



The no-nonsense guide to success in ecommerce

Everything you need to be successful
in the online marketplace

A background image showing a coffee-making process. A hand is pouring water from a metal kettle into a glass coffee dripper. The scene is dimly lit with a purple tint.

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Introduction	4
Business administration	5
• Business incorporation	5
• Ecommerce platform	5
• Domain name (global vs. local)	8
Product	8
• Finding a niche/solving a customer problem	8
• Product quality	9
• Product presentation	9
• Product descriptions	11
Logistics	12
• Suppliers	12
• Warehousing & fulfillment	14
• Inventory management	15
• Delivery	17
• Payment methods	18
Marketing	21
• Market validation	21
• Market analysis	22
• Pricing	22
• Where to sell	24
• Content marketing	25
• Email marketing	27
• Social selling	28
• Promotions and discounts	29
• Pay-per-click (PPC) advertising	30
• Upselling and cross-selling	32
• Maintaining an offline presence	32
Growing your business	33
• Analytics	33
• Test everything	35
• Evolve continuously	37
Conclusion	37

Introduction

Becoming an entrepreneur has great rewards - the ability to do what you love, be your own boss and the theoretically unlimited financial potential that comes with it. However, it is a complicated process that requires passion, hard work, and a great product to sell. If it was so easy, everyone would be doing it.

We want to give you the best advice that we can for you to grow your online business. There's a lot of material out there which can sometimes be vague or difficult to understand. However, we want to break down all the important components of creating an ecommerce business and help you succeed. So, without further ado, let's get right into it.



Business administration

Business incorporation

At first, you will have to take care of the housekeeping that is related to your business. You will need to choose how to incorporate your business. Will you go with a sole proprietorship, partnership, corporation or some other form of business? This answer will depend largely on where you are establishing your business. Different forms of incorporation have different benefits, tax rates and administrative requirements in different countries. Do the research for where you are establishing your business and choose the best solution for you.

Ecommerce platform

An important consideration is your choice of ecommerce platform. While there are many software-as-a-service (SaaS) platforms available (such as Shopify, Bigcommerce and Ecwid, just to name a few), it is also possible to create a custom ecommerce solution for your business or use an open source solution.



Here are some things to keep in mind when selecting an ecommerce solution:

- What features do you need? (For instance, do you need to handle inventory tracking?)
- What type of product are you selling - digital or physical goods? (Some platforms are better for the latter, while others are better for the former)
- How much time and money will it take to get started?
- How much will it cost to maintain on an ongoing basis?
- Will pages load quickly?
- How will it look?
- How customizable is the solution? (Can you change the design, add new product categories easily?)
- Can you integrate other plug-ins and software? (This will be important if you want to add apps for email capture or referral programs)

SaaS ecommerce platforms:

Using a prepackaged ecommerce solution is most common for entrepreneurs, especially when starting out. Some of their benefits are as followed:

- They give a professional look without requiring you to code your own website
- They are customizable and provide a variety of plug-ins (such as email capture forms and referral programs)
- They can be accessed from anywhere since SaaS solutions are in the cloud
- They have great support communities when you have questions
- SaaS platforms are professionally managed so that your site is always running at top speed with maximum security
- They have PCI compliance in terms of handling credit card data (which is very difficult to do on your own)
- They provide access to your customer and order data

Disadvantages of SaaS ecommerce platforms include:

- Limitation of features (you are basically limited to what the platform offers - for larger businesses with more complicated workflows or specific ERP or CRM systems, this may not be ideal)
- Transaction fees (if you are a larger business, these costs can sway you towards having your own ecommerce solution)
- Global considerations (some online store platforms may be limited in terms of languages and currencies offered, and may not be suitable for companies with stores in multiple countries)

Altogether though, these disadvantages are quite minor for small businesses when starting out and apply more to large enterprises. So, if you are starting an online store for the first time, we suggest going with an ecommerce SaaS platform.

Open source ecommerce solutions:

Open source ecommerce solutions are free ecommerce solutions that have been made available to the general public. Popular examples include Magento and osCommerce.

Advantages of open source ecommerce solutions:

- Flexibility - they can be modified to fit with SaaS-based and licensed software (so you can integrate things that you might not be able to on a pre-packaged SaaS platform)
- Large knowledge base to troubleshoot issues

Disadvantages of open source ecommerce solutions:

- Difficult to use - they require technical work to install and customize for your website
- Requires detailed understanding of open source framework in order to make changes
- No support - while there is a lot of information available on these solutions, there are no support agents that you can call to guide you through issues

Basically, this is the middle ground between using a SaaS ecommerce platform and building an entire ecommerce solution yourself. There will be plug-ins for various implementations available, but these will require technical work on your part. We recommend this if you have a larger business that requires specific implementations for its needs, but is not so large that you can justify creating your own solution from scratch.

Custom ecommerce solutions:

Building your own ecommerce solution requires much greater resources and management. We only suggest doing this if your business is complex enough to require the features that SaaS ecommerce platforms cannot offer or large enough that the saved transaction fees would offset the cost and effort of developing your own solution.

Advantages of custom ecommerce solutions:

- Can integrate any feature that you wish
- Do not have to pay transaction or subscription fees to the SaaS ecommerce platform provider
- Full customization in terms of design, features, workflows, etc.
- Full ownership over your ecommerce solution (no worry about third party removing features)

Disadvantages of custom ecommerce solutions:

- Much greater cost and expertise required for implementation
- Increased effort to maintain your systems (databases, security, quality assurance, etc.)

Domain name (global vs. local)

While “.com” domains are the most trustworthy, it can be advantageous to have locally hosted websites in your targeted country. Search engines like it when you are local and will likely rank you higher when you do this. For instance, if you’re exclusively in Canada, use .ca as your domain. Having a local domain can also make you more attractive to marketing partners because they will know that your website is focused on one country, this keeping traffic more targeted.

However, if you are focusing your business internationally, we suggest using a .com domain. This is because they are the most trustworthy and will be recognized by anyone, anywhere. If the .com domain is not available, “.net” is also acceptable. Don’t use “.biz” (it has a bad reputation and performs poorly). Also, do not use “.org” (for non-profits only) or “.info” (for informational sites only).

Product

Finding a niche/solving a customer problem

Your product is the most important part of your business. You are building everything else around this and it’s likely something that you’re very passionate about. Without a product, you have no business.

However, you also have to keep in mind that customers are not really buying a product, they are buying a solution. For instance, people do not buy quarter-inch drills, they buy quarter-inch holes. Always keep in mind that you are solving problems for customers (or otherwise providing something of value).

Finding the right niche (product-market segment) is also very important. Having products that fit the needs for a very specific group of customers is a great way to ensure loyalty and makes marketing much easier, as you will be targeting only one specific type of customer. Some criteria for a great niche include:

- Somewhere you can add value
- Passionate customers
- Quality manufacturers
- Feasibility of storage/transport
- Acceptable profit margins

You have to make sure that your product will solve a customer problem, stand out from the rest and makes sense from a business standpoint. Not an easy task, but covering these bases will go a long way to secure your ecommerce success.

