

# EUROPEAN PROGRAMME

LLP - Leonardo da Vinci - Transfer for Innovation

## “e-Commerce for traditional products - women 50+”

Project: 2009-1-GR1-LEO 05-01858



[www.e50plus.eu](http://www.e50plus.eu)

### TRAINING TO e-COMMERCE



## Introductory Course

### Aim of the course

- establish an e-shop and improve e-trade
- with the help of practical computer lessons and e-Commerce software this course will guide to a new qualification and to generate new paths for selling
- with an e-shop people can start up their own business in order to offer their service for companies or people as well
- Who has benefit?  
SME's, handicrafts, entrepreneurs, unemployed people generally

The Introductory Guide to e-Commerce training course consist of the following chapters:

1. Introduction to e-commerce
2. e-Commerce and the law
3. e-Commerce business
4. Payment and order processing
5. Trading online - understanding e-Commerce contracts
6. Develop an e-marketing plan
7. Get the right website for your business
8. Building my own e-Commerce Portal Windows
9. Security and e-Commerce
10. Common e-Commerce Pitfalls
11. References



## 1. Introduction to e-Commerce

In the emerging global economy, e-commerce and e-business have increasingly become a necessary component of business strategy

Specifically, the use of information and communications technology (ICT) in business has enhanced productivity, encouraged greater customer participation, and enabled mass customization, besides reducing costs.

With developments in the Internet and Web-based technologies, distinctions between traditional markets and the global electronic marketplace-such as business capital size, among others-are gradually being narrowed down.

With its effect of leveling the playing field, e-commerce coupled with the appropriate strategy and policy approach enables small and medium scale enterprises to compete with large and capital-rich businesses.

### Definitions (1)

E-Commerce consists primarily of the

- distributing,
- buying,
- selling,
- marketing,
- and servicing of products or services over electronic systems such as the Internet and other computer networks. The information technology industry might see it as an electronic business application aimed at commercial transactions. It typically uses electronic communications technology such as the Internet, extranets, e-mail, e-books, databases, catalogues and mobile phones.

E-marketing means using digital technologies to help sell your goods or services. These technologies are a valuable complement to traditional marketing methods whatever the size of your company or your business model.



### **Definitions (2)**

M-commerce (mobile commerce) is the buying and selling of goods and services through wireless technology-i.e., handheld devices such as cellular telephones and personal digital assistants (PDAs). Japan is seen as a global leader in m-commerce.

### **Industries affected by m-commerce include:**

- Financial services, including mobile banking (when customers use their handheld devices to access their accounts and pay their bills), as well as brokerage services;
- Telecommunications, in which service changes, bill payment and account reviews can all be conducted from the same handheld device;
- Service/retail, as consumers are given the ability to place and pay for orders on-the-fly; and
- Information services, which include the delivery of entertainment, financial news, sports figures and traffic updates to a single mobile device

### **Definitions (3)**

- Commerce Server
  - Web software that runs some of the main functions of an online storefront such as product display, online ordering, and inventory management. The software works in conjunction with online payment systems to process payments.
- Shopping Cart
  - A shopping cart is a piece of software that acts as an online store's catalog and ordering process. Typically, a shopping cart is the interface between a company's Web site and its deeper infrastructure, allowing consumers to select merchandise; review what they have selected; make necessary modifications or additions; and purchase the merchandise.

### **Definitions (4)**

- E-Tailer
  - An e-tailer is a retailer that primarily uses the Internet as a medium for customers to shop for the goods or services provided.
- E-Shop (Online Shop)



- The electronic commerce platform as a virtual shop or a mall where customers can browse through a catalog searching for categories and products and order them,
- Online shopping is popular mainly because of its speed and ease of use.

### Definitions (5)

- Commerce Services Providers, or CSPs supply businesses with the tools and services they need to buy and sell products and services over the Internet and manage their online enterprises.

CSPs provide service in areas such as:

- \* hardware/software design
- \* risk management
- \* payments
- \* brand recognition
- \* distribution control
- \* taxes
- \* Web site development and hosting
- \* Web site performance monitoring
- \* fulfillment management
- \* online marketing
- \* building a customer base
- \* order processing and delivery.

### Different types of eCommerce

The major different types of e-commerce are:

- business-to-business (B2B);
- business-to-consumer (B2C);
- business-to-government (B2G);
- consumer-to-consumer (C2C);
- mobile commerce (m-commerce).

### Requirements to start

- having a competent management team,
- good post-sales services,
- well-organized business structure,
- network infrastructure and
- a secured, well-designed website



- resource competence  
(can staff, hardware, software, and processes handle the proposed strategy?)

