is to stimulate the development of broadband and create the conditions for competition on equal terms for the actors in the market. The State can also stimulate demand for broadband by offering valuable services.

- **Security infrastructure.** Security infrastructure is an important precondition for many applications, among other things, e-commerce. Fraud on the Internet is increasing and there is a great need to be able to verify the other party's identity. Today, electronic certification (e-identity) is only used to a limited extent and the actors in the sector are hesitant. It is considered that the market is rather immature and potential users do not appreciate the benefits. The technology is difficult to understand and the user interfaces are poorly designed. Means for the State to stimulate development are to provide information about user areas, that the authorities use e-identity and to encourage the development of good interfaces.
- **Payment services.** The dominant payment method for Internet trade is cash on delivery and invoice, which is used for 84 per cent of all payments in connection with Internet commerce. In order to simplify e-commerce, secure and easily used payment services are required.
- **Physical delivery.** A partial change in customer behavior from major purchases to small, more frequent purchases, many customers' keener price awareness in connection with e-commerce than with shop purchases, and also that the cost of carriage has increased, constitute special preconditions for e-commerce. Distance trading businesses consider that they are not able to pass on the entire cost of carriage directly to the customer.
- **Confidence and security awareness.** The confidence and security awareness of users is important for the development of e-commerce. Those who buy online have greater needs of releasing personal data via the Internet. The study shows that almost one-fourth of those who have bought online have provided credit or cash card numbers via e-mail or web sites.

2. Developing own e-commerce site and selling goods via common platforms

Develop Your Business Model or Idea

You may be starting from the very beginning or trying to give an online presence to an existing. In any case, it becomes necessary to be clear on what will be sold, how it will be sold, who the customer will be and what the mechanics of the operation will be.

- **Identify the product:** Some products work well online as the decision to buy them can be made by viewing them online and using the information provided. Others may need to be examined in person before a transaction can happen. In any case, details such as shipping, inventory storage, product variety and the mechanics of creating the product to meet demand are some key areas to clarify.
- **Identify a Niche:** Even if you are clear about the product you will sell and how it will be sold, it is important to be able to differentiate it from others in the market. The customer needs to have an incentive to choose your product from among the many others available in the market, both online and offline. Perhaps you can offer better product quality than the others. Or the product can offer a unique take on solving a problem. There may be special expertise than you can share or you can have a seamless buying experience.
- **Test Market:** It is a good idea to sell the product at a small store on an existing platform such as ETSY or ebay to gauge the level of enthusiasm and the overall response to the product. This will also help understand who is buying the product and how much are they willing to pay.
- **Create a Sound Business Plan:** With the first few steps complete, it is imperative to create a thorough business plan to ensure that all the steps are planned in detail. It will also help convince possible investors that you are prepared and ready. Important elements should be the production costs, details of production, shipping costs and structure, taxes, labor costs, and e-store related costs.

Where to sell your product online?

Firstly, there is no shortage of places to sell your product. The difficulty is choosing which ones suit your brand and will enhance the offering you may or

may not already have. When choosing a physical shop presence, your first thought would be to find the location best for attracting potential customers. The same is true for online. Here is one of the top tier levels to consider before you begin looking at the many platforms available:

Hosted vs self-hosted ecommerce solutions

If you want to set up a full website where people can come to view your products and your products only (as opposed to a marketplace such as Amazon or eBay), then you'll need to choose between a hosted or self-hosted ecommerce platform.

Cloud-hosted ecommerce platforms examples:

- Shopify
- Big Commerce
- Volusion
- Wix

Self-hosted ecommerce platforms examples:

- WooCommerce
- Magento
- Zen Cart
- OsCommerce

Selling through online marketplaces

An **online marketplace** (or online e-commerce marketplace) is a type of e-commerce site where product or service information is provided by multiple third parties, whereas transactions are processed by the marketplace operator. Online marketplaces are the primary type of multichannel ecommerce and can be a way to streamline the production process.

Selling products on eBay.



eBay is a multinational e-commerce corporation, facilitating online consumer-to-consumer and business-to-consumer sales. It is headquartered in San Jose, California. eBay was founded by Pierre Omidyar in 1995, and became a notable success story of the dot-com bubble. Today eBay is a multibillion-dollar business with operations in about 30 countries.

The company manages eBay.com, an online auction and shopping website in which people and businesses buy and sell a broad variety of goods and services worldwide.

Video "How to sell on Ebay – complete guide"

<https://www.youtube.com/watch?v=IID8L3uNk5A>

Using Amazon as your online marketplace

amazon **Amazon.com, Inc.** is an American electronic commerce and cloud computing company based in Seattle, Washington that was founded by Jeff Bezos on July 5, 1994. The tech giant is the largest Internet-based retailer in the world by total sales and market capitalization.

Video "How to sell on Amazon – step-by-step tutorial"

<https://www.youtube.com/watch?v=p6vRkDN8OJ4>

Open a store on AliExpress



AliExpress is the e-commerce retail platform of Alibaba, serving buyers from all over the world. There are 200 million monthly visits.