Product quality

Product quality is imperative for the reputation of your business. Without a quality product, no one will buy from you. Additionally, any customers that you do have will generate negative word-of-mouth regarding your product, something that will absolutely kill your business. As an online entrepreneur, especially a small one starting out, you need to sell a quality product that will separate you from the rest of the pack. You likely do not have the scale of WalMart to compete on price. Therefore, you must differentiate yourself with quality products that solve a specific customer problem.

Product presentation

Product presentation is also very important for ecommerce businesses. Since customers do not have the opportunity to view the product in person before buying, having high-quality photos will go a long way in terms of convincing them to buy.

Photos are the first things your users will see about your products and will create a powerful and lasting first impression. Make sure you capitalize on this by putting quality photos on your website. Here are our tips for great product photos:

- Use a quality camera
- Have appropriate lighting
- Use an enticing product environment (alternatively, putting your products against a simple white background can also be done if you are constrained)
- Show the product in usage (people wearing a shirt, for instance)
- Show product in alternative views (so that customers can see it in different ways, from different angles)
- Have detailed photos (a zoom function so that users can inspect the product will go a long way)
- Do a bit of editing (for brightness, contrast, etc.)
- Ensure product photos are consistent



Check out [Uncrate](#) for examples of beautiful product photos.

Packaging is also a key part of your brand. As an online store, you have less physical touchpoints with your audience, so delivering a beautiful package is a great way to engage with your customers. After all, fancier packaging creates a more exciting and memorable customer experience. It's something they can share with their friends and makes them more likely to shop with you again. For example, [TrunkClub does a great job](#) of making their package look like actual trunks, and this makes the unboxing experience all that much more exciting for the customer.

Elements you can include with your packaging to make it more special include:

- Cards
- Sample gifts
- Coupons
- Tissue paper
- Stickers/ribbons



Videos are also a great way to demonstrate your products and catch the attention of people on your website. This is especially useful for products that are difficult to use or for which it is difficult to show their full usage in photos. Also, [71% of customers think that videos explain products better](#), highlighting how much value videos can bring for your products.

Unboxing videos are also a great way to show your products to your customers. They are becoming a larger part of customer research. In fact, [62% of people who view unboxing videos have serious intent to purchase](#). Encourage your users to share their own unboxing videos as well (perhaps as part of a contest). You can also get influencers to do unboxing videos for you and have them show them to their audiences as well. For example, Lootcrate (a "geek and gamer" subscription-based merchandise website) got PeanutGamer (a YouTube celebrity who does humorous video game review videos) to do an [unboxing video](#) for their products.

Product descriptions

Product descriptions are another important communication touchpoint with your customers. After all, this is where they are getting the bulk of the information related to your product. If you don't have a great product description, you can be sure that your conversions will suffer.

Here are some things to keep in mind when writing your product descriptions.



Make sure you know your buyer persona. Tailor your product descriptions towards them. Knowing your customer and knowing what they want will help you to highlight the most important features of your products.

Ensure that your product descriptions are comprehensive. They must describe all of the important features of your products, and not leave anything missing. After all, if you omit a certain feature, your visitors will likely conclude that the product doesn't have it buy a different product somewhere else.

Make your product description scannable. Put features in large, distinguishable bullet points that allows users to read them quickly and find all important information easily.

Don't just describe your products, sell your products. Describe the benefits that your customers are getting. Remember, customers are buying solutions and benefits, not products.

Be concise. People have short attention spans. Be to-the-point in describing your product's benefits and don't waste people's time with long, rambling product descriptions.

Logistics

Suppliers

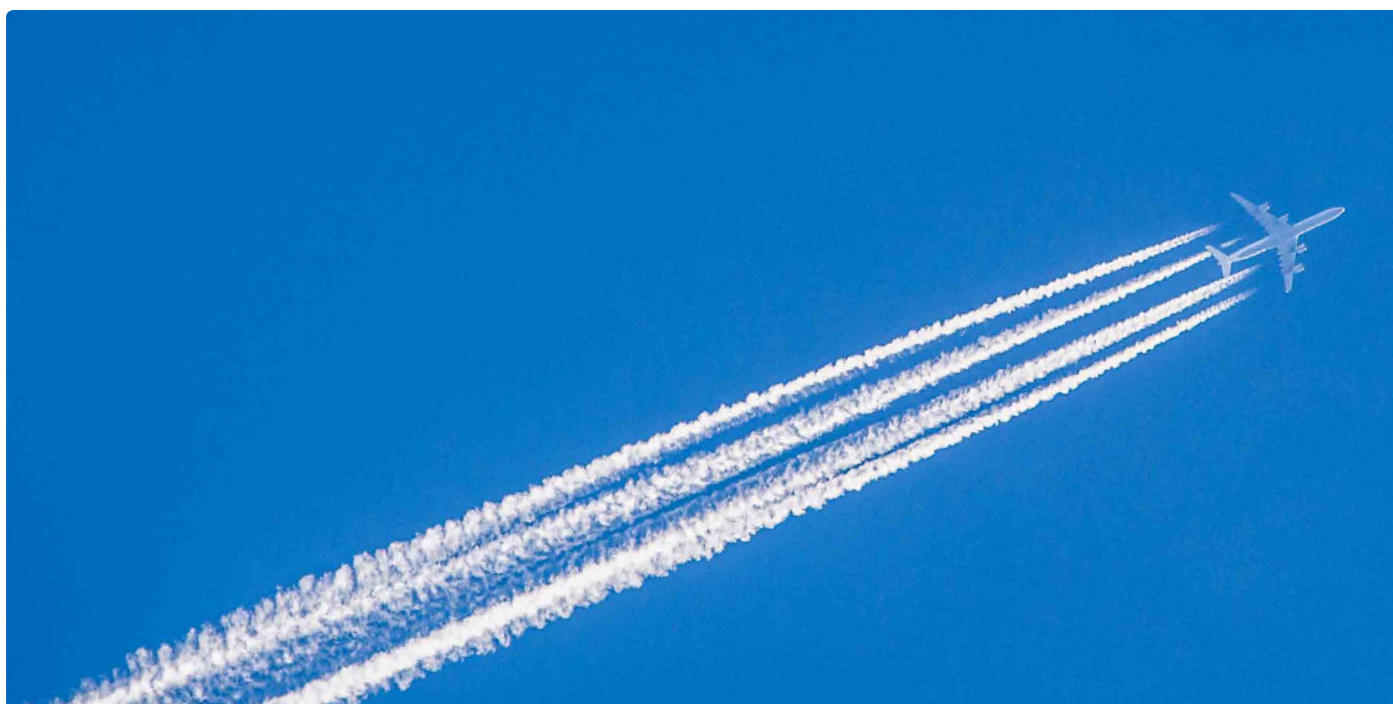
Choosing a good supplier is also very important to your ecommerce business. They must be able to provide a quality product on time. After all, if your product falls short on any measures, your customers will blame you, not your supplier, and you will lose business. On top of all this, you must find a supplier whose price is low enough to provide you with a healthy product margin.

There are many different types of suppliers you can choose from. What works best for you will depend on your business model.