### ***Planning for e-Commerce***

Try to answer these questions

- Understand customers
  - Why they buy and how they buy.
- Consider the competitive situation
  - Who is on the market, which strategy he uses?
- predict environmental reaction
  - What will competitors do?
  - Will they introduce competitive brands or competitive web sites?
  - Will they supplement their service offerings?
  - Will they try to sabotage a competitor's site?
  - Will price wars break out?
  - What will the government do?

### ***Suppliers***

Suppliers offering services to electronic commerce practitioners

- Financial
  - \* Moneybookers
  - \* PayPal
  - \* WebMoney
  - \* Yahoo!
  - \* Google Checkout
  - \* Paymate
  - \* Chronopay
- Software
  - \* xtCommerce
  - \* Zen Cart
  - \* IntelliShop – eCommerce Suite
  - \* OXID - eSales

### ***Success Story***

- PayPal is an e-commerce business allowing payments and money transfers to be made through the internet.
- It serves as an electronic alternative to traditional paper methods such as checks and money orders.



- PayPal performs payment processing for online vendors, auction sites, and other corporate users, for which it charges a fee.
- Terms: >18 years, valid e-Mail and bank/credit card account (reference account)
- In 2002 PayPal became a 100% subsidiary company of eBay

### **The Fraud Thing**

From Wikipedia, the free encyclopedia

- In March 2005, Wired News reported that personal information belonging to seventeen million iBill customers had been leaked onto the internet.
- If you follow the link above (<http://www.wired.com/>) you will see that Wired News has issued a partial retraction based on new info.
- iBill is now a porn site.



## 2. e-Commerce and the law

### Introduction

E-commerce is all about selling goods and services via the Internet. The trader and customer are not face to face at any point, with business conducted remotely, regardless of location. This can pose a number of challenges to the formation and enforcement of contracts.

A number of legislative initiatives affect business conducted online - they can be complex and change regularly.

As far as e-commerce transactions are concerned, the legislation is primarily intended to ensure that online contracts are legally binding.

The ways in which electronic marketing can be undertaken to promote the services of e-commerce providers are also regulated.

This guide takes you through the various regulations and provides practical advice on how to ensure that you comply with your legal requirements.

### E-commerce Regulations

The E-commerce Regulations came into force in August 2002. They implement the EU E-Commerce Directive aims is to ensure that electronic contracts are legally binding and enforceable throughout Europe.

The Regulations apply to businesses that:

- sell goods or services to businesses or consumers on the Internet, or by email or SMS
- advertise on the Internet, or by email or SMS
- convey or store electronic content for customers, or provide access to a communications network

They do not cover direct marketing by phone or fax.

### Information requirements

The E-commerce Regulations identify specific information about your business that you must provide to recipients of online services, and set down guidelines regarding advertising and promotions.



## Contracting online

If you form a contract online by electronic means, your customer should be able to print and store a copy of the terms and conditions. To find out about what information you must give the customer and other practical advice on how to comply, see the page in this guide on [tips for complying with the E-commerce Regulations](#).

## Advertising

If you intend to advertise on the Internet, or by email or SMS, the Regulations stipulate that "commercial communications" must be clearly recognisable as such. They must clearly identify the person on whose behalf the marketing communication is sent, together with any promotional offer.

The Regulations also cover "unsolicited commercial communications," commonly referred to as **spam**. They require that these communications are identifiable from the subject line of the email, without the need to read the rest of the message. SMS messages are not covered for these purposes.

## *Tips for complying with the E-commerce Regulations*

To comply with the general information requirements of the E-commerce Regulations 2002 you must give recipients of your online services:

- your business' name, geographic address and other details including your email address
- details of any publicly available register in which you are entered, together with your registration number or equivalent
- the particulars of the supervisory body if the service is subject to an authorisation scheme
- details of any professional body with which you are registered
- your VAT registration number

If your website refers to prices, these must be clear and indicate whether they include tax and delivery costs.

## How to comply when contracting online

If your business forms contracts online you must provide your customers with information about:

- all technical steps required to conclude the contract, eg "click this box"
- whether the concluded contract will be filed by you and whether it will be accessible
- the languages offered for the conclusion of the contract
- any relevant codes of conduct to which you subscribe, and information on how these can be consulted electronically

You must make sure that your website allows customers to go back and correct any mistakes made in their order before the order is placed.



Once a customer has placed an order electronically, you must acknowledge receipt without undue delay.

### **Regulations applying to telephone and fax marketing**

Businesses frequently promote their services via telephone and fax. There are a number of regulations that apply to this area and it is important that your business is aware of them. This will ensure that you are acting legally if you undertake a marketing campaign using these media.

