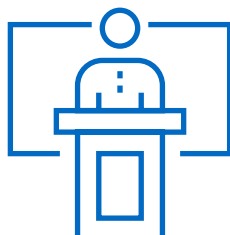


**BUILD  
AN  
ONLINE  
BUSINESS**



## CONTENTS

Introduction	1
Finding your perfect product	2 – 3
Choosing a supplier	4
Choosing an eCommerce platform	5 – 6
Designing your shop	7 – 8
Adding your products	9 – 10
Registering a domain name	11
Choosing a payment gateway	12 – 13
Marketing	14 – 15
Feedback and improvement	16

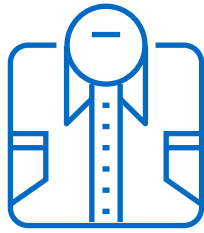


# INTRODUCTION

So, you've taken the leap decided to start an online business. Congratulations! Celebration over, let's get down to work.

I won't lie to you, it's going to take work, and a lot of it. That being said, nothing will stand up against the feeling of making your first sale. In this eBook I'll hold your hand through the first and arguably most challenging stages of growing an online business.

Let's get to it...



## FINDING YOUR PRODUCT

Ideas are worthless. Everybody has an idea, it's the execution of the idea that will turn your dream into a reality. Try and be as pragmatic as possible and avoid being romantic about your idea. Do a full audit of your product and test its practicalities. How will you source the product? What margin will you sell at? Is there enough monthly demand for you to earn a living? If you fail to face these practicalities head on you will likely learn the hard way and you will have wasted your time and money. To help find the demand for your product, use Google AdWords [Keyword Planner](#) to see how many people are searching for it on a monthly basis.

If you have no idea what to sell, here are some tips on what to look out for when choosing your product:

### **Sell your passion**

If you're in the business of selling what you love, you are much more likely to be successful. What do you Google in your spare time? What are your hobbies? This is a great place to start. Selling your passion will make it easier to keep going in the tough times.

### **Niche down**

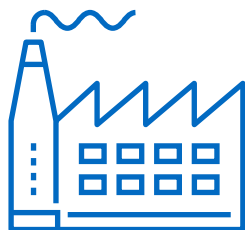
Fancy terminology aside, 'niching down' means being as specific or unique as possible when choosing what to sell. Take [elementreplacement.co.uk](http://elementreplacement.co.uk) for example. They sell replacement elements for your oven. The likelihood is most people don't even know what an oven element is, but that's the point, they have found their niche and now they own it.

## Margin

In simple terms, your margin is the amount of money you will make on each product sold. If you are selling low-priced products (below £100) you should be hoping to make a [margin of at least 30%](#) if you want to run a sustainable business. If your calculated margin is less than 30% you are relying on your product being very scalable and selling high volumes. This will then raise your cost per acquisition as a larger customer base will mean you will have to answer more support questions which will set a heavy burden on your shoulders.

Below is the breakdown of a typical product to illustrate the variable costs that come with selling online.

<b>Manufacturing Cost Per Unit</b>	£12.00
<b>Advertising</b>	£4.00
<b>Packaging</b>	£4.00
<b>Shipping</b>	£5.00
<b>Transaction fee 2.5% (Average)</b>	£1.13
<b>Cost per unit</b>	£26.13
<b>Revenue per unit</b>	£45.00
<b>Margin</b>	£18.87 41.93%



## CHOOSING A SUPPLIER

Unless you manufacture your products yourself, your ability to find a good supplier can make or break your business. Ideally, you want to find a supplier that is cheap, reliable and flexible to your needs. Here are a few things to keep in mind when choosing your supplier:

- 1. Price isn't everything:** Although price is going to be important at scale, it is important to keep quality and reliability in mind when making your final decision. If your products are cheap but poorly made, it will be reflected in your reviews and sales.
- 2. Build a relationship:** Suppliers are more than just manufacturers of your products, they are your business partner and will be able to offer you invaluable advice coming out of the gate. Remember to try and stay on good terms with them as this could pay dividends in future in numerous ways.
- 3. Safe and sound:** Try and find a supplier who has been in business for more than 5 years and has positive reviews. Your business is going to be depending on them, so think long term.
- 4. Location:** Although it's cheap to outsource production to China, keep the distance in mind and remember how long your products will take to arrive and the shipping and tax implications. It is also harder to build a reliable working relationship with suppliers abroad.



# CHOOSING AN ECOMMERCE PLATFORM

Choosing which platform to host your online business will rely on a couple of factors:

1. **Your ecommerce/web experience.**
2. **Your businesses needs.**

Broadly speaking, there are **two** types of ecommerce platform; **Open source** and **SaaS** (Software as a Service).