- Manufacturer - let's say you invented your own product - you may want to have a supplier manufacture it rather than making it in-house
- Regular supplier - manufacturer, wholesaler or distributor of existing products
- Drop shipper - supplier who supplies products and fulfills orders for you so that you do not have to carry any inventory

Some important considerations when choosing a supplier:

- Minimum order quantity
- Product price
- Turnaround time (manufacturing and delivery)
- Customer service (can you reach them in case of a problem?)
- Payment terms



Domestic suppliers:

PROS:

- Higher product quality
- Easier communication
- Faster shipping
- Marketing appeal of being made domestically
- Higher payment security
- Better intellectual property protection

CONS:

- More expensive
- Less product choice
- Not as easy to find suppliers

Foreign suppliers: (from low cost manufacturing nations):

PROS:

- Low cost of manufacturing
- High level of product choice
- Marketplaces like [Alibaba](#) which make it easy to find suppliers

CONS:

- Lower product quality (especially in eyes of the customer)
- Potential language barriers
- Longer shipping times
- Import and customs clearing
- Less intellectual property protection
- Less payment security

Warehousing & fulfillment

Something else you will need to think about is where to physically store your inventory (well, unless you are drop shipping). Your solution will be different whether you are selling products that you can store in your closet or basement or large products like mattresses. If you need to find a place to store your products, we suggest working with a third-party logistics provider. The benefits of this are as followed:

- No need to lock in to long-term leases
- Flexibility - you can easily grow your space as your business grows
- No need to hire extra staff (which can be especially precarious if you are just starting out, and cannot offer someone consistent work)
- They get lower shipping rates
- Frees up time for your core business activities (like sales)

However there are some instances when you should not be using a third-party for warehousing and fulfillment.

- When you are just starting out and have limited cash flow (you will likely have more time than money in the beginning and will not yet be able to justify a third-party provider)
- If you have highly specialized packaging ([unboxing](#) can be a very powerful part of your branding and not all fulfillment centres will be able to accommodate special packaging requirements)



Here are some other things to keep in mind when choosing a warehousing and fulfillment provider:

- Location - if they are closer to your customers, you will have lower shipping rates
- Security of the warehouse
- Insurance policy for your goods
- Technology/integrations - does the company use state-of-the-art technology? Do they integrate with your current ecommerce software?
- Analysis and reporting - do they provide good statistics on average order processing time, return rates, etc?
- Customer satisfaction
- Longevity - have they been in business for a long time and will they be around in the future?

Inventory management

Inventory management is especially important to ensure that you can deliver products to your customers in a timely fashion. Good inventory management also helps you save on storage costs, especially if you are paying per square foot used at a third-party warehouse. Getting inventory management wrong can lead to shipping delays which lead to lost revenue and customer loyalty, in addition to increased storage costs. Poor inventory management can also lead to product spoilage (if you have a product with a limited shelf-life).

The following are some commonly used inventory management techniques. You must find the right mix for your business based on your products, customer expectations and resources available (financial and technological).

Just in time delivery:

This is a popular inventory management method that allows business owners to lower inventory levels by ordering products only a few days before they are needed, so that they can ship them out quickly. This is a risky method as any shipping errors become very costly, but it has a high potential payoff. It requires strong customer demand forecasting and understanding of buyer habits as well as reliable suppliers.

ABC analysis:

This is based on the 80-20 rule, where 80% of your sales will come from 20% of your products. You can divide products into 3 different groups (A, B and C) based on their relative value and number of units sold.

Group A: high value, 10% of units sold (great value, few units)

Group B: moderate value, 20% of units sold (moderate numbers for value and units)

Group C: low value, 70% of units sold (lower value, large number of units)

This allows you to split your inventory management efforts and focus efforts on the products that are most important (Group A). Items in Group A have a greater financial impact but are less predictable and thus need more attention than products in Group C, which have lower value, but more predictable, consistent sales.

Bulk shipments:

This basically means ordering large quantities of products to your warehouse space. It is almost always cheaper (on a per-unit basis) to buy and have products shipped to you in bulk. This is a commonly used inventory management method since it is easier to manage. However, it does create larger warehousing costs.

First-in First-out (FIFO) inventory management:

FIFO inventory management is the concept of shipping products in the order that they arrive in your warehouse. So, you will have to put new products at the back of your inventory so that the old ones get taken out first. This is especially important with perishable goods but is also important with non-perishable goods. Packaging and branding on older goods may become outdated and boxes may wear down over time. If you are using a third party for warehousing and fulfillment, it is likely that they already do this, but it is worth contacting them to make sure.

Real-time analytics:

You need to know exactly how much inventory you have at all times. This is especially true as more businesses move to same-day deliveries and consumer expectations rise. Real-time analytics will also help you to understand trends in your data, meaning you can adjust your orders as necessary with minimal reaction times.

Here are some other tips to help improve your inventory management:

- Maintain consistent stock information across channels
- Create demand forecasts and order inventory based on these
- Create contingency plans for issues such as sales spikes, cash flow shortfalls, supplier problems, etc.
- Regular auditing of your inventory levels
- Set par levels for your inventory (an acceptable minimum quantity for your product in your inventory, which will depend on the product and its demand)

Delivery

Delivery can be done either by yourself or a third-party fulfillment center. Doing it yourself can become a lot of work. You may want to consider hiring help to free up your time to work on sales and marketing. [Shippo](#) is a great option to help reduce the burden. They allow you to create shipping labels from home with many large shipping companies and save you money on deliveries. They also support international shipping. In addition to all this, they track your shipping activity and integrate with many popular ecommerce platforms.

Here are some important things to keep in mind when doing your own shipping:

- Provide next-day delivery as an option
- Have options for free shipping (if feasible - you can also offset the cost by increasing product prices)
- Offer multiple shipping options (some customers may be more eager to get the product earlier than others)
- Keep it small and light
- Use table rate shipping for different zones, shipment sizes and weights





Payment methods

Choosing the right payment methods is paramount as we outlined in our [previous ebook](#). Different regions have different preferred payment methods and it is important to align your business accordingly. There are a variety of options available such as PayPal, Stripe, Square, credit card, other e-wallets and cash on delivery. What is absolutely essential is that your payment method is secure, so having reputable options such as PayPal available will go a long way in terms of ensuring that your customers are comfortable with making transactions on your site.

Here is a list of pros and cons of each of the popular payment methods.