The Telecommunications (Data Protection and Privacy) Regulations regulated direct marketing by **telephone** and **fax**. Both the Telephone Preference Service (TPS) and the Fax Preference Service (FPS) were established as a result of these regulations and are monitored by the Information Commissioner. These regulations were superseded by the Privacy and Electronic Communications Regulations 2003 in December 2003. For more information, see the page in this guide on the [Privacy and Electronic Communications Regulations](#).

### **TPS and CTPS**

Initially the regulations only gave individuals the right to opt out of direct marketing by registering with the TPS.

However, in June 2004 the Corporate Telephone Preference Service (CTPS) was launched. This is the central opt-out register that enables corporate subscribers to register their wishes not to receive unsolicited sales and marketing telephone calls to any of their organisation's telephone numbers.

A corporate subscriber includes corporate bodies such as a limited company in the UK, a limited liability partnership in England, Wales and Northern Ireland, or any partnership in Scotland. It also includes schools, government departments and agencies, hospitals, PLCs and other public bodies.

### **FPS**

The FPS includes a requirement to obtain individual consent prior to direct marketing by fax. It also offers an "opt-out" for corporate bodies who register with the FPS as well.

So, if you are already engaged in, or planning to undertake direct marketing via phone or fax then you must make regular checks with the TPS, CTPS and FPS, or risk committing an offence.



## Privacy and Electronic Communications Regulations

E-marketing activities are regulated by the Privacy and Electronic Communications Regulations that came into force in December 2003. The Privacy and Electronic Communications Regulations superseded the Telecommunications (Data Protection and Privacy) Regulations. The new regulations include additional rules which legislate against unsolicited emails or SMS, commonly referred to as **spam**.

They prohibit sending direct marketing communications by email where the identity of the person who sent it is disguised or concealed. They also prohibit marketing emails that do not provide the recipient with a valid address they can use to request such communications cease.

### Addressing the problem of spam

The Privacy and Electronic Communications Regulations require that an individual's consent is obtained prior to sending them unsolicited advertising by email unless they have already "opted-in" or expressly consented to the receipt of such emails.

Existing customers can be sent unsolicited advertising, on the proviso that the direct marketing relates to products and services similar to those they have already purchased. However, the recipient should also be given the option to "opt-out" of receiving such emails.

Under the Privacy and Electronic Communications Regulations, corporate bodies may also opt-out of receiving such emails, but there is no "opt-in" requirement.

It is important to remember that it is also a requirement of the Regulations that unsolicited advertising emails must contain both the identity and the contact details of the sender.

### Cookies

The Privacy and Electronic Communications Regulations also cover the use of "cookies." These are files downloaded from a web server to the PC of a visitor to a website. They can provide the owner of the website with personal details about the visitor such as what purchases were made from the site, what files were downloaded and the information viewed.

The aim of the regulations is to allow the visitor to choose whether they want cookies on their PC. In practice this is likely to involve providing them with information about cookies, and how to disable them should they wish to do so.



### Tips for complying with the Privacy and Electronic Communications Regulations

The Privacy and Electronic Communications Regulations are enforced by the Information Commissioner. If the Information Commissioner finds a business to be in breach of the Regulations an Information Notice requesting further information, or an Enforcement Notice will be issued. A fine may be imposed for breach of an Enforcement Notice. Criminal sanctions may also be imposed.

All of these actions can damage the reputation of your business and adversely affect the goodwill of your customers. So, if you use electronic communications as a marketing tool, you should ensure that each communication is clearly identifiable as relating to the advertising or marketing of a product.

This means that any commercial communication sent by email or text message should be clearly identifiable as such through its header - other required information can then be set out in the main body of the communication.

Electronic communications as a marketing tool should also:

- identify the person on whose behalf it is sent
- clearly identify any promotional offer - including any discount, premium or gift - and any conditions that must be met to qualify for it (these must be easily accessible, clear and unambiguous)
- provide the recipient with "opt-out" rights

You should obtain prior individual consent from your customer through them "opting in", though there are some limited exceptions for existing customers.

### Distance Selling Regulations

The Distance Selling Regulations 2000 are designed to protect customers who are not physically present with the seller at the time of purchase. They cover purchases made via email and the Internet, together with telephone and mail order.

They only apply to transactions between businesses and consumers (individuals acting outside the course of their business) and do not include business-to-business contracts and auctions.

Under the Regulations, consumers have the right to:

- details in writing about the supplier and the terms of the transaction
- written confirmation of their orders
- further information, including a notice of cancellation rights, the complaints procedure, after-sales services and guarantees
- delivery within 30 days unless otherwise agreed

Consumers have a cooling-off period of seven working days in which to cancel the contract, starting from when the goods are received, without having to give a reason. If no details of the cooling-off period have been given by the supplier to the consumer, it is extended to three months.