## **Open Source**

Open source platforms are best suited for large online businesses with high volumes of visitors that process a large number of orders daily. To use an Open Source platform you will likely need web development experience or employ somebody with experience. Some of the Open source platforms you may have heard of may include:

1. **Magento**
2. **OpenCart**
3. **WooCommerce**

## **SaaS (Software as a Service)**

SaaS ecommerce platforms are best suited for small to medium size businesses who perhaps do not have much web development experience but still want all the features that come along with an eCommerce platform. SaaS products are hosted for you and you will usually pay for the service on a monthly subscription basis. Some SaaS platforms you

may have heard include:

1. **EKM**
2. **Shopify**
3. **BigCommerce**
4. **Bigcartel**

If you're not quite sure which would be most appropriate for your business see [this blog](#) on Saas vs Open Source.





## DESIGNING YOUR SHOP

Have you ever walked into a shop and been put off buying because of the way it looks? Sometimes you don't even know what is putting you off, but something doesn't feel right. This is no different online. Perception is everything. If your website looks tacky and thrown-together, a customer will not trust you and likely shop elsewhere.

Here are some invaluable tips when designing your online shop from our Creative Lead, Matt:

“Ensuring your online shop is simple, clean and easy to navigate is the most important factor when it comes to making sales. If you have a cluttered website with hundreds of categories, then customers will struggle to find their desired product and likely leave.

Second place comes your logo and branding. Your logo is what represents your brand. Make sure you create a high resolution, professional logo and your customers will judge your business accordingly.

Next up, colours. Attention to detail is what will separate your business from competitors and this mantra should be implemented in every aspect of your business. Think about the message you are trying to convey and what colours match this message. **This article** is particularly helpful in identifying which message different colours carry.

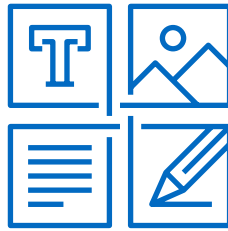
Last but not least is CTA's. A Call To Action is anything that provokes the customer to take action. Whether it's a 'Subscribe' button or

‘Buy Now’, little is achieved without CTA’s. The whole idea of a CTA is that it grabs your attention. The first rule of CTA’s is that they are in high contrast with the rest of the page to make them stand out. The second rule is that they are consistent with each other. For instance any CTA that is telling a customer to progress or to ‘buy’ may be in green whereas any CTA that is telling customers to go back to ‘cancel’ something may be in red.”



**Mathew Dobson**

Creative Lead at EKM



## ADDING YOUR PRODUCTS

The process of adding products to your online shop will vary in difficulty depending on the platform you are using. Here are a few things to pay close attention to:

### **Product title**

Ambiguity will be your biggest enemy when it comes to selling your products. If your products are not clearly labelled with the correct keywords on them, then they will not show up when a customer is searching for the product. Name a spade a spade!

### **Product description**

Customers want to know more about your products before they buy. Do your products justice by providing a detailed product description. Talk about the features and benefits and product specs of your product and how it will scratch their itch. This is selling space, use it!

### **Tax**

If you're a small start-up business it is not mandatory to charge VAT. In fact, it only becomes mandatory to charge the standard rate of 20% on appropriate products when you have turned over £83,000 in revenue over the past 12 months.

For more information on VAT and how it affects your business, [click here](#).

### **Product images**

Product images evoke emotion in a customer. It brings them closer to the product and makes them more inclined to buy. It is also a good indicator of product condition. Don't know how to take professional looking product images? [Click here](#).

## Price

As mentioned in the section on Margin, you would ideally be selling a product priced around £100+ with a minimum margin of 30%, however, this is in some cases impractical. There are other things to consider when pricing your product, such as what customers are willing to pay and what your competitors are selling it for. Here's a few tips on finalising your product price:

- 1. Market research-** Nothing complex, simply search your product online by snooping around your competitors websites. After you've visited a few of them you should have a good idea of the average market value for your offering. If you notice a large number of competitors selling your product, it's worth taking a step back and asking yourself what makes you different and why customers should buy from you and not others.
- 2. Underpricing** - There is a tendency of new business owners to underprice their products as they go in with mindset that the lowest cost product will always be the highest seller. There a couple of fundamental downsides of this tactic. Firstly, your bottom line profits will take a hit. Secondly, people want value for money. When you underprice a product, this will carry the perception that your product is cheap and low quality. In the same breath, overpricing your product can have an equally negative effect on your sales as we all know people are not willing to pay more than the perceived value of the product. Ensure you do enough research to see what the market would be willing to pay for your product and price it appropriately. Finally, remember it is always easier to lower your price than to increase it down the road.



## REGISTERING A DOMAIN NAME

For those of you completely new to this, a domain name is what a customer will search to find your website. So for instance you if you were selling electrical goods online, you would want something along the lines of **'www.myelectricals.com'**.

I understand that you're probably anxious to get started, however setting aside time to think of a catchy, relevant domain name that customers will be able to remember and easily associate with your service will pay dividends later on. Keep in mind that your domain name will become your brand name. Making a bad decision at this stage could hold your business back further down the line. You may think that you can just change it in future however, the bigger your business grows, the more brand awareness you will have and if you change your domain name you may lose the brand recognition that your business lives on.