Credit card:

PROS:

- Works easily with many ecommerce platforms
- Nearly universal method of payment

CONS:

- Customer may have data security concerns if they do not recognize your site

Paypal:

PROS:

- Easily integrates with many ecommerce platforms
- Reputable company with 100% secure checkout
- Supports many currencies
- Eliminates need for customer to input credit card information every time (reducing friction in payment process)

CONS:

- Lengthy terms of service
- PayPal can freeze your account at any time
- Arbitrary definition of "obscene" material, which limits sales of products that they determine inappropriate

Stripe:

PROS:

- Wide array of currencies available
- Customizable checkout process
- Excellent reporting
- Eliminates need for customer to input credit card information every time (reducing friction in payment process)

CONS:

- Not available in all countries

Square:

PROS:

- Has card readers that merchants can use on their phones in physical storefronts
- Eliminates need for customer to input credit card information every time (reducing friction in payment process)

CONS:

- Only available in the USA and Canada

Cash on delivery:

PROS:

- Brings a larger customer base in countries like India with lagging ecommerce infrastructure
- Allows retailers to reach consumers without credit cards (more common in markets like India)
- Builds trust in retailers (this is especially important in areas where ecommerce is new to consumers)

CONS:

- Issue if customer refuses to make payment
- Customer may return product, incurring cost for retailer
- Delay in cash flow
- Time consuming to collect cash from courier
- Fraud risks

As more technology companies enter the field of mobile transactions, more payment methods are becoming available. One such example is [Apple Pay](#). This solution reduces the friction associated with payment by working through biometrics and eliminating the need to enter credit card information. Using biometrics also makes it more secure. Although currently, the adoption rate of this particular payment solution is low (it requires an iPhone 6), you can be sure that Apple will continue to promote this payment solution and more companies will attempt to grab a piece of the pie.

The best solution for your online business will be a combination of the above payment methods. This will depend on your customers and where you are selling your products. Don't miss out on sales just because you didn't have the payment option a customer wanted!

Marketing

Market validation

We cannot stress enough the importance of market validation. Basically, this means confirming that there is demand for your product before diving in headfirst and making a large investment in inventory and your online store. After all, you may have a great idea, but until you can confirm that there is demand for what you are offering, you will never know if it will work. Market validation greatly reduces the risk associated with starting an online business.



Some strategies to validate your market include:

- **Analyzing your competitors** (Are they successful in the space, do they have large social media followings, do they generate traffic and backlinks?)
- **Start selling your product offline first** (Selling t-shirts or creating your own kind of marmalade? If you can sell it some units at trade shows and festivals, you can be more certain that the success will translate to online)
- **Generating pre-orders for your product** (Get people to commit to buying the product before you set up your store. This can be difficult, but if you have a unique product that people really want to buy, it can be done and is a great indicator of market validation)
- **Surveying your target market** (Create a survey on [SurveyMonkey](#) to see if people would be interested in your product, how they feel about your pricing, what concerns they have, etc. Of course, it is best to target these surveys towards your target market. Of course, if your target market is not covered by your friends and family you can always use a paid service such as [Survata](#) or [Google Customer Surveys](#) to help reach people in your target market)
- **Doing a crowdfunding campaign** (A crowdfunding campaign, where you raise money from donors on sites like [Indiegogo](#) or [Kickstarter](#) is a great way of confirming whether there is interest in your product. Of course, this also helps you raise money for your business idea. Try offering discounted units of your product in exchange for donations, and this can really go a long way)

Market analysis

Market analysis is a very important research component when setting up your online store. You need to ensure that there is sufficient demand for your product(s) in order to support your business. There are several tactics that will help you do this.

Keyword research:

Seeing how many people search for your product and related terms will give you a good idea of how many people are looking for it. The [Google Keyword Tool](#) is a great way to look at this. Another great tool for this is [Google Trends](#). This will show you keyword search volume over time. You can also compare different keywords and look at data geographically. This tool will also show you topics that are trending on Google and can be a great source of inspiration if you are still looking for your product idea.

Social media research:

Knowing what is going on in social media is a great way to understand how people feel about your products, what their interest in them is and what problems they have surrounding the products. Check how many people mention certain topics and their sentiment scores to see how people feel about certain ideas. Here is a [list of great tools](#) that you can use to help you with this.

Competitor evaluation:

A seemingly obvious but oft-overlooked way of determining market demand is to check if other people are selling the product and if they are popular. Is your product sold in shops elsewhere? Are there other websites where your product (or similar variations) can be found? For competitors, you can use a tool like [Moz](#) to gauge the popularity of their websites. It can also be helpful to look at national statistic bureaus in order to look at the sales and consumption in your product category.

It should be noted that there is a bit of a caveat when doing this sort of market analysis. If your product is so ubiquitous and being sold by so many online stores, it may be difficult for you to break into the market. What we suggest is having a sufficiently differentiated product that solves an underserved customer problem. Another caveat is that your product may be something entirely new altogether. Let's say you are making a new form of snack food. In this case, doing market validation through selling your product to your friends, at food festivals and through small merchants may be a better idea. You can also check the demand of substitute products (products that have a similar function in terms of solving customer needs that your product would be replacing - i.e. - your new snack food versus the snack foods in the category that it would be trying to break into).

Pricing

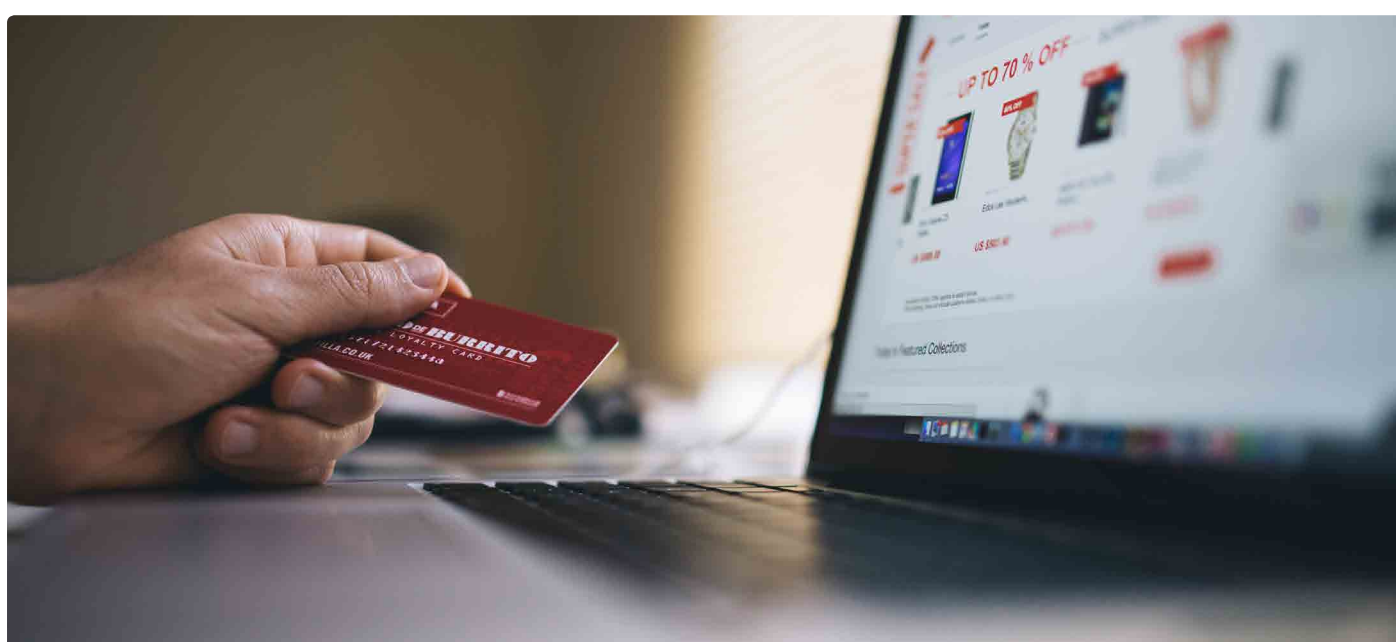
Pricing is another key component in terms of setting up your ecommerce business. After all, this will help determine your profitability and long-term viability of your business. You will need a price that allows you to make a healthy margin while staying competitive in your marketplace. Pricing may be quite simple

for you, if you are re-selling products from manufacturers. You will likely have to use market-based pricing, and sell at a price that is competitive in the marketplace. If you find that you cannot make your business profitable on this price, it is likely that the product you have chosen is not the right fit for your online store.