The right to withdraw can be exercised by the consumer even after the goods have been delivered, or the services have been provided. The consumer is entitled to receive a full refund for a cancelled contract within 30 days.

There are some exceptions to these rights of cancellation, including:

- contracts for the provision of accommodation, transport, catering or leisure services, where these services are supplied on a specific date or for a specific period
- the sale of customised goods or perishable goods
- sealed audio or video recordings, or software, which has been opened
- sales by auction



## 2. e-Commerce business

### Selling on the Internet

The objective of a Selling Site is to close the sale electronically with payment (and sometimes delivery) made over the Internet. This type of site will be designed to include comprehensive product information, as visitors will be expected to make a purchasing decision based on the information presented.

Such sites generally have three sections:

- a. Marketing and added value information. This is aimed at attracting customers, giving them a feel for the contents, and giving them confidence in the retailer.
- b. The catalogue. Detailed information on product benefits, specifications, and pricing.
- c. Order processing. This will include a method for specifying and paying for the order. More advanced systems may have a method for the customer to go back into the system to check progress and delivery of the order.

### Shopping Malls

A shopping mall has a standardised environment into which several merchants are held in a single Web site. They offer advantages to a new on-line merchant:

- a. A standard environment for setting up the catalogue and arranging payment.
- b. Someone else is arranging for promotion of the mall as a whole.



## Building the Business (1)

### Wishes

- easy purchasing
- easy payment
- Security
- Simple navigation
- Product description

### Wishes

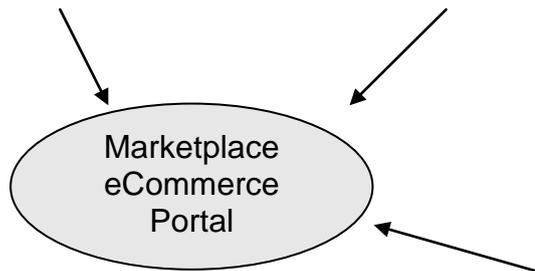
- Making profit
- Acquire new customers

### Requirements:

- Internet access
- Online payment
- Bank/credit card account

### Requirements:

- Internet Portal
- Online catalog
- Shopping cart
- structured order processing
- Transaction server
- Payment gateway



## Building the Business (2)

- **Promotion**  
It is not enough to simply set up the catalogue and electronic commerce programs. 'Build it and they will come' has never been an approach that works on the Internet. The site must be promoted both on the Internet and via traditional means.
- **Logistics**
- **The Online Catalogue**  
provide an environment that makes it easy for the customer to navigate through the catalogue of products and ultimately make a purchase
  - Navigation
  - product information (images, technical data, assessments)
  - Shopping Cart
  - Check in / check out
  - Payment and Order Processing (next section)



### Business needs for e-Commerce

- If you know nothing about web design, it is probably a good idea to hire a designer
- Marketing your site is very important on the web
- Investigate the web sites that are possible rivals and formulate a strategy for competing against them
- If you anticipate a lot of growth in the amount of orders coming through your site, figure out how you are going to cope with the increased load before you get swamped

### Success factors in e-commerce

1. Sufficient work done in market research and analysis.  
E-commerce is not exempt from good business planning and the fundamental laws of supply and demand. Business failure is as much a reality in e-commerce as in any other form of business.
2. Providing an easy and secured way for customers to effect transactions. Credit cards are the most popular means of sending payments on the internet, accounting for 90% of online purchases. In the past, card numbers were transferred securely between the customer and merchant through independent payment gateways. Such independent payment gateways are still used by most small and home businesses. Most merchants today process credit card transactions on site through arrangements made with commercial banks or credit cards companies.
4. Providing reliability and security. Parallel servers, hardware redundancy, fail-safe technology, information encryption, and firewalls can enhance this requirement.
5. Constructing a commercially sound business model.
6. Setting up an organization of sufficient alertness and agility to respond quickly to any changes in the economic, social and physical environment.
9. Providing an attractive website. The tasteful use of colour, graphics, animation, photographs, fonts, and white-space percentage may aid success in this respect.
10. Providing complete understanding of the products or services offered, which not only includes complete product information, but also sound advisors and selectors.



### **Steps to become eCommerce enabled**

#### Getting an Internet Merchant Bank Account

In order to be able to accept credit cards over the internet, you must apply to your bank for an Internet Merchant Bank Account.

