

WORDS: NIGEL WHITFIELD ILLUSTRATION: RD2_MEDIA

e-commerce

Orders can only be sent to the registered address of the card holder

Setting up shop

Building your ecommerce site could entail setting up a simple online catalogue or you may want to go the whole hog and take credit card payments. Whatever your needs we explain how to go about creating your store and ensuring it's secure

Ecommerce has been something of a rollercoaster in the past 18 months or so, from the highs that saw people spinning off barely thought-out ideas for millions, to the lows as companies like Boo and ClickMango ran out of steam.

You could be forgiven for thinking it was a flash in the pan; there was certainly a lot of hype and in the enthusiasm to embrace new technology, a lot of people simply forgot that they needed a business plan that worked, too.

If you have a sound business – and that probably doesn't

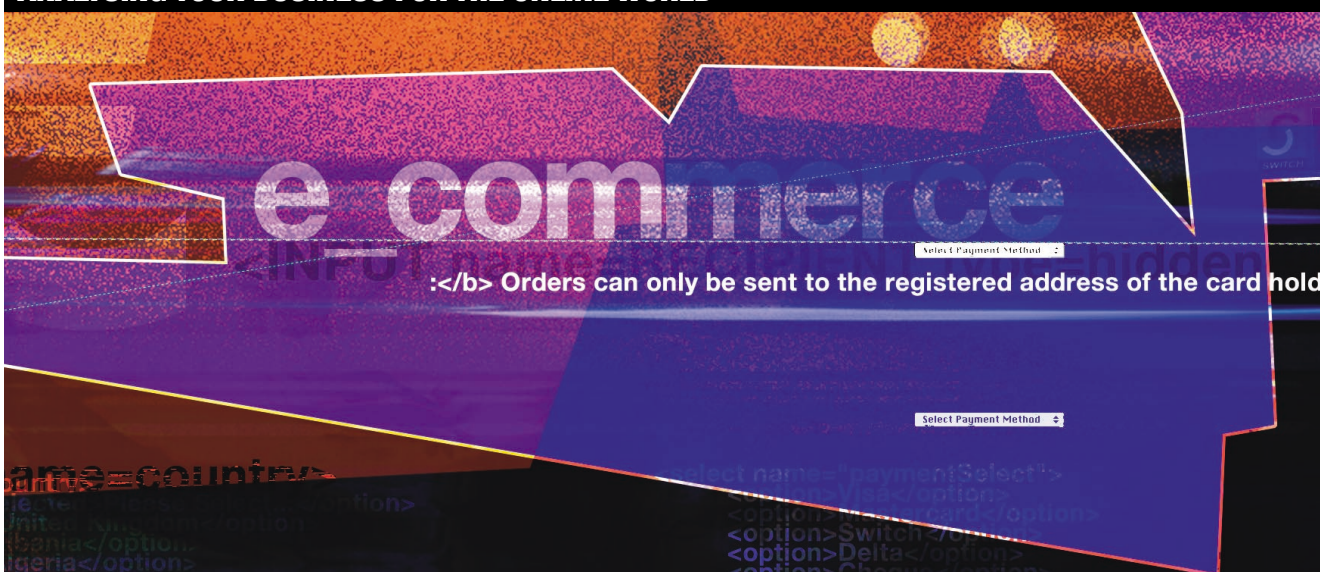
mean 'well, we might make a profit in three years' time' – then the Internet and ecommerce can work for you. They might even be the core of your business, if you have a great idea. Don't let the boom and bust of other companies put you off. Instead, plan properly, budget sensibly, and build a great ecommerce site.

We're not known for our financial punditry at PCW, so we can't promise that the cash will come rolling in, but we can show you how to put your business online.

Before going any further, what exactly does that mean: 'put your business online'? Is a website enough? Or should you have an order form, or do you have to go the whole hog and

We can't promise that the cash will come rolling in, but we can show you how to put your business online

ANALYSING YOUR BUSINESS FOR THE ONLINE WORLD



So you want to make a million on the net? The booms and busts of the past 18 months have left some people thinking it's easy to make money online, and others that it's almost impossible. The truth is that it's really a matter of knowing your business, and seeing how it could work online. If you don't really know your business, you're lucky to be making money regardless of ecommerce.

Some things translate much more easily to the online world than others. There are no hard and fast rules, but here are some of the things that you might need to consider.