Another pricing mechanism is cost-plus pricing. This is taking the cost of manufacturing, selling, and shipping the product (likely with some overhead costs baked in) and then adding a profit margin on top of this. For instance, let's say that all the costs to manufacture, sell and ship your product are \$100. You may decide to sell the product at \$125 to give yourself a 20% profit margin. This method ensures that you make some profit on your products. However, you have to be sure that this pricing fits with the other pricing methods. This price still has to be competitive in the marketplace, and fit with value-based pricing, which we will discuss in the next paragraph...

Value-based pricing is the concept of pricing based on what the perceived value is to the customer. What would they realistically be willing to pay for it? This is especially useful for new products (which don't have as much of a precedent for pricing) or for software/digital products where the cost per unit is essentially zero. Try to think of what your customers would be willing to pay for the product. Do a survey or some other form of market validation if necessary. For example, let's say you sell a product that grows hair back, eliminating the male pattern baldness problem (and let's say, your product actually works). How much would a man be willing to pay for such a remedy? Surely he would be willing to shell out the price of a morning coffee in order to gain his hair back. You could experiment with a price of \$100/month for this remedy (although we would suggest validating this in a survey first - after all, it could turn out that people would be willing to pay a lot more, and you would be missing out on revenues by pricing it so low).

However you do it, you will need to make sure that your pricing makes sense for your business and in the marketplace. It will depend on your product and your business. Generally, we suggest using a combination of the above methods - market-based, cost-based and value-based pricing in order to arrive at the pricing



Where to sell

Ostensibly, your primary channel will be your online store. However, there are many other channels that you can use in order to grow your business. Here are some other options available to you:

EBay & Amazon:

EBay and Amazon are great options to supplement your online store sales. These marketplaces can be advantageous in that they attract a large number of visitors and can allow you to win customers for repeat purchases. You will also be working on a marketplace that is trusted by consumers and has excellent back-end support.

However, there are some drawbacks to using these platforms. There is a lot of competition on these sites. Your brand presence will be limited and you will have to incur marketplace fees. Also, you will not be able to collect email addresses so that you can remarket to customers.

In conclusion, we generally suggest selling your product on EBay and Amazon in addition to on your online store. However, due to the ability to control the branding and customer experience on your website (as well as lower fees), we suggest that your website should be your primary means of driving customer sales.

Etsy:

[Etsy](#) is an online marketplace for handmade craft items. The site has over 60 million active members as of the writing of this ebook. If you have a shop selling hand-made goods, you should give Etsy serious consideration. Although selling on Etsy has a similar list of pros and cons to EBay and Amazon, there are some factors unique to Etsy. First, it has a great support community, as the merchants on the site are all people creating their own product and share a sort of a common cause. Also, its user base is a bit more specific than EBay or Amazon, meaning you can be a bit more targeted with your product offerings.

Google Shopping:

Google Shopping is a Google marketplace where you can list your products for sale. It allows you to advertise by keyword in order to promote your offerings and operates on a pay-per-click model.

You will have to set and bid on keywords for your products. It is best to use long-tail keywords as they are very specific to your products and will often have lower competition than more generic keywords. For example, if you sell black, hand-made, locally-sourced leather sandals, putting all of these keywords in your targeting will be much more effective than just bidding on the word "sandals".

We suggest setting negative keywords to your campaigns so that you do not pay for clicks that are not related to your products. For instance, if you sell iPhone cases, set "Samsung" and "android" as negative keywords so that people looking for Android phone cases do not click on your ads and drive up your advertising costs.

Content marketing

Content marketing is absolutely one of the most important things for your online business. It will boost your SEO, help you develop trust with your prospects, give people a reason to come to your website and establish you as an expert in your niche. If you can create shareable content - something that is so beautiful or so valuable that people cannot resist sharing it with their friends - you can be sure that the word of mouth that it generates will be a huge boon to your business. Here are some tactics to help you build a great content marketing strategy.

Blog:

Every ecommerce business should have a blog related to their business. Be interesting and add value. Use your blog to talk about your industry, tell your business' story, announce sales and events and provide tutorials on your products. The possibilities are literally endless. Having a blog will keep people engaged, coming back to your website and will help warm up prospects who are simply not ready to buy yet. You can also make guest blog posts on other related websites and include a backlink to your own site. This will help to expand your reach, get more eyeballs on your content and bring more people back to your store.

Product photos and descriptions:

As discussed previously, having great product photos and descriptions will go a long way in terms of improving your SEO and convincing visitors to buy your products. This is the first touch point that customers will have with your products, so it is essential that you make a good impression here.

Infographics:

People love these things. If you have some sort of data to show your customers, this can be a very fun way of doing it. Graphs and charts can be boring to some people, but bite-sized infographics that give useful information are shareable and can contain a ton of useful information. Not an expert designer? No worries. You can create your own beautiful infographics with a service like [Piktochart](#).

Videos:

Videos can be used for many purposes and are a particularly engaging form of media. They can be used for things such as product tutorials and unboxing videos as we mentioned before. They are also shareable content that you can post on your social media platforms.

Ebooks:

Like this one! Do you have something big to say on a particular topic? Do you have a whole lot of content on one topic that you want to get out to the world? Consider writing an ebook and making it available to your partners. Ebooks are highly shareable pieces of content and will help establish you as an expert in your niche.

Perhaps you sell fitness supplements. You could write an ebook that is a guide to living a healthy lifestyle with eating and workout habits included. Like with all your other content, make it valuable and interesting to your customers.

Podcasts:

Podcasts are another great way to reach your audience. On your podcasts, you can talk about specific topics that your users will find valuable or do a mini-series on sections within a broader topic itself. Also, you can invite guests on your podcast that your customers will find particularly interesting. Additionally, you can be a guest on another podcast. Have these podcast episodes posted both on your website and that of your guest so that you can reach a larger audience.



Webinars:

Host live webinars in order to engage with your audience. This gives you a great opportunity to speak with your audience in person and gives your business more of a human face, helping to win their trust. Webinars can be particularly useful if you have a complicated product or service. You can use them as a sort of tutorial session where people can ask you questions live. Having guests for your webinars can also help you to garner interest and reach more people, especially if your guest sends the webinar to their audience as well. Another idea, popularized by Reddit, is to do an AMA (ask me anything) session. You can host a live webinar where people come and ask you questions and you respond to them live. This is a particularly great way to engage with your audience. You can use a tool such as [GetResponse](#) to host webinars.