### **Steps to become eCommerce enabled**

#### Web Hosting

- Obtaining a Digital Certificate
- Finding a Provider of Online Transactions
- Creating or Purchasing a Shopping Cart Software
- Find a logistic company

### ***Consumers' Acceptance***

- Consumers concerns about security. Many people will not use credit cards over the Internet due to concerns about theft and credit card fraud.
- Lack of instant gratification with most e-purchases (non-digital purchases). Much of a consumer's reward for purchasing a product lies in the instant gratification of using and displaying that product. This reward does not exist when one's purchase does not arrive for days or weeks.
- The social aspect of shopping. Some people enjoy talking to sales staff, to other shoppers, or to their cohorts: this social reward side of retail therapy does not exist to the same extent in online shopping.
- Poorly designed, bug-infested eCommerce web sites that frustrate online shoppers and drive them away.
- Inconsistent return policies among e-tailers or difficulties in exchange/return.



## 4. Payment and Order Processing

How e-Commerce works.

### Accepting payments

- Setting up a merchant account  
Merchant accounts are accounts that accept and hold credit card transaction monies. These accounts can be established through merchant service providers (MSPs) such as banks or via independent service organizations (ISOs)
- What you need:
  - When you apply for a merchant account, you'll need to supply the bank with the average order size and the average monthly amount that you expect to be running through the account
  - order form on your sites (SSL)
  - payment-processing software to handle transactions between you and your bank

### Example

- Order processing demonstration
  - <http://online-shop.nunodesign.de>  
(e-Shop based on xtCommerce)
    - Already a customer?
      - Yes: continue logging in
      - No: create a new customer account  
Fill in personal data
    - Choose Product / Quantity
    - Add Product to cart
    - Go to counter
    - verify shipping / payment address
    - Select payment method
    - Confirm
    - Checkout
    - Check e-Mail Box (confirmation)



## Payments

### Cash

normally the Postal Service get the payment on delivery of the goods. This payment is called Cash on delivery and is added by extra fees. The e-tailer delivers the goods to a store near the customer. The customer has to pay cash there.

### Digital Cash

A system that allows a person to pay for goods or services by transmitting a number from one computer to another. Like the serial numbers on real dollar bills, the digital cash numbers are unique. Each one is issued by a bank and represents a specified sum of real money. One of the key features of digital cash is that, like real cash, it is anonymous and reusable. That is, when a digital cash amount is sent from a buyer to a vendor, there is no way to obtain information about the buyer. This is one of the key differences between digital cash and credit card systems. Another key difference is that a digital cash certificate can be reused.

### **EBPP**

- Short for electronic bill presentment and payment, the process by which companies bill customers and receive payments electronically over the Internet.
- There are two types of presentment models:
  - direct model: a biller delivers the bill to customers via its own Web site or via a third-party's site.
  - consolidator model: bills from multiple billers are delivered to a single Web site, to be presented in aggregate to the consumer for viewing and payment.

### CreditCard

Steps:

- Authorisation

Manual: The merchant downloads details of the sale from the computer that is acting as Web server. The merchant then requests authorisation using their normal method such as a point of sale (POS) terminal or PC program.  
Automatic: The server software communicates directly with the credit card processing company computer and arranges authorisation on-line.



- Capture
- (Chargeback) = cancellation of the transaction

### **Micropayment systems**

- Whereas credit cards are fine for significant purchases, they are not efficient for a purchase of only a few pence
- Mondex, Visa Cash, Cybercash (Proprietary Payment System), Ecash, PayPal, Click&Buy

### **Other:**

Fax, telephone order, Purchase Orders

### **Paybox**

Payment method with the use of mobile phones. In Germany money transfers are for free - customers has to pay an annual fee. With Paybox also private persons make money transfer with each other

### **Smart Card**

A small electronic device about the size of a credit card that contains electronic memory, and possibly an embedded integrated circuit (IC). Smart cards containing an IC are sometimes called Integrated Circuit Cards (ICCs).

Smart cards are used for a variety of purposes, including:

- Storing a patient's medical records
- Storing digital cash (in Germany Geldkarte, Netherlands ChipKnip ...)
- Generating network IDs (similar to a token)

