



10 Top Strategies for Launching a Successful E-Commerce Site

Smart Solutions

With dot-com failures on the rise, you might ask whether it makes sense to spend time, money, and resources to create an e-commerce site for your company, or to expand or enhance an existing site. Although new e-commerce startups may carry a lot of risk, extending a traditional business with e-commerce capabilities can still make a lot of sense.

Done right, an e-commerce site generates additional revenue and enhances brand name awareness for your company. In fact, in some industries, not having e-commerce capabilities can actually have a negative effect on sales and market share, making your company seem technologically backward and not in tune with the times.

If you're planning to move into e-commerce this year, or expand your current system, here are some high-level considerations to think about as you develop your strategic plan:

1. Synchronize your strategies. Assuming that you're starting your e-commerce venture as an extension of an already existing business, your first step is to determine how e-commerce fits into your overall strategic plan. You need to synchronize your e-commerce and traditional businesses so that they complement rather than compete with each other. Even if you decide to create a separate business unit to handle e-commerce activities—often a good idea considering the rapidly changing e-commerce environment—you still need to ensure that you've developed all the efficiencies and synergies possible. Determine your core strengths and use them to choose the e-commerce business model that's right for you. The majority of the most successful e-commerce sites are extensions of established brick and mortar companies. For example, Staples.com grew out of the Staples chain of physical store locations; LandsEnd.com developed from an already operational mail-order business.

2. Check out the competition. Knowing what your competition is doing, and whether it's working or not, is a vital initial step. Spending time upfront analyzing the e-commerce strategies of your major competitors can lead to a big payoff later on. Look at your competitors from both

a business point of view and a customer point of view. You obviously need to know the business strategies they're using, how successful they are, and the technologies on which they've based their site. Yet a customer's perspective is important too. Let's say your company specializes in outdoor gear. Visit your competitors' sites with a target customer in mind: for example, a 25-year-old woman who wants to buy a new backpack for a hiking trip in the Sierras. What is her experience at each competitor's site? At which one would she most likely make a purchase? Use customer demographics to learn ways to make your site more appealing to your target audience than that of your competitors.

3. Focus on the customer. It's evident that customer-centric e-commerce sites are the most successful. How you approach your target audience may differ depending on whether your site is business-to-business (B2B) or business-to-consumer (B2C), but the goal of designing a site that both meets your customers' needs and generates profit is the same. Think back to the target customers who were your focus when you analyzed your competition and take it a step further. What do your customers want and how can you meet this need? Understanding the basic concepts of customer relationship management (CRM) and applying them to your e-commerce site can make the difference between dot-com success and failure.

Your site's overall concept and business model aren't the only issues here. Site design can also play an important role in enhancing customer experience. Design your site with the customer in mind and consider carefully before implementing any complex or extreme designs. Although flashy animations and cutting-edge graphics may be appropriate for certain sites, in most cases what your customers really want is an attractive, uncomplicated site that's easy to use. They want to go to your site and find what they're looking for quickly without having to wait for large images to appear and without having to click through repeated pages and links to reach the information they want. Having desirable products at competitive prices may lure site visitors, but a positive customer experience and highly usable site can keep them coming back.

4. Get personal. Use personalization techniques to further emphasize the one-to-one customer relationship. Done properly, personalization benefits both businesses and customers. The business gathers relevant customer intelligence and demographic data and customers receive personalized service and convenience.

To see personalization in action, take a look at the Amazon.com website. Amazon greets you with personal recommendations (based on previous purchases or ratings you entered on previous visits) and even provides a special tab for your own personalized store. When you find what you want to buy, the site remembers your basic information so that you don't have to re-enter it.

According to a recent Personalization Consortium survey, 73 percent of consumers prefer that a website remembers information about them. Of those surveyed, 62 percent actually dislike having to enter any personal information they already provided on a previous visit. The problem with personalization, however, is when it becomes too invasive—finding the appropriate balance is a crucial step in creating any e-commerce personalization strategy.

Many out-of-the-box e-commerce systems include some level of personalization functionality, which you can expand with more sophisticated personalization solutions if desired. If you require more than basic personalization (dynamically generating content based on demographic information), consider a solution that offers collaborative filtering, which personalizes content based on an analysis of one site visitor's preferences and actions as compared to other site visitors with similar preferences and actions. Beyond this pattern matching personalization strategy, even more advanced systems use statistical probability algorithms to deliver personalization based on an analysis of other variables.

You can implement some levels of personalization immediately, but others (such as making recommendations based on past purchases) need to mature over time and be phased in. One thing to consider in setting a phased approach is that it's often more costly to retrofit a non-personalized site than it is to design one from scratch. So even if you don't implement all your personalization strategies at once, it makes sense to consider them in your long-range plans from the start.

