GROWING YOUR BUSINESS WITH ECOMMERCE SOLUTIONS

FROM REVENFLO

WHAT IS ECOMMERCE?

Electronic commerce, commonly known as e-commerce or eCommerce, or e-business consists of the buying and selling of products or services over electronic systems such as the Internet and other computer networks. The amount of trade conducted electronically has grown extraordinarily with widespread Internet usage. The use of commerce is conducted in this way, spurring and drawing on innovations in electronic funds transfer, supply chain management, Internet Marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems. Modern electronic commerce typically uses the World Wide Web at least at some point in the transaction's lifecycle, although it can encompass a wider range of technologies such as email as well.

HISTORY, CURRENT STATUS AND POTENTIAL GROWTH

Retail spending on the internet has increased consistently over the years, and continues to grow. In the past decade online purchases have grown to represent around 8% of the total of all retail transactions. This represents a growth rate of 700% or more, and the trend continues upward, despite the continuing economic difficulties.

RevenFlo believes there are several reasons for this continued growth:

INDUSTRY MATURATION
The dot-com bust of the early 2000's was highly instructive. Back then, investors showered capital onto any business with an "e-" at the front or a ".com" at the end of its name. Fundamentals like a solid business plan, marketing strategy or an attractive, reliable product mattered less than simply being online. In the brick-and-mortar retail world, this would be analogous to simply leasing a space and paying rent – and expecting to succeed based on those factors alone. This naïveté on the part of the retailers, investors and consumers is long gone.

CONSUMER CHOICE
Web retailers have grown more proficient and aggressive. There are more retailers online than ever before; and far more products available for purchase. As the number of vendors and products online has increased, so has competition to make the online buying experience better, easier, and more satisfying.

INTERNET SECURITY
Consumers have grown steadily more comfortable entering personal information and credit card information. Continuous improvements in online security, and tireless efforts to promote the same, have led to a much higher degree of consumer comfort. Occasional, well-publicized security breaches occur, but consumers increasingly see such episodes as the exception.

CONSUMER COMFORT
Online shopping has also become a very predictable way to make purchases. Consumers know which sites to visit, and they know how much their order will cost. Also, with stated delivery times from the retailer, and real-time tracking from carriers like UPS, the consumers know with a high degree of certainty when their shipment will reach them. This type of predictability is greatly appealing to the consumer, and tends to mitigate the "inconvenience" of waiting five business days for their item to arrive.

THE STAGE IS SET
FOR FUTURE GROWTH IN ECOMMERCE

As they say, past is prologue. Many of the same conditions that have fueled the growth e-commerce up to the present day are the same ones that lead online retailers to believe that their market remains strong, with more room to grow. In fact, a recent estimate suggests that the American online retail industry will continue to grow at a rate of 10% annually, perhaps reaching 250 billion dollars in the next five years.

COMMON ECOMMERCE MISTAKES

Before we discuss successful strategies for entering the online retail realm, let us consider some common mistakes entrepreneurs make when they launch an e-commerce website. First, as we discussed previously, they sometimes think that simply launching a site will bring success. Again, "in the brick-and-mortar retail world, this would be analogous to simply leasing a space and paying rent – and expecting to succeed based on those factors alone."

The second mistake is to approach e-commerce too broadly. RevenFlo CEO Jason Broadwater explains: "They might have an idea to sell ladies' accessories. But they want to sell EVERY accessory. They want to go "full enterprise," but nobody has the resources to do that. The thing is, that broad "everything" niche is already being well served by giants like QVC, Wal-Mart and Target. The small web entrepreneur simply can't compete."

FOCUSED, NICHE MARKETING

The solution is to focus and specialize - to find a niche and to capitalize on it. So, instead of every accessory, an entrepreneur might find success in e-commerce by focusing strictly on handbags, scarves or earrings.