What is your product, and how is it delivered? If it's a 'paper' product, like insurance, then it could be ideal for ecommerce. You'll be able to take more orders and – hopefully – automate a lot of the processes. Software, of course, can be downloaded from a website, saving the cost of producing CDs or floppy disks.

But for more concrete goods, you need to

think about delivery. If you run a shop, can you still sell things at the same price online – will the customers be prepared to pay for delivery, or should you absorb the costs? While people might pay, for example, for customised goods to be delivered, they might not be so keen when it's everyday things they could buy round the corner.

If you want to move a business online, do the savings you could make on premises – not having a shop, for example – provide enough to cover delivery charges?

You also need to consider the question of margins carefully. Even if you're already taking credit cards, processing them online could add another 2.5 per cent to the cost of each transaction. For a business with tight margins, that could be the difference between profit and loss. For those who don't take cards yet, the figures can be roughly double that. Is five per cent of the sales price something you can afford?

The ideal product, perhaps, would be something that needs no – or very little – after-sales support, and can be delivered either electronically or via paper. There should be a high margin, and a wide base of potential customers.

You don't, of course, have to fulfil all those criteria. But the more the merrier – and lateral thinking could come in handy too. If you're selling custom-made products, you may have some that, for whatever reason, aren't shipped to customers. Use your website to sell them as ready made – there'll be someone else out there who wants a size 17 cocktail dress, or a wooden table to a particular design.

Above all, though, the most important thing to remember is that you're running a business. Look at the figures carefully, and think about the implications of business online. If you can't see how you're going to make a profit, the Internet isn't going to help.

provide online ordering, linked directly to your in-house systems so you can ensure Internet orders are processed alongside everything else?

The simple answer is that there's no single way; ecommerce isn't just one way of doing things, and the most important task is to make sure that whatever you do, it fits in with the way you run your own business.

Ecommerce isn't all about big companies, such as Amazon, processing thousands of transactions every hour, sending orders directly to warehouses for despatch with hardly any human intervention. At its simplest, ecommerce could be a matter of providing an online catalogue, so people can see the latest prices and details of your products – and in the business-to-business sector, you might not need to do much more.

For many consumer sites, of course, you'll want to take credit card payments, but in business that's not so important – something that could save you a lot of time and effort when

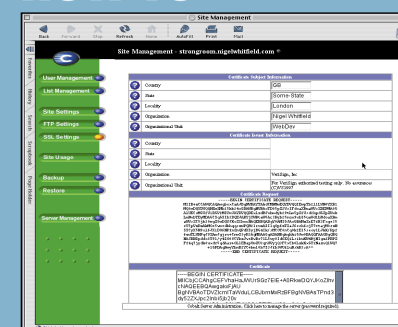
you're setting things up. If your clients are other businesses, then you may be able to accept orders simply by requesting a purchase order number, and invoicing them in the usual way.

When you're dealing with the general public, however, you'll almost certainly need to take credit cards – and judging by the PCW postbag, that's one of the most daunting aspects of ecommerce for many people.

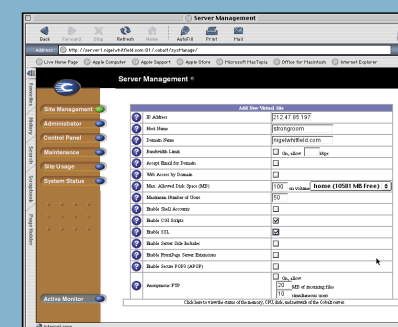
Playing your cards right

In the offline world, credit card processing is fairly straightforward. For the major cards, Visa, Mastercard, Switch and Delta, you sign an agreement with a merchant services company, such as Barclays Merchant Services or NatWest Streamline. The company provides you with a merchant number, and processes the card transactions for you, paying money into your bank account. You can use a mechanical card swipe or – and it's essential if you want to take Switch transactions – you pay a monthly fee to hire an

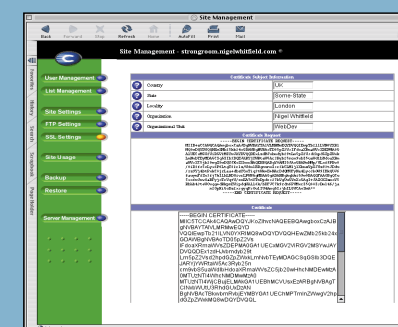
HOW TO ADD A SECURE CERTIFICATE TO YOUR WEB SERVER



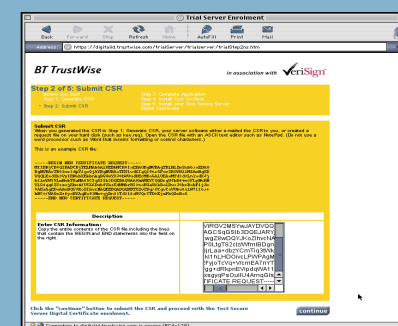
1 To perform secure transactions, you need to install a certificate on your web server. Here's a test certificate, valid for 14 days. You can obtain one free of charge from BT Trustwise (www.trustwise.com) to help you test your site. You'll need to install a root authority on the web browsers you're using for the tests, too. Here's how to install the certificate on a Cobalt RaQ3 server.