5. Know that content is king. No matter what products you sell, customers evaluate your site on the information it provides and how you present it. It's what makes your site "sticky." You need a site that's clear, quick, and easy to navigate and offers true value to your target audience. Even if your main goal is to create another channel for selling your products, merely setting up an online store isn't enough. You need to create a community among your customers, an online gathering place where they automatically go when they need information on topics relating to your products.

For example, if you manufacture bakeware, you should create a content community for baking enthusiasts that also provides easy online ordering for your bakeware products. If you create educational toys, you want to target your content to parents and perhaps teachers as well. Although services exist that provide automated news feeds and mass-generated content on particular topics, it's the unique content that attracts and keeps customers. Content includes not only articles, product features, and news about your topic, but also other community-building tools such as forums, chats, interactive learning features, webinars, and more.

Email announcements and newsletters are another way to inform your customers about new content and products available on your site. Be sure, however, to let customers opt in to your mailings by offering clear subscribe and unsubscribe options. Nothing loses customers faster than sending them large, frequent mailings that they don't want.

Take a look at Microsoft's website for an example of a site that offers a true community to its customers. Obviously, the ultimate goal of the site is to encourage the sale of Microsoft products. But the vast amount of useful content it contains creates a clear distinction between a strictly e-commerce site that just offers online ordering and one that builds a true community among its customers. Good content is the added value that makes your customers remember you, value your site, and keep coming back.

6. Make it safe and secure. Ensure that no customer ever needs to be concerned about security or privacy at your site. Although the comfort level among the general public on using credit cards online has increased dramatically over the past few years, you can't afford to have even one potential customer slip away because of online security fears. The potential loss of privacy is another deterrent to online sales. You need to clearly let your site visitors know that you won't barrage them with unwanted email or sell their name, address, or other personal information. Although selling customer information offers the lure of profit potential during uncertain economic times, doing so can seriously jeopardize your relationship with your hard-earned customers. According to a Personalization Consortium survey, 58 percent of respondents indicated that a privacy policy displayed on a site would be necessary before they would share personal information. Creating a solid privacy policy and posting it in a conspicuous place on your website can help you convert cautious site visitors to customers.

7. Get technical—and understand it. Verify that the lead technology person on your e-commerce implementation team both understands the latest e-commerce technologies and can clearly explain the technical and business benefits to everyone involved in the project. There's a lot to consider—hardware, software, network, security, and compatibility issues among them—and the best technical solution (in other words, the latest and greatest technology) isn't always the best business solution. Whether you're a small business using a hosted e-commerce solution, a mid-size company using a more robust system, or a large corporation with a highly custom solution, there are a plethora of technical issues to address. It's easy to get wowed—new advances in mobile payments and wireless technologies for e-commerce are evolving at a rapid pace. Yet it's critical to understand how these technologies would work for your company and within your current infrastructure, and to remember that technology is only one piece of the e-commerce puzzle.

8. Get back to basics. Verify that all the business infrastructure basics are there—transaction and credit card processing, tax handling, shipping, fulfillment, and more—and that they all work easily and efficiently. If you're developing e-commerce capabilities as an extension of an existing business, a lot of this infrastructure might already exist, such as warehousing and shipping. But in many cases, you'll need to re-evaluate and often re-engineer your existing business processes to work well with your e-commerce operations. The advantage here is that if done properly, these efficiencies can generate operational cost savings.

9. Learn from others' mistakes. Analyze other sites with potential that ultimately failed. One well-known example is that of Webvan, the online grocery delivery service once available in many U.S. cities. One of the most highly visible e-commerce launches of its time, Webvan provided a valuable service and executed it well. Customers could select from a wide array of grocery and household products—from everyday items to gourmet goodies to organic produce—choose a half hour time span for delivery and wait for a delivery person to unload the groceries in their kitchen. The concept and execution were good, yet Webvan filed for bankruptcy within two years, after spending over a billion dollars. The reasons for its ultimate failure are many, but its demise offers an important lesson. Don't just analyze poor e-commerce sites that were doomed to fail. Analyzing those that were poised to succeed, but didn't, can offer far more insight.

10. Create a traffic jam. Even well-known companies need to drive traffic to their websites. For lesser-known companies, it's even more crucial to have a comprehensive online marketing program in place. Solid search engine placement is an obvious first step. If search engine ranking is going to play an important role in your overall online marketing strategy, you need to design your site to be search engine friendly. Using strategic keywords is critical, but they are a science unto themselves and it may take some effort to ensure that they generate the best results with your target search engines. Ongoing research and site analytics will help you fine tune your site to generate even better search engine results.

Finally, don't forget the basics when generating awareness for your e-commerce site. An obvious step that's overlooked more often than it should be is to display your company's website address prominently on all your printed material. This includes your marketing materials, advertisements, and signs. Wherever your company name appears, your website URL shouldn't be far away.

Note: Original article contained detailed resources section.