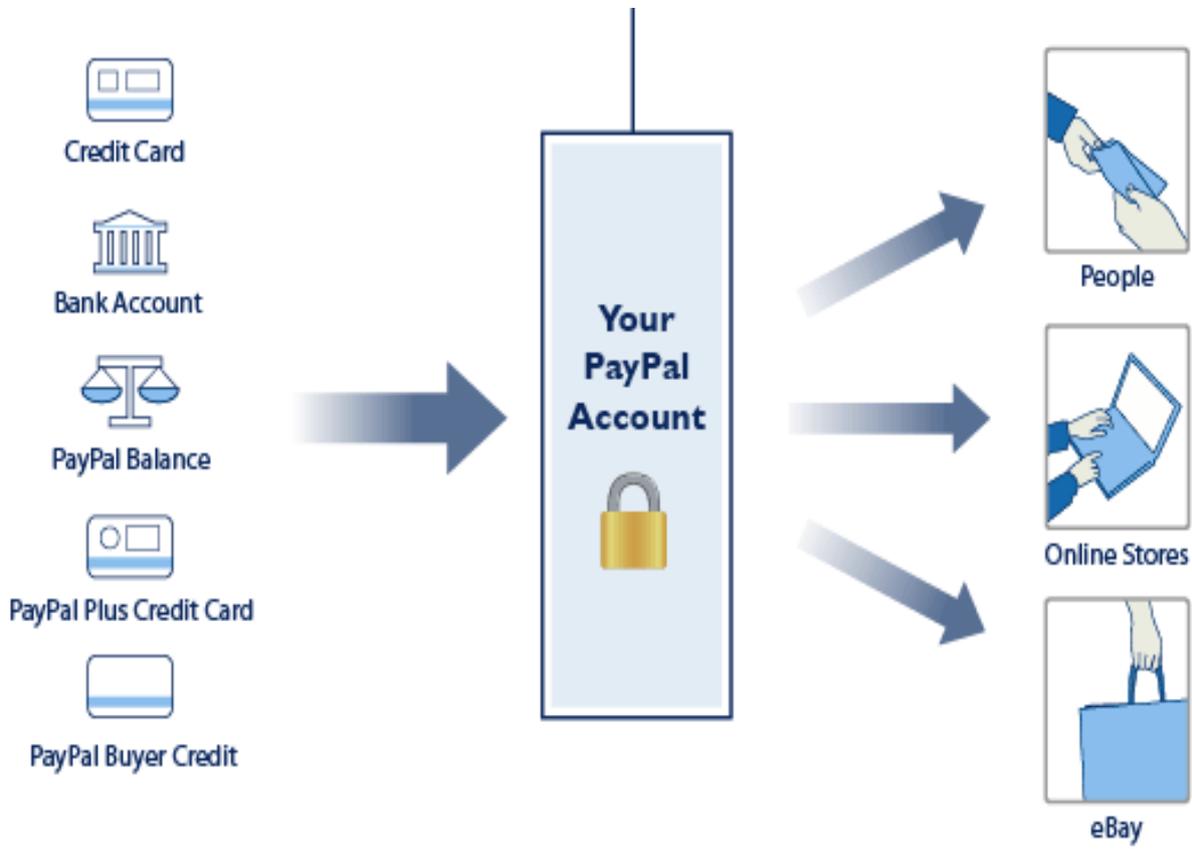
To use a smart card, either to pull information from it or add data to it, you need a smart card reader, a small device into which you insert the smart card.

### **PayPal:**

An eBay Company, is akin to an online (Internet) banking service. It enables any individual or business with an e-mail address to securely and quickly send and receive payments online.



## TRAINING TO e-COMMERCE





## 5. Understanding e-Commerce contracts

### ***E-Commerce Regulations***

- EU E-Commerce Directive
  - to ensure that electronic contracts are legally binding and enforceable throughout Europe.
- Information requirements
  - The E-commerce Regulations identify specific information about your business that you must provide to recipients of online services, and set down guidelines regarding advertising and promotions.
- Contracting online
  - If you form a contract online by electronic means, your customer should be able to print and store a copy of the terms and conditions.

### ***How comply online***

Info you must give recipients of your online services:

- your business' name, geographic address and other details including your email address
- details of any publicly available register in which you are entered, together with your registration number or equivalent
- details of any professional body with which you are registered
- your VAT registration number
- If your website refers to prices, these must be clear and indicate whether they include tax and delivery costs.
- allow customers to go back and correct any mistakes made in their order before the order is placed.
- Once a customer has placed an order electronically, you must acknowledge receipt without undue delay.



## Privacy and e-Commerce

- Anti SPAM regulations ..
  - prohibit sending direct marketing communications by email where the identity of the person who sent it is disguised or concealed.
  - prohibit marketing eMails that do not provide the recipient with a valid address they can use to request such communications cease.
  - Existing customers can be sent unsolicited advertising
  - the recipient should also be given the option to "opt-out" of receiving such emails
  - unsolicited advertising emails must contain both the identity and the contact details of the sender

## Get Certified

It's advantageous to get certified from certification centres





### ***Distance selling regulations***

Under the EU-Regulations, consumers have the right to get:

1. details in writing about the supplier and the terms of the transaction
2. written confirmation of their orders
3. further information, including a notice of cancellation rights, the complaints procedure, after-sales services and guarantees
4. delivery within 30 days unless otherwise agreed
5. Consumers have a cooling-off period of seven working days in which to cancel the contract