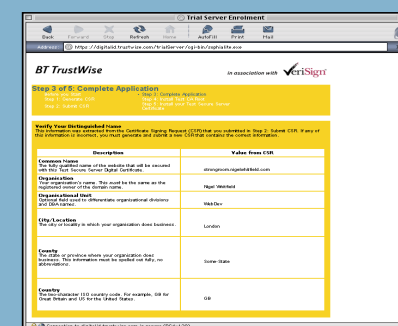
2 The first step is to create the site, if you haven't already done so, and ensure that in the options, you've checked the Enable SSL (Secure Sockets Layer) box. You can do this either on the Server Management screen, or from the Site Management screen, if you have the necessary permissions. On other types of system, you may need to install a web server that supports SSL for secure transactions.



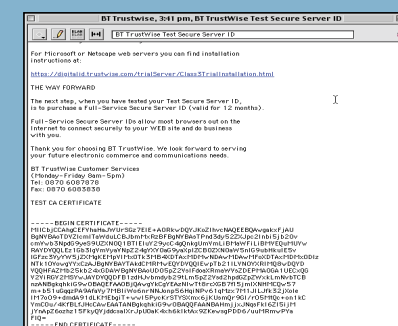
3 From the site management screen, click on SSL settings, and fill in the fields at the top of the screen. For UK users, you must use the country code GB. When you've filled in the fields, scroll down and choose 'Generate self-signed certificate' then click Save Changes. You'll see a screen like this appear; copy the entire Certificate Request section, including the Begin and End lines, to the clipboard.



4 On the BT Trustwise site, you need to paste the certificate request text into the box; it contains details of your server which will be used to create a valid certificate. For a real one, as opposed to the free test one, you'll have to provide supporting documentation for security purposes. Other web server software will create a Certificate Request in a similar way; when you've pasted it into the form, click the Continue button.



5 On the next screen, the details of your server will be shown; check that they're correct, and then scroll down to fill in the rest of the page, which asks for contact information. When you click to continue for the test certificate, you'll be prompted to download a Root Authority to your web browser, which allows it to recognise the test certificate as secure – unaltered browsers won't accept it.



6 You'll receive the actual certificate in an email like this. Highlight the certificate text, including the Begin and End lines, and paste it into the Certificate box of the SSL settings screen, then select 'Use manually entered certificate' and click Save changes to install the new certificate on your web server. Now you're up and running, with secure connections to your web server available; you can add a paid-for certificate in exactly the same way.

electronic point of sale machine (EPOS). You'll pay a fee for each transaction, either as a percentage for credit cards, or a fixed fee for debit cards, which is the reason many stores won't take them for small amounts. If you want to take less common cards, such as American Express, you'll need a separate agreement with the card issuer. The exact percentage commission you'll have to pay to the card company on each transaction will depend on your business, but expect to pay between two and five per cent.

You might think that if you want to take credit card orders online, all you need to do is gather the card numbers, and type them into your EPOS machine, just as if someone had ordered over the phone, or by mail order – a process

that is known in the business as a Cardholder Not Present transaction.

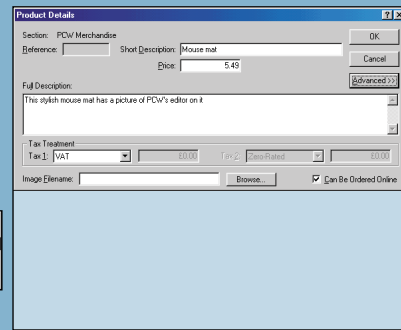
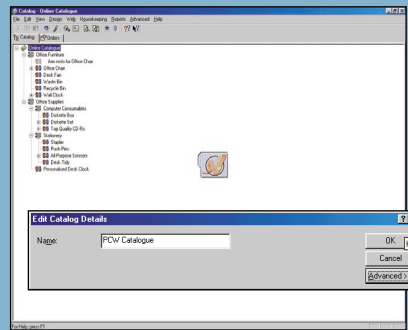
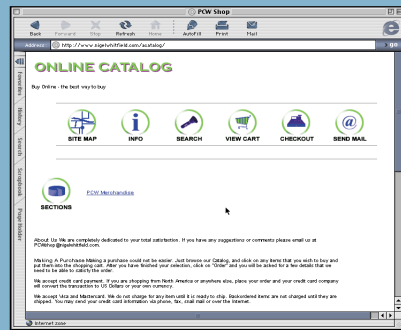
With Internet transactions, you can't do that. All the merchant services companies insist on you opening a separate account for Internet business; that way, they can easily keep track of any problems that may crop up with ecommerce – and they can put specific restrictions on how your business works.