Influencer marketing:

Influencer marketing is another great way to have your products and content shared. In the world of online business, trust is very important as there are many products out there to choose from. People are bombarded by choice and they are more likely to buy a product if someone they trust can vouch for it. If you can get a celebrity or someone important in your niche to vet your product and post about it on their social media pages, you can be sure that it will bring traffic to your website from people who are genuinely interested in your products. You can conduct paid influencer marketing through channels such as Instagram, but you can also send free products to influencers in exchange for their posts. Think that your company is too small to get an important influencer to post about your product? You can start with smaller influencers or perhaps work with those that are very targeted towards your niche. Do you sell video gaming glasses that help reduce eye strain for hardcore gamers? There is a plethora of YouTubers that you can reach out to in order to post about your product. Offer them a free pair of your glasses and a coupon code for their viewers.

Email marketing

Email marketing is a great way to keep people engaged and hit them up with offers. Your email list is something that you should be building from the very beginning. You can use a tool like [MailChimp](#) to send mass emails to your subscriber lists. In order to gather these emails in the first place, use a service like [Optinmonster](#) to capture the emails of people coming to your website. Offer something like a 10% discount coupon on their first purchase or a copy of your exclusive ebook in exchange for their email address. Once you have their emails, send them genuinely useful content related to your products in order to get them engaged with your brand. Once you have warmed them up, encourage them to check out your products that will help them to solve their problems or otherwise add value in their lives.

Email marketing is also a great way to remarket to old customers. Have they not visited your store in a while? Offer them promotional discounts, especially during holiday seasons and other special occasions. Send them newsletters with valuable content that will keep them thinking about you as a trusted provider within your niche.

Social selling

More and more, social networks are making it possible to sell products directly through their platforms. Social commerce grew from \$5 billion in 2011 to \$30 billion in 2015. This can be advantageous to you as it allows you to sell products in sites such as Facebook, without the customer having to leave the page. Additionally, many of these sites also store credit card information, eliminating the need for customers to enter it every time. Both of these things reduce friction in the buying process, reducing the number of steps that a customer needs to take in order to buy a new product, making it more likely that they will convert. As a specific example, Pinterest has a “buy it” button which allows people to buy products directly on the site. Social selling also encourages sharing, as users can easily share their buying experiences when making a purchase via a social media site. Word of mouth marketing is especially important for millennials, whose spending power will pass that of baby boomers by 2017.

There are applications that can help you even when “buy now” buttons are not available. Services such as [Soldsie](#) and [Curalate](#) can help make your Instagram feeds “shoppable”. These apps work by linking your content to pages where customers can make purchases

Chatbots are a great way to take advantage of social selling opportunities. Consider that [people now spend more time on messaging platforms than social media sites](#). These bots can be set up through social messaging platforms such as Facebook Messenger and Kik in order to interact with your customers and guide them through the buying process. Check out this great example of social selling on Kik by H&M.

You may think that implementing a chatbot is something only big businesses can do, but actually, they can be created for smaller businesses as well. Check out [Letsclap](#) or [Kit](#) if you are using Shopify.

Your online store may be selling digital goods. There are online marketplaces which specialize in these types of products. Some marketplaces to sell digital goods include:

- [Sellfy](#)
- [SendOwl](#)
- [Gumroad](#)
- [E-junkie](#)
- [Pulley](#)
- [DPD](#)



Promotions and discounts

Promotions and discounts can be great ways to drive interest and sales in your online store. They are easy to use and easy to track. In addition to helping you acquire new customers (who you can then sell to again later), they also help in re-engaging old customers who maybe have not visited in awhile. Many ecommerce platforms easily allow you to create coupon codes that you can offer your customers. There are several different kinds of discounts that you can use:

- Percentage discounts
- Dollar value discounts
- Store credits
- Free shipping
- Free gifts



Some good times to offer discounts (coupon codes) include:

- In exchange for signups to your email list
- Seasonal and holiday offers
- Pre-launch offers (offer a discount for pre-ordering a product before launch)
- Abandoned cart offers
- For referrals (offer a discount for both the referrer and the person they refer)
- For sharing on your social media sites
- Volume/cart size offers
- Customer loyalty offers
- Exit intent pop-up offers (when a customer is about to leave your website without buying anything)
- Retargeting offers

However, there are some potential drawbacks that you need to consider when using discounts and promotions:

- Undercutting margins
- Hurting your brand image (customers may see your products as lower quality if you are offering a discount - this does largely depend on what you are selling though)
- Don't get your customers too used to promotional pricing (or else they may decide only to buy from your site when there is a promotion)

Holding a promotion alone will not drive traffic and sales to your site. It needs to be integrated as a part of your overall strategy. Let your email subscribers know and share your promotions via social networks in order to let people take advantage of them. You can also use other strategies such as promoting your offers through affiliates.

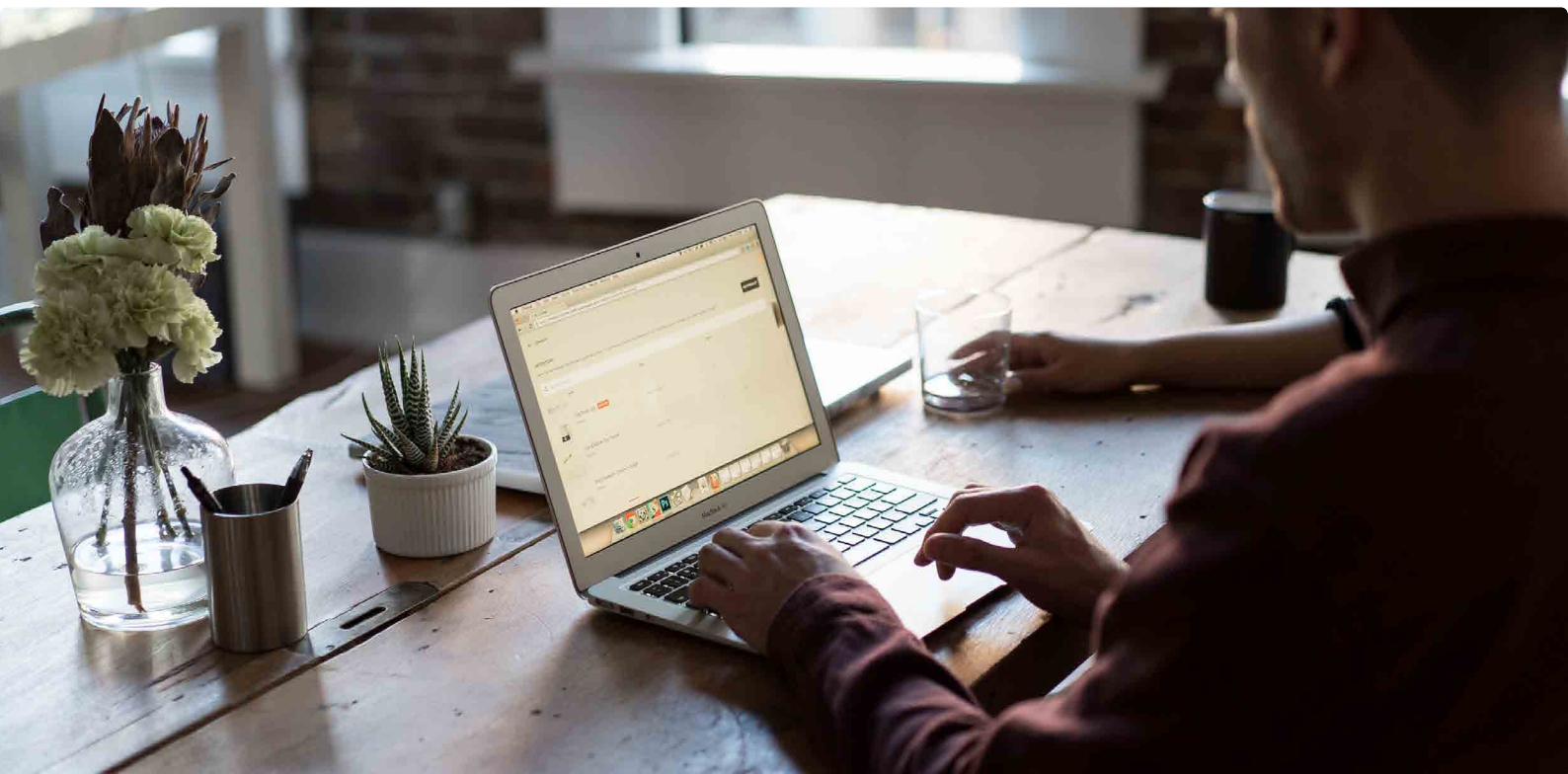
Although there are some risks associated with providing promotions and discounts, they can provide great boosts to your business if used effectively.