## 6. Develop an e-Marketing plan

- Submit your site to as many search engines as possible
- Try finding web sites with similar themes and make deals to create reciprocal links.
- Create an advertising banner and purchase space from a popular website to display it.
- Put your URL in the signature file of your email and the header of all business correspondence.
- Word of mouth is very powerful on the Net; tell all of your friends about your page.
- Avoid spamming - it is a sure way to get a very bad reputation.
- Find affiliating services to deploy you business

### Main components of an e-marketing plan

- Identify your target audience
- Set your objectives
- Decide upon the marketing mix
- Agree a budget
- Action planning
- Measure your success
- Usage/Creation of brand names
- Domain names

### *Customer Relationship*

- Answering common queries
  - Answering the common queries customers ask on your website -FAQ
- Asking visitors to register
- Customer Relationship Management
  - The CRM system brings information like customer data, sales patterns, - marketing data and future trends together with the aim of identifying new sales opportunities, delivering improved customer service, or offering personalised services and deals.



## Benefits of e-marketing

- **Global reach-** a website can reach anyone in the world who has Internet access. This allows you to find new markets and compete globally for only a small investment.
- **Lower cost-** a properly planned and effectively targeted e-marketing campaign can reach the right customers at a much lower cost than traditional marketing methods.
- **Trackable, measurable results-** marketing by email or banner advertising makes it easier to establish how effective your campaign has been. You can obtain detailed information about customers' responses to your advertising
- **24-hour marketing-** with a website your customers can find out about your products even if your office is closed.
- **Personalisation-** if your customer database is linked to your website, then whenever someone visits the site, you can greet them with targeted offers. The more they buy from you, the more you can refine your customer profile and market effectively to them.
- **One-to-one marketing** - e-marketing lets you reach people who want to know about your products and services instantly. For example, many people take mobile phones and PDAs wherever they go. Combine this with the personalised aspect of e-marketing, and you can create very powerful, targeted campaigns.
- **More interesting campaigns** - e-marketing lets you create interactive campaigns using music, graphics and videos. You could send your customers a game or a quiz – whatever you think will interest them.
- **Better conversion rate** - if you have a website, then your customers are only ever a few clicks away from completing a purchase. Unlike other media which require people to get up and make a phone call, post a letter or go to a shop, e-marketing is seamless.

## Implement E-Marketing

- Evaluate the marketing options
  - SMS
  - e-Mail
  - Websites
- Plan Roll-out
  - training
  - review your customer contacts database
  - promoting the website
- Implementing
  - Roll out any necessary training.
  - Encourage staff involvement and feedback.
  - Continually review your practices against e-marketing regulations.



### **Summary**

After this training you should:

- know something about
  - Business processes of
    - e-Marketing
    - e-Commerce (Malls, Shopping carts, catalogues)
    - Customer relationship
  - Payment and order processing
  - e-Commerce Advertising
- be able to
  - Plan a Roll-out
  - develop an e-Marketing campaign



## 7. Get the right Website for your business

### Web hosting

It is important that the web hosting company is capable of providing you with the level of service that you need to maintain your Online Shop.

A few things to look for are:

- o Good uptime
- o Good technical support
- o Fast connection to the Net (bandwidth)
- o Staff that is knowledgeable about eCommerce
- o Compatibility with major eCommerce providers

### Customer Oriented

- a) Providing value to customers.  
Vendors can achieve this by offering a product or product-line that attracts potential customers at a competitive price, as in non-electronic commerce.
- b) Providing service and performance.  
Offering a responsive, user-friendly purchasing experience,
- c) Providing an incentive for customers to buy and to return. Sales promotions to this end can involve coupons, special offers, and discounts. Cross-linked websites and advertising affiliate programs can also help.
- d) Providing personal attention.  
Personalized web sites, purchase suggestions, and personalized special offers may go some of the way to substituting for the face-to-face human interaction found at a traditional point of sale.
- e) Providing a sense of community.  
Chat rooms, discussion boards, soliciting customer input and loyalty programs (sometimes called affinity programs) can help in this respect.
- f) Owning the customer's total experience.  
E-tailers foster this by treating any contacts with a customer as part of a total experience - an experience that becomes synonymous with the brand.
- g) Letting customers help themselves.  
Provision of a self-serve site. This implies that all product information is available, cross-sell information, advise for product alternatives, customers ratings and test reports
- h) Helping customers do their job of consuming.  
E-tailers and online shopping directories can provide such help through ample comparative information and good search facilities. Provision of component information and safety-and-health comments may assist e-tailers to define the customers' job.