For ecommerce, you usually need to be able to tell customers right away whether or not their card has been accepted, and that means having a link to the merchant service, so that you can display an appropriate web page if there's a problem.

QUICK TIP

Don't skimp on domains. Pay for reliable domain hosting – at less than £100 a year, it's a sound investment. Consider .com and .co.uk, so people can find you whatever they look for.

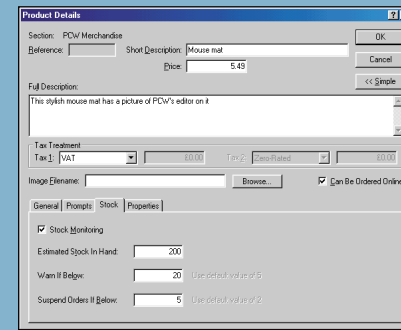
HOW TO BUILD A SHOP USING ACTINIC CATALOG



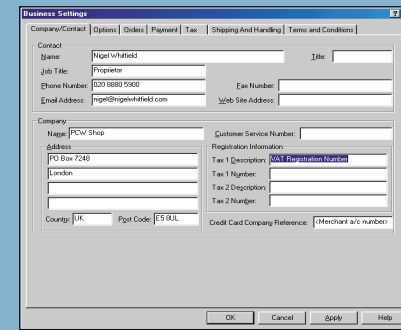
1 This site was created with Actinic's Catalog software (www.actinic.co.uk); for £350, this package allows you to build a site from your catalogue of products, upload it along with all the scripts that make it work, and then accept orders online, either for immediate processing or regular downloads. On the server side, all you need is Perl – and on our test, we didn't even need to alter the configuration at all – Catalog really is plug-and-play.

2 When you first start Catalog, you'll see a screen like this, with a dummy catalogue. You can double-click the catalogue name to change it. Right-clicking on items lets you delete them, or simply hide them from the live version when you publish it on the web. There's a guide that helps you through the process of setting up your site, but it's easy to manage without, too.

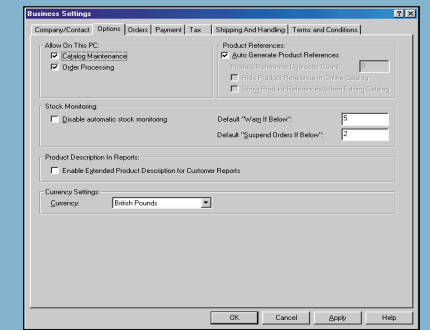
3 To start adding products, just right-click at the appropriate place in the catalogue, and choose New Product. You can also add sections and subsections too, to break your catalogue up. The right-click menu also allows you to see a preview of how the item will appear on the site. But first, fill in the brief details of the product on this screen, including the price, and select a picture if you want. For simple products, that may be all you need to do.



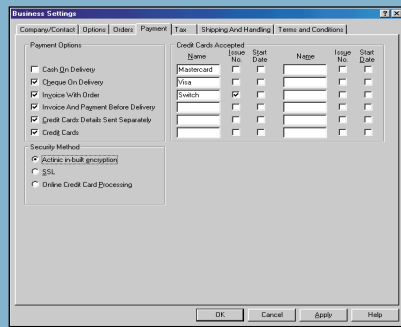
4 For more advanced sites, you can click the Advanced button and add extra information. On this tab, we're enabling stock control, so that the website will refuse to take orders for a product when there are only a few of them left. You can also add options, such as colours, or other features of products that may affect the price.