Pay-per-click (PPC) advertising

PPC can be a powerful tool in terms of driving traffic to your website and getting people who are ready to buy. The main channels for this are Facebook Ads, Adwords and Yahoo/Bing Ads, but it can also be done on networks such as Twitter and LinkedIn.

The important thing to note here is that you will have to bid on keywords and pay per click (as the title of this section suggests). PPC advertising can be quite competitive, so it is important to choose keywords that are specific to your products and which have a low enough bid in order to be justified. Here are some other things to keep in mind while setting up your PPC campaigns:

- Use the [Google Keyword Planner](#) to check the search popularity and bidding cost of your selected keywords
- Look at competitor keywords to gain ideas for your own. Some examples of tools for this can be found [here](#)
- Monitor the performance of your campaigns in order to invest your marketing dollars where they yield the greatest profits
- Use very specific ad groups (for example, have two separate ad groups for the red hats and green hats that you sell)



Remarketing is another great tactic here. Display banner ads to people who have already visited your website. This can be done with Adwords or Facebook Ads. A big advantage of retargeting is that people who have already visited your website are more likely to convert. In fact, people who see retargeting ads are three times more likely to click than those who are seeing an ad for something they have not visited before.

Some strategies to improve your retargeting ads include:

- Putting a frequency cap on your campaign so that users do not see it too often (15-20 times per month is a good range)
- Set your ads so that if someone buys they will be removed from the campaign
- Segment your ads (create different ads for people at different stages of the purchase process)

Upselling and cross-selling

Upselling and cross-selling are two different things.

Upselling is upselling a better version of the product while someone is in the sales process (i.e. - offering a larger soda for 25 cents).

Cross-selling is offering a complementary product while someone is in the sales process (i.e. - asking a customer if they would like to buy french fries with their hamburger).

In fact, product recommendations are responsible for an average of 10-30% of ecommerce revenues.

However, upselling and cross-selling should be done only when you are genuinely adding value for the customer. You should only be up/cross-selling truly useful and complementary products. Also, do not provide too many options in this process, as having too many options can confuse customers and result in them not making any choice at all.

There are applications that you can use in order to implement upselling and cross-selling on your website. These include [Product Upsell](#), [Notso](#) and [Recommendify](#).

Maintaining an offline presence

Maintaining an offline presence is something we recommend if it is feasible. After all, it will help you sell more products. Additionally, it will drive more traffic to your online store and help your social media efforts. It will help to improve your brand image and make customers familiar with your company (you can also take your photos from events such as trade shows and festivals to highlight your offline presence on your website, and give your business more of a human face).

Growing your business

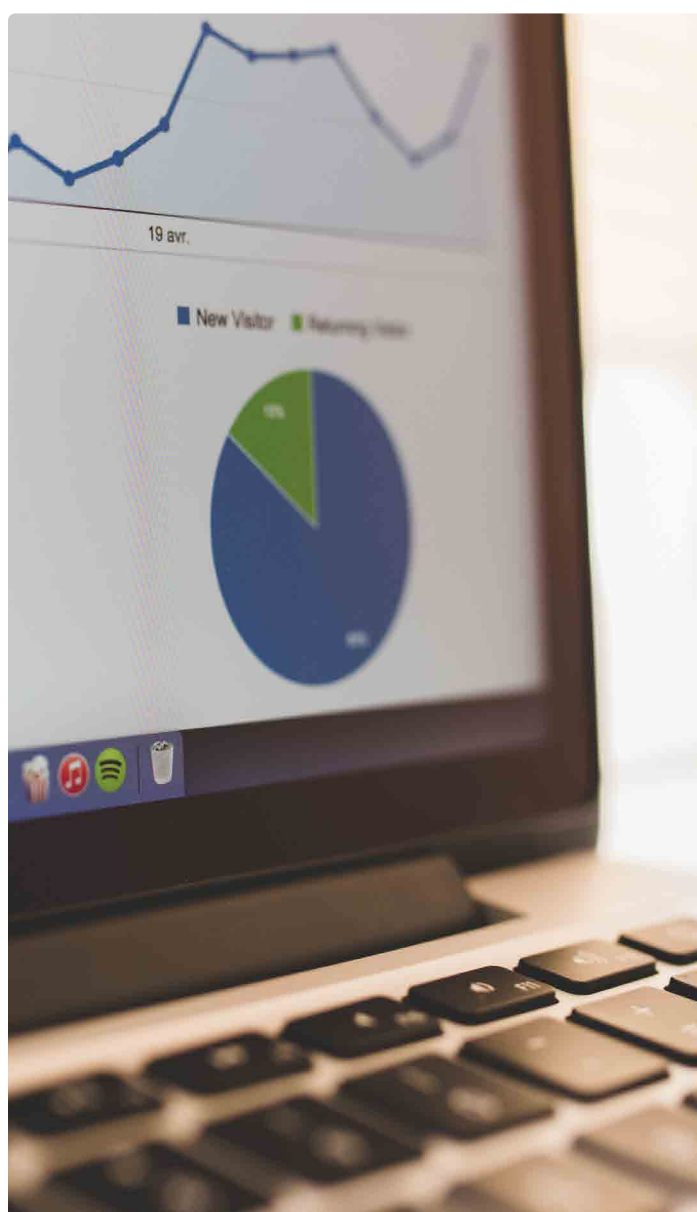
Once you have all the pieces in place and have built something that customers love, it's time to pull the levers that are necessary to grow your business. By identifying product and customer trends in your online store, you will be able to identify new opportunities to capitalize on and improve key metrics.