Video "Creating your AliExpress store"

<https://www.youtube.com/watch?v=rNJUkHLrNqo>

Selling products on Etsy

Etsy **Etsy** is a peer-to-peer (P2P) e-commerce website focused on handmade or vintage items and supplies, as well as unique factory-manufactured items. These items cover a wide range, including art, photography, clothing, jewelry, food, bath and beauty products, quilts, knick-knacks, and toys. Many sellers also sell craft supplies such as beads, wire and jewelry-making tools. All vintage items must be at least 20 years old. The site follows in the tradition of open craft fairs, giving sellers personal storefronts where they list their goods for a fee of US\$0.20 per item.

The difference with niche marketplaces is the cost to sell, which is generally much higher than more established online shops and also the selection process to have your offering approved. With access to such a large, targeted customer base, these sites are keen to retain their authority with that audience and therefore will often make you apply or adhere to a strict selection process before you even begin to have a chance to sell.

When it comes to selling your product online, the choices are endless. The real detail is in making a choice that suits you, your offering and your customer and then building it from the ground up into an online shop front that you'll be proud to call your own.

Upload Apps to Google Play Store or Apps store



Google Play All your efforts will be wasted if no-one uses, or buys your product. If You have mobile application, you can put it in **Google Play** or App store. When you publish on Google Play, you put your apps in front of over 1 billion active Android users, in more than 190 countries and territories around the world. Google Play helps you get discovered, earn revenue, and build a global business.

Most asked questions.

- 1) *How much does it cost to upload an app on Google Play Store?*
Google has a one time **\$25** registration fee which you need to pay before you can upload an app. The starting point is the Google Play Developer Console. It is Google's dedicated dashboard for developers that lets you manage your apps in the Play Store.
- 2) *What percentage does Google play take?*
For apps and in-app products offered through Google Play, the transaction fee is equivalent to **30%** of the price. You receive **70%** of the payment. The remaining **30%** goes to the distribution partner and operating fees.
- 3) *How do free apps make money?*
[There You can see how.](#)
- 4) *Is App store better than Google Play?*
Google's mobile operating system is Android along with the **Google Play Store**, while **Apple's** offering is iOS along with the **Apple App Store** (iTunes). Both **Google Play** and iTunes offer **apps**, music, books, films, and TV series. But which is **better?** [See it there.](#)

Differences between Google Play and iOS design.



Video "How to upload Android Apps to Google Play Store Tutorial"

<https://www.youtube.com/watch?v=udPWeFUZzdo>

Designing an e-store

10 tips to design your store

1. DO-IT-YOURSELF



unique brand presence.

There are many benefits to creating an independent website that is not part of an existing platform. It allows the business owner more control over the mechanics of the shop as well as its appearance.

There is better opportunities to create a

2. PICK A THEME



This tip is vital in order to create an outstanding e-commerce store design. The right theme will always make your customers at home in your store. Most of all, it can make your brand more familiar and influential to the audiences.

Bring out the most of your e-commerce store by adjusting the color and feel of your store. Make it match your brand's vibe, authority, and attitude to create an original environment that can only be found in your brand.

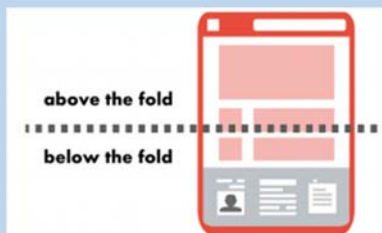
3. INCLUDE IMAGES



One image can equal a thousand words. Use stunning and eye-catching images just like those where you can find in various websites who provide high-quality stock photos. But, take note to choose wisely. Especially that people wouldn't like it if you continually include photos that a little bit cheesy.

Good thing that there are huge varieties of amazing stock images available today.

4. PUT AN "ABOVE-THE-FOLD"



When we talk about the Above-the-Fold, it is a particular thing the audiences see on your homepage before doing an action. It is best to consider what you truly desire that your audience will do the moment they visit the homepage of your store.

5. MAKE A CLEAR NAVIGATION



Simplicity is what makes the navigation bar of any webpage powerful and effective. Besides, there are a lot of busy people out there that may visit just to take a quick purchase on any e-commerce store.

6. INCLUDE VIDEOS



You can also design your store with videos that can tell the amazing story of your brand. In fact, there are various brands nowadays that are using the advantage of video presentations to catch the interest of their audiences.

Videos are also best if you want to showcase an excellent demo of your product. This will surely create a great impact on the memory of whomever person views it.

7. PLACE A SHOPPING CART



This is the very important tip to consider that can boost your sales in your upcoming store. Include a shopping cart that is easy-to-access for everyone. After all, the shopping cart is the most essential part of every e-commerce store page.

8. PUT A SEARCH BAR



Designing an e-commerce store is not just about aesthetics and attractiveness but also usability and convenience. In order to provide the last two and complete the essentials of an excellent store design, a search bar is a great way to wrap it up.

Help your customers access your large collection of items you must offer them a search bar on top of your homepage. In this way, you can let them enjoy exploring your lovable products and choose the best that can satisfy their needs.

9. OPTIMIZE FOR MOBILE



Optimizing the mobile is one of the most important aspects of website design. And 80 percent of people are using their own smartphone. As a user expect a large portion of your customers viewed your site and products on their mobile devices, and which means, design your store accordingly because you need to make sure that images arrange nicely on smaller screens, the text is readable, and the site also is overall easy to move through.

10. KEEP IT SIMPLE



It is tempting to list everything you have offer on the homepage at first starting a online store whether it is your entire product catalog try not to overload visitors in giving information because you need to consider what the costumer feel when they visit your store.

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