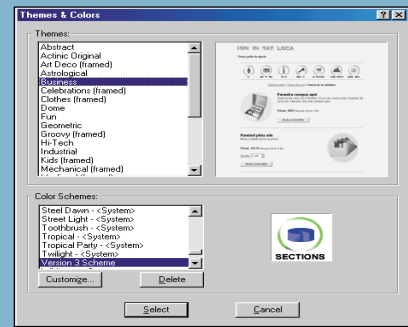
5 From the View menu, choose Business Settings, and you'll see a screen like this, where you can fill in the details of your company, including the credit card merchant number if you have one. Details that you enter here will appear on the on-screen invoice that's displayed when people complete their orders. The other tabs allow you to set options for areas such as tax and shipping, or to fill in sections of your terms and conditions.



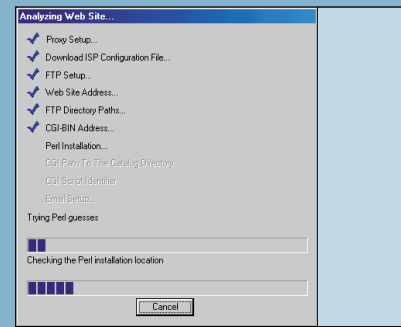
6 The Options screen allows you to specify whether or not stock levels will be tracked on the whole site, select the currency, and control whether or not a specific PC will be able to download the orders from your website. If you only have the one PC, make sure both the options are selected in the top left of the dialog box.



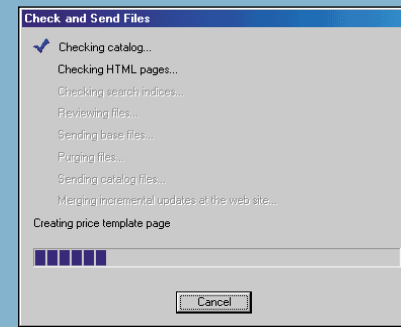
7 On this tab, you can specify which methods of payment you accept, and in the right-hand section you can specify what extra information will be requested for different types of card. You can also choose whether to use SSL (which requires a certificate on your web server), or Actinic's Java-based encryption, or online realtime processing, if you have the appropriate agreement with a PSP (Payment Service Provider) that supports Actinic.



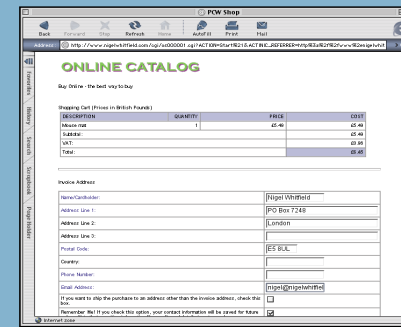
8 Next, select a style for your website, if you don't want to use the default one. From the Design menu, choose Themes and Colours to bring up this window. Choose a theme at the top of the screen, and a colour scheme at the bottom. You can customise the themes, and the Options selection on the Design menu allows you to alter things such as the text used on buttons.



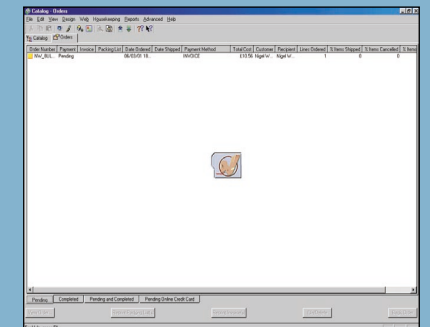
9 From the Web menu, choose Configure Website Details. A wizard will attempt to determine most of the settings for you, but Actinic also provides a questionnaire you can send to your ISP if you're not sure of anything. Configuration is largely automatic, though we had a minor problem with the script installation, but this was easily fixed (see next month's ecommerce column).



10 To create your site, all you need to do is choose Update Website from the Web menu. All the necessary pages will be generated for you automatically, and if you're not online, then your computer will connect to the Internet, and the catalogue pages, scripts and images will all be uploaded to the web server. If your site is, for example, www.nigelwhitfield.com, you'll find the store at www.nigelwhitfield.com/acatalog.



11 When someone's ordered a product and gone through the screens to the checkout, this is what they'll see on screen. If they choose to pay by credit card, and you don't have SSL, then they need a Java-compliant browser for Actinic's secure credit card application. Aside from that, everything in the store is done on the server, so shoppers don't have to worry about turning on JavaScript.



12 When someone's made an order since your last download, you'll receive an email notifying you, if you selected the option. From the Catalog software, choose Retrieve Orders on the Web menu, and the encrypted information about what's been ordered will be downloaded so you can process it – you can export orders to a csv file if you want to load them into other systems to link with the rest of your business.