### Tips for picking a domain name

1. Make it easy to type and pronounce. Take **'www.cjdxelectricals.com'** as a bad example.
2. Be positive! If your domain name is drab and miserable then customers will think the same of your business. Which sounds better? **'www.sunnysidesalon.com'** or **'www.cheapsalon.com'**.
3. Use keywords. If you're selling toys, it would be a good idea to use the word "toys" in your domain name. Remember, ambiguity is your worst enemy.

If you have not yet registered a domain name, [click here](#) to see if yours is available.



## CHOOSING A PAYMENT GATEWAY PROVIDER

Selling online is different from selling through a bricks and mortar shop in a number of ways. One of the main differences is taking payments as you will no longer deal with physical cash (scary right?). Think of a payment gateway provider as the online equivalent of a cash register in a bricks and mortar store. Choosing a payment gateway can be a confusing ordeal if you let it, so here's some tips on what to look out for:

### **eWallet**

An eWallet is the fastest way customers can pay for items on your website. Well known eWallets include PayPal and Amazon Payments where a customer does not need to edit any credit card details, just simply log into their account and pay. Saving customers time on the final stages of the checkout will drastically reduce your abandonment.

### **Transaction fees**

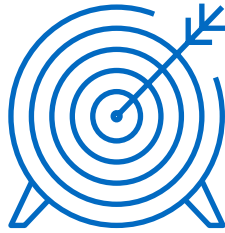
Transaction fees are how payment gateway providers make money. This is where they will take a small percentage of every sale you make (e.g. 2.5% per transaction). Look out for the lowest transaction fees.

### **Security**

Whether it be AshleyMadison.com or TalkTalk, there is always the bitter taste of a website security scandal in the air. There is nothing worse for a brand's reputation than leaking their customers sensitive information. Make sure you research your chosen gateway provider to ensure they pass all of the relevant safety regulations to ensure your customers sensitive data is protected.

## **Support**

Taking payments is the most important exchange between you and your customer and is the time when they are at their most vulnerable. Having support there at hand when you need it is essential.



# MARKETING

“Marketing is not a function of business but the function of business”

**Peter Drucker**

## **Social Media**

A marketer's biggest priority has always been finding where the attention is and advertising in that space. Before the web bubble, we had to use old school methods of advertising such as posting flyers through letter boxes and hoping somebody reads it (can you imagine?). Today, we know where the attention is - social media. Not only do we know where the attention is, we can send targeted adverts to specific demographics based on their interests. We can then look at the numbers and optimise our adverts accordingly.

Don't know where to start? [Click here](#).

## **Email Marketing**

Marketers ruin things, it's a fact. There was a time where you could consistently get 77% click-through rate on all of your email campaigns. However, 1998 passed and people naturally grew smarter. This by no means implies that email marketing is dying as it still reigns as one of the most effective sales techniques on the market. With 91% of consumers checking their email daily, it is a channel that cannot be ignored.

As an email marketer, your worst enemy is the spam filter. The spam filter is allergic to anything with the word 'Sale', 'Limited time' or words that you'd expect to see written on a supermarket billboard.



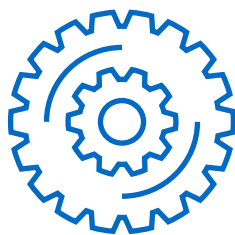
[Click here](#) to get started with email marketing today.

## **Google AdWords**

There are many businesses who use Google AdWords as their sole means of attaining customers, simply because it is so effective. If you're not fully acquainted with AdWords, they are essentially paid adverts on a specific search term that customers will search for.

For instance, you're a new online business selling dog treats. You're entering a very competitive market and you will get no sales by relying on organic rankings or direct searches to your website. By investing in Google AdWords, your adverts would appear at the top of Google when somebody searches for "dog treats". Simple right?

For help getting started with Google Adwords, [click here](#).



## FEEDBACK AND IMPROVEMENT

Once you're up and running and you've got a few sales in the bag, it's important to start identifying what you're doing well and where you could improve. Incentivise your customers to give feedback about what they found challenging or confusing on your website. Try to buy something on your own website and identify pain points in the process that could be improved.

You can also use free tools such as [Google Analytics](#) to keep an eye on what pages customers are looking at and what they're getting stuck on. Head over to the [Analytics Academy](#) for help.



## ABOUT THE AUTHOR



### **Nick Kane**

Marketing Executive

Nick has the task of grabbing your attention and communicating EKM's mission. In his spare time you'll find him reading, scheming, selling and drinking the occasional stein.

## WANT MORE CONTENT LIKE THIS?

[Visit the EKM blog](#) for the latest in eCommerce hints, tips and tricks.  
Sign up for our email newsletter for them straight to your inbox.