## 8. Building my own e-Commerce Portal

### Choosing the right software

#### Criteria

- Product File Upload / Order File Download
- Media Management  
Product pictures and diagrams are essential to sell most products. Once the volume of products gets above a certain level, then the organisation of the image files becomes an issue.
- Payment Methods  
Any Electronic Commerce system should support the standard credit and debit cards, Visa, MasterCard etc. It should also (for a business site) support purchase orders from account holders.
- Discounts  
You may wish to offer discounts for larger orders and the e-commerce system should support this if it is required.
- Product Variants  
Products may be sold in different models, colours, sizes etc. You should be able to select these at the time of ordering. Some variants may be at a different price (black – 2 EUR extra).
- Shipping and Handling  
Shipping may be calculated as a base figure, or a possible base plus a factor depending on weight, value, the number of items, or just quoted on a per product basis.
- VAT
- Languages / Currencies



## 9. Security and e-Commerce

### Digital certificate

- An attachment to an electronic message used for security purposes. The most common use of a digital certificate is to verify that a user sending a message is who he or she claims to be, and to provide the receiver with the means to encode a reply.
- An individual wishing to send an encrypted message applies for a digital certificate from a Certificate Authority (CA). The CA issues an encrypted digital certificate containing the applicant's public key and a variety of other identification information. The CA makes its own public key readily available through print publicity or perhaps on the Internet.
- The recipient of an encrypted message uses the CA's public key to decode the digital certificate attached to the message, verifies it as issued by the CA and then obtains the sender's public key and identification information held within the certificate. With this information, the recipient can send an encrypted reply.
- The most widely used standard for digital certificates is X.509.

### Obtaining a digital certificate

- A digital certificate, also known as a SSL Server Certificate, enables SSL (Secure Socket Layer encryption) on the web server.
- SSL protects communications so you can take credit card orders securely and ensure that hackers cannot eavesdrop on you. Any eCommerce company will require you to have SSL before you can use their services.
- Ways to get a certificate:
  - a) For a minimal fee, one can usually use the certificate owned by the web hosting company where your page resides.
  - b) If you are a larger company, however, you may want to get your own digital certificate. A certificate costs about 125,00 €/year and can be obtained from Thawte or Verisign.
  - c) you can "self-sign" your own certificate (some Browsers complain)

### Credit Card Payment

- Credit card payment over a secure link.
 

Other options are:

  - Credit cards over an insecure link
  - Purchase orders only



- Purchaser contacted later by phone or post
- Purchaser prints form and faxes it
- Online Authorisation
  - Payment Gateways
  - Commerce Service Providers

### **Encryption**

- **Secure Socket Layer (SSL)**

Internet traffic is scrambled (or encrypted).

*Browsers that support this technology indicate that a secure session is in progress by showing a dialog box, or in the case of Netscape Navigator by showing a blue key on the screen. The Address of such a site starts with HTTPS. SSL certificates come in 64-bit and 128-bit varieties, though 64-bit encryption could be hacked.*

*As such, you definitely should be looking at getting a  $\geq$  128-bit certificate.*

- **Secure Electronic Transaction (SET)**

is a standard that will enable secure credit card transactions on the Internet. SET has been endorsed by virtually all the major players in the electronic commerce arena, including Microsoft, Netscape, Visa, and Mastercard.

By employing digital signatures, SET will enable merchants to verify that buyers are who they claim to be and protect buyers by a mechanism where credit card number to be transferred directly to the credit card issuer for verification and billing without the merchant being able to see the number



## 10. Common e-Commerce Pitfalls

### Pitfalls

- Becoming the victim of organized crime.  
Many syndicates have caught on to the potential of the Internet as a new revenue stream. Two main methods are as follows:
  - Using identity theft techniques like phishing to order expensive goods and bill them to some innocent person, then liquidating the goods for quick cash;
  - Extortion by using a network of compromised "zombie" computers to engage in distributed denial of service attacks against the target Web site until it starts paying protection money.
- Errors in calculating prices and currency conversions
- Irritations in price tags including or excluding VAT
- Bad knowledge of the (regional) market (Competitors)
  - What do their sites look like?
  - How easy are they to navigate?
  - What kind of inventory do they carry?
  - What are the price points?
  - What are their shipping costs?
  - What kind of guarantees do they offer?
  - What is the customer service like?
  - What are the customer's expectations?
  - What are they used to and can you do better?
- Bad ranking in top 10 search engines
  - See section SEO (Search Engine Optimization)



- Less attractiveness to bind customers
  - Special offers
  - Newsletter marketing
  - Gifts
  - Vouchers
  - Tell a friend
  - Print product details
  - Links to test reports or votes of consumers
  - Zoom images
  
- Bad designed web pages for disabled persons
  - Text only site
  - Tagged image descriptions
  - Support huge font modes



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The educational material was developed by the educational staff of DIAN,  
 with the collaboration of all the partners of the project  
**“e-Commerce for traditional products – women 50+”**



This project has been funded with support from the European Commission. This publication reflects the views only of the author, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