QUICK TIP

Watch your margins. If you're starting a new business, remember around five per cent of the sales price will go on credit card fees – and that's before you think about hosting, web design and postage.

Obviously, if everyone who had a website wanted to link their computers directly to the card companies, there would be plenty of potential for chaos and security problems. So, the world of ecommerce introduces another layer – Payment Service Providers (PSPs).

These are companies in the ecommerce world, such as WorldPay or NetBanx, that provide the interface between your website and the card companies, processing transactions in real time, via secure links to the credit card companies. Some of these companies will even host your online store for you, offering anything from a simple order form at the end of the shopping process to a

full-blown online shop. And, naturally, they take their commission too.

If you've not delved into the world of credit cards before, the PSPs actually provide a slightly easier route for some people, since they can operate as a bureau service. In other words, you don't have to worry about signing up with a merchant service. Instead you do a deal with the PSP that handles everything for you. People will see the PSP's name on the credit card bills, and you'll pay a slightly higher fee – around five per cent for some of the market leaders. For a small business, just dipping a toe in the water, this is almost certainly the best way to start.

Other considerations

Sorting out payment is one of the biggest things you'll have to deal with when you want to put your business online, but there are plenty of other things to bear in mind too. You'll almost certainly need to register under the Data Protection Act, since you'll be storing details of customers with names and addresses so that you can deliver to them – many businesses should probably have registered anyway, regardless of whether or not they're doing business on the Internet.

For an overview of the Data Protection Act, and other legislation that affects ecommerce, such as the EU Distance

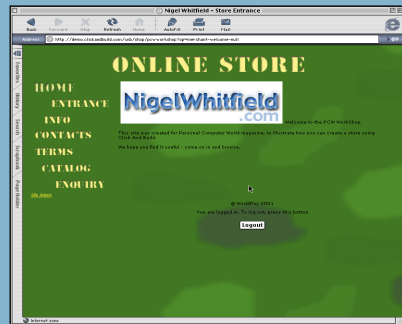
Selling Directive, a good place to start looking is Hamilton's Solicitors (www.hamiltons-solicitors.co.uk), where you'll find details on plenty of issues, including the commercial use of email, and domain name disputes.

On the domain name front, if you've not registered already, then go and do it – and don't try to save money by using a free domain registration service. The same goes for your website itself. It may seem tempting to save a few hundred pounds by opting for a cut-price service, but if you're planning on running a successful business, you need to be sure that the web server you use will be available all the time, along with technical support if something goes wrong.

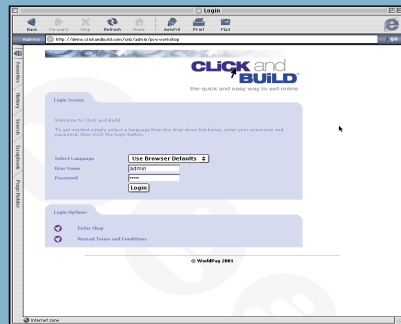
QUICK TIP

Respect privacy. Don't assume your customers will want to receive email offers; make sure you have their consent before contacting them. Remember the Data Protection Act.

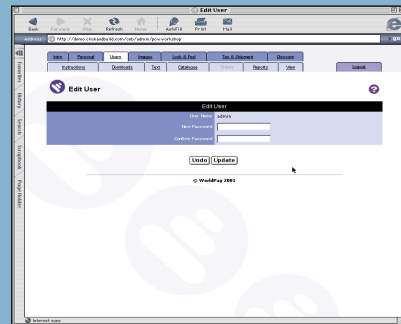
HOW TO BUILD A SHOP USING WORLDPAY'S CLICK AND BUILD



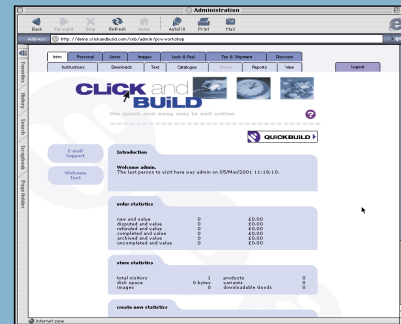
1 This is the rough outline of a store built using Click and Build's online system. Most of the images are from the template, but we've added a logo of our own. There are all the basic elements of the store here – contact details, terms and conditions, a product to order, and a shopping basket – and all without any programming required.



