

What does ecommerce mean?

e-commerce is the process of buying and selling of produce and products by electronic means such as by mobile applications and the Internet. Ecommerce refers to both online retail as well as electronic transactions. Ecommerce allows you to buy and sell products on a global scale, twenty-four hours a day.

What Are the Benefits of E commerce?

Always Open – Physical businesses usually have limited hours, but an online ecommerce shop remains “open” 24 hours a day, seven days a week, 365 days a year. This is extremely convenient for customer and a great opportunity for merchants.

Cost Savings – Ecommerce business have significantly lower operating costs compared with physical shops. There is no rent, no staff to hire and pay, and very little in the way of fixed operating costs. This makes a ecommerce business extremely competitive on price, which can increase market share dramatically.

Automated Inventory Management – It’s far easier to automate inventory management through the use of electronic online tools and third party vendors. This has been saving ecommerce businesses billions of dollars in inventory and operating costs. Inventory management has become very sophisticated to effectively manage your stock effectively across multiple channels. This could be your own store as well as marketplaces such as eBay, Amazon and your own physical store.

Laser Targeted Marketing – Online merchants have the ability to collect an amazing amount of consumer data to ensure they are targeting the right people for their products. This lowers the cost of customer acquisition, and allows online business to remain extremely agile. Imagine being able to target just males between 18-24 years old who live in urban areas. That’s laser targeted marketing which you couldn’t get with just having a physical store.

Niche Market Dominance – Because of the lower operating costs, the ability to target your exact type of customer as well as the benefit of global reach that an ecommerce website brings, this ensures that your company could be very profitable.

Location Independence – An ecommerce business owner is not tied to any one location when running their business. As long as you have a laptop and an internet connection you are able to run your business.

What are the challenges of Ecommerce?

Trust: Trust is a big word in ecommerce and can come in many different forms.

- Can your potential customers trust you as a company?
- Can they trust that your chosen payment gateway won’t fail them?
- Can they trust that your products are of a good quality?

A trusted payment solution such as Paypal can help instill confidence in people visiting your website. Using a review system such as Trustpilot or registering your website as a Google trust store are many ways to stop those potential barriers.

Technical issues: If you aren't technologically minded and let's be honest, you don't have to be in order to start a store, you may run into some issues.

- What happens if your payment solution stops working?
- Do you have a knowledge of HTML, CSS or Javascript to fix coding issues?
- If you wanted to design a banner or adjust a graphic on your webstore, do you have web design experience?

If you can't fix these issues yourself then you may need to outsource. Fortunately ecommerce solutions such as Shopify, WooCommerce and BigCommerce have dedicated services available to you to help if these issues arise.

Competitors: As the initial set up costs to start a ecommerce business are so small this is making it a saturated market. Therefore it's vitally important that you do your research beforehand and find your niche.

No physical presence: Although this is improving with time, the fact that visitors cannot see or feel any of your products can be a downfall.

The way to get around this would be to:

- Offer free returns
- Add high resolution images
- Show customers using your products
- Include videos your products been used
- Include very detailed description of your products
- Put a FAQ section on each product page

Initial spend: The biggest challenge with ecommerce is getting started and achieving that all important first sale.

In order to do that you may need to spend some money in order to make some. Some great and cost effective ways to get you started would be

- Google Shopping campaign
- Website pop-ups for data collection
- Abandoned cart emails
- Upsell/upgrade bar on your website
- Give products away to influencers for publicity

Evolution Of Ecommerce Technologies

E-COMMERCE involves all the money transaction such as selling purchasing or exchange of products online done over the internet. The term also refers to the stock & bond transaction, buying and downloading software without actually walking in the store.

The online shopping called the E-Commerce has evolved within years with certain technologies that have come in picture and evolved

With in years-

- Computerization and internal networking called the Internal Computerization
- Extension of the Internal network to suppliers, such that they can get access to a database called the Electronic Data Interchange
- Extension of external network giving Internet connectivity to End- Users
- Money transaction, buying and selling over the internet called the E-Commerce

As the internet is growing the mediums for marketing, advertising and purchasing and selling have grown in rival ways. Tech giants like Amazon entered the market in 1995 and then, later came down PayPal in 1998. The overall e-commerce continuation had accelerated in last decade, the most impactful changes that have taken place in past few years, which will continue to dominate in 2018 are-

- Online Marketplaces at a BOOM!
- Shift Towards Mobile Shopping- M-Commerce
- Growth in Online and Digital Marketing