Analytics

Analytics is the heart and soul of business growth. Once you have a product that customers want and have started selling it, you will need superior analytics in order to track the performance of your online store,

Granularity

An important data analysis principle for you to keep in mind is granularity. Try to get as granular as possible with your data. For instance, at a high level, your data may show that Facebook ads have the lowest cost per conversion of all ad types. However, looking deeper into the data, you may find new insights. For instance, if you look at your Facebook ads targeted to the United Kingdom, you might find that they have an even lower cost per conversion. Drilling deeper, you may find that Facebook ads in the UK targeted to females under 30 have an even lower cost per conversion than the UK as a whole. This is an indicator for you to focus your advertising efforts on Facebook ads for females under 30 in the UK. Without this extra granularity in your analysis, you would never have been able to determine that the best place to spend your marketing dollars was on this particular market segment. Do this with all of your metrics. Try to find pockets where you can add value and be as granular as possible. Develop hypotheses based on what you think is working best and investigate the numbers in order to find what is working most effectively.



Use Funnels

Funnels will help map your customer acquisition journey. You can use them to monitor each specific stage of the buying process and optimize across the funnel. For instance, the funnel for a customer on the website may be something like:

- Arrives on website (100% of customers)
- Visits product page (50%)
- Puts product in cart (10%)
- Goes to cart (8%)
- Enters payment information (6%)
- Completes payment (5%)

This is a simple example of a funnel for an ecommerce website. You may want to include different steps or create different funnels in your ecommerce store (such as filling out lead forms for enterprise-level clients or for users coming from different channels). Funnels are based on your needs as a business and are dynamic. For instance, you may want to include downloading an ebook as part of your customer funnel. However, you should be aware that some users may make a purchase without doing this.

Your goal is to monitor this funnel and optimize at each stage. For instance, you may see that you have a high percentage of customers adding products to their cart, but very few are completing the purchase. This is a signal for you to investigate if there are any issues with your payment gateways. If so, you can fix that specific issue and increase your overall conversion rate.

Funnels are also effective for use in email campaigns. An example of a simple email campaign funnel is as followed:

- Emails sent (100% of emails)
- Emails received (97%)
- Emails opened (50%)
- Users who clicked on emails (20%)
- Users from emails who added products to cart (12%)
- Users who purchased at the end of the process (8%)

Predictive analysis

Predictive analysis can go a long way for you in terms of forecasting. Here are some ways in which predictive analysis can help your business:

Inventory management: By being able to forecast demand for your products, you can plan orders and staffing accordingly.

Understanding customer behavior: Knowing which product combinations go well together in order to make product suggestions, or using purchase history to understand what a user may want next time.

Revenue forecasting: By having a good idea of how much you are going to sell, cash flow management becomes easier. Using past performance data to predict future results will help you plan your cash flows better.

Measure everything

Every part of your online store is something you can optimize. You should be monitoring every aspect of your online store to find opportunities to improve those metrics. Otherwise, you're just leaving money on the table. This goes for everything from your key metrics to your email campaigns. For marketing campaigns, you should be tagging them in Google Analytics so you can measure them properly.

Some of the key metrics you should be monitoring in your online store include:

- Website visitors (by source/channel)
- Time on site
- Page views per visit
- Bounce rate
- Revenue
- Customer lifetime value (how much a customer spends over their entire lifespan)
- Profit margins
- Proportion of new versus returning customers
- Average order value
- Conversion rate/cost per conversion
- Churn rate (customers who buy once and never return)
- Average processing time
- Customer issue resolution rate and response time
- Product combinations
- Cart abandonment rates
- Order cancellation/return rates

You can find more details on many of these metrics in our [previous ebook](#).

Test everything

Now that you are monitoring everything, you must be finding new ways to optimize it. The best way to do this is through testing - trying new things and seeing what works and what doesn't. And like with monitoring, you can do tests for everything - pricing, call to action button colors, web pages, etc.

One of the most popular ways of doing this for ecommerce merchants is A/B testing. Essentially, this is testing two different versions of a certain element (pricing, button color, etc.) and determining if the new version experiences a lift in conversions (or otherwise desired actions). Your original version of the element will act as the control.

Optimizely is a very popular tool for A/B testing and allows you to set this up with your website. Additionally, Optimizely will allow you to split the traffic on your website - ensuring that a certain percentage of visitors see one offer while the rest see the other (this is managed with cookies so that people always see the same offer when coming to your website during the testing period).

A more complex version of this is multivariate testing, where you may test more than one element at a time. For example, let's say you want to test pricing (\$100 to \$120) and the color of your "buy now" button (blue to red). Your variates would look like this:

- Variation 1: Blue button, \$100 (control)
- Variation 2: Blue button, \$120
- Variation 3: Red button, \$100
- Variation 4: Red button, \$120



Something important to keep in mind is that you must run a controlled experiment. For instance, you cannot run this experiment in the middle of a large overhaul of your website. The changes to your website will have an impact on your test and the results will therefore be invalidated.

Once you have the data from your experiments, it is important to check them for statistical significance. Although this sounds mathematically complicated, it can be easily done by any ecommerce entrepreneur. Basically, this means you need to ascertain whether the improvement in a metric came from the change in the product or from random chance. You must run your experiments long enough in order to have a large enough sample size for it to be statistically significant. Generally, we suggest having 300 conversions in each test group (variation) in order to determine if a result is statistically significant or not. The generally accepted level of confidence or certainty for an experiment is 95%. [This](#) is an easy tool that you can use in order to determine if your results are statistically significant or not.

Evolve continuously

Business is a tough world and you need to be on top of your game. You need to be responding constantly to changes in your online store and your customer preferences. Don't be afraid to change and offer new products as long as you are staying true to your customers and delivering them value. Find new ways to serve your customers - whether it be through more payment options or chatbots that can help guide them through the buying process. If you fall behind on these things, your customers may leave you for your competitors.

There are always new opportunities to grow. There are always new products and cool ideas coming into the marketplace. In addition to this, we live in an age where technology has been advancing more rapidly than ever before. Today, there is an application for literally almost everything. You can find plug-ins for your website to offer referral programs, chatbots and many other things that will help you grow your business. Additionally, more and more platforms such as Facebook Messenger and Pinterest are opening themselves up to ecommerce. Being knowledgeable about trends in ecommerce will help you take advantage of these opportunities.

And this is what makes it all so exciting. You have complete ownership over your business. You get to define it and what you are to your customers. Also, you theoretically have unlimited earnings potential as you can scale your business to reach more and more customers. So, grab the bull by the horns and make it happen!

Conclusion

We've given you all the knowledge we have in terms of how to succeed in ecommerce. Really though, it comes down to you. You need to put in the effort to implement all of these initiatives. Having a great product will also help, but you do need to have the expertise and the sticktuitiveness to get your ideas to market. The process is not easy. However, the rewards of running your own business and taking control of your own financial and working destinies are incalculable - and indeed go far beyond the money itself. Join the movement and make it happen! We know you can do it!