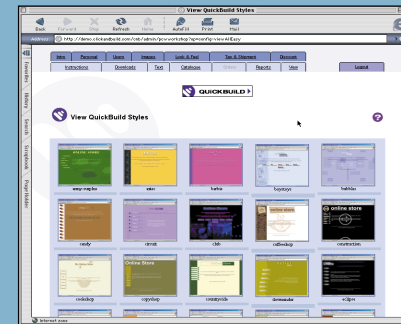
2 To get started with Click and Build, visit www.clickandbuild.com. Here, we're using a Demo shop, which you can sign up for from the front page. Once you're happy with the demo, you can activate it. Begin by signing in using the name and password for the shop administrator. You'll see the welcome screen for the Click and Build system, which can walk you through, like a Windows wizard.



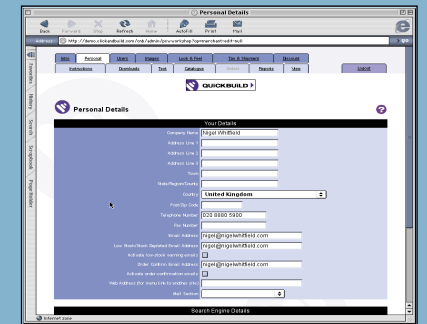
3 Before going ahead and building your shop, set a password. Click the Users tab at the top of the screen, and then select the Admin user from the dropdown list, click View/Edit and you'll reach this screen, where you can alter the password. Click the Update button to save changes. You can add other users to your site via the User tab if you wish.



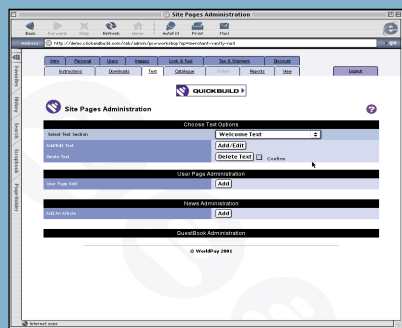
4 Now, click on the Intro tab and you'll see this screen. You can move through the setup process stage by stage by clicking on the Quick Build button. You can also go directly to a particular step if you want, using the tabs at the top of the screen, but for now it's best to start with QuickBuild. Click it, and we can move on to choosing a style for the shop.



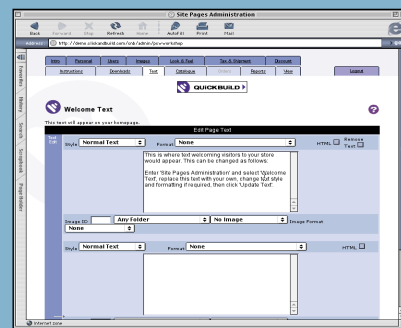
5 Choosing a style is the first stage of creating your shop, and there's a large gallery of ready-built ones available. To select one, click on it, and you'll see a larger picture. Below the picture you can opt to use default text and categories – you can start from scratch, but initially it's easier to edit items. Click to save your choice, and a yellow box will confirm it's been done, then use QuickBuild to move on to the next stage.



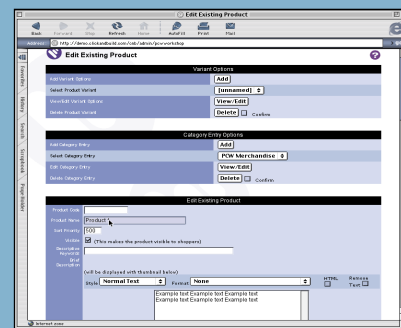
6 Now you need to enter the details of your shop in this form. You can specify addresses to which details of orders will be sent, as well as your contact details, which will be automatically added to appropriate parts of the site. The home page URL you enter here will be linked to from the 'Home' button on the shop's main page, so it can actually be any site you like – handy if your main site is hosted elsewhere.



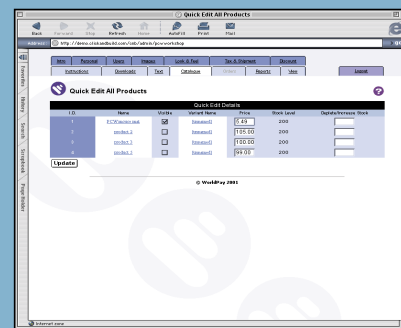
7 The next step in setting up your site is creating the text for the main pages – contact information, terms and conditions, and so forth. You can start with any of the texts that you want to edit – just select the appropriate one from the dropdown list, and click the Add/Edit button to change it.



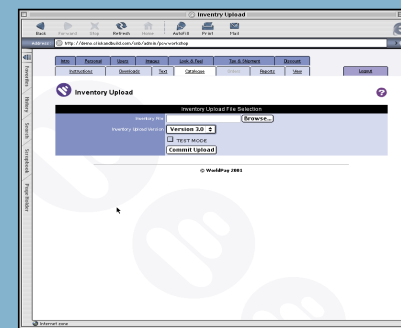
8 You fill in the text for each section on a screen like this one. If you'd like to format the text with HTML, just copy and paste the codes into the box, and make sure the HTML check box at the right of the page is selected. You can also select some formatting options from the dropdown box at the top, or add a picture to accompany the text. Click to save and QuickBuild will walk you through updating all the texts for your site in turn.



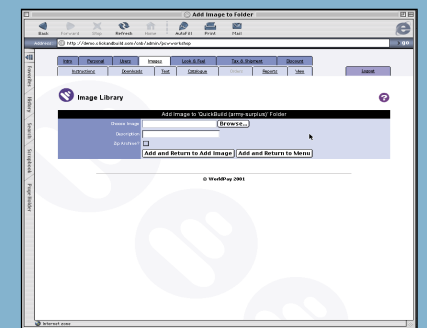
9 Products in Click and Build fall into categories. Using the Catalogue section of the site, you can edit the descriptions of both. It's easiest to simply rename existing categories and topics first, while you get the hang of the system. We're editing a product, renaming 'Product 1' to a PCW Mouse Mat. Short and long descriptions can be entered, with different pictures selected. Updating categories is done in the same way, from the same screen.



10 The Quick Edit button from the Catalogue screen shows you this page. You can deselect the products that you don't want to appear in the store – here we've removed some of the default ones that we're not using, and updated the price of our PCW Mouse Mat. Just specify the price, mark products as not visible if you don't want them shown, and click on Update.



11 If you have a lot of products, entering them all via the web is a little tedious, so you can use the Inventory Upload button on the Products screen instead. That allows you to upload a csv file with details of your whole range; click the ? for help on the format of the csv file. If you're using a Mac or Unix system, you'll need to remember to save the csv as MS-DOS text, otherwise it won't be read properly.



12 Finally, you'll probably want to upload some images of your own to the site, rather than rely on the stock pictures. Click the Images tab, and then use the Add image button, or create a new folder to upload images to. As well as uploading single images, you can upload a zip file, which will be automatically unpacked, so all your images can be added to the site in one go.

QUICK TIP

Put your URL on everything – headed paper, flyers, business cards and so on. Make sure people can find your store on the net.

These days, you can have a dedicated server hosted at an ISP for less than £100 a month; if your business has such tight margins that you can't afford to invest that much in going online, then the chances are you don't have a really robust business plan. Before you sign on the dotted line, check to see what you're paying for, especially if you plan to offer anything to download from your site, such as software, manuals, or brochures. A hosting deal that provides for 10GB of data a month might sound like a lot, but if you had a 250KB pdf file of your brochure online, 4,000 downloads of that alone would eat up 10 per cent of your allowance, without

even taking into consideration the text and graphics of your website. If you're operating on small margins, with five per cent of your profits going to the PSP for processing transactions, the last thing you need is to be hit with a bill for excess bandwidth, just because lots of people have been looking at your site, or downloading your catalogue.

Solutions

Once you've thought about all those solutions, you still have to build your ecommerce site, and fit it into the rest of your business, if you're not starting from scratch. How you do that

is the subject of our workshops. There are essentially three different solutions. You can use a package designed to help you ecommerce-enable a site, like Shop@ssisant, from the Floyd Consultancy (www.floyd.co.uk), or you can go for a custom solution, which will cost you a lot more, or you can opt for a template-based shop.

The template option is where you sign up for a shop with a hosting company – very often a PSP – and create your own online store simply by filling in a series of web forms, removing the need for any experience of web design or programming. One of the best known of those is WorldPay's Click And Build.

Our workshops concentrate on the first and last of those solutions, showing how you can create a store of your own, using Actinic Catalog and Click And Build. The first solution gives you more control, but you'll also need to configure software on your server. One of the most important aspects of that is installing a secure certificate, so we've also shown how you can do that on a Cobalt RaQ, one of the most popular dedicated servers available.

Of course, every business is different, and what's right for one may not be OK for another; so keep your eyes on PCW's monthly ecommerce column for more suggestions and information about how to put your business online. **PCW**

QUICK TIP

Start small, but plan for expansion – you don't want to find your systems can't cope with the volume of business via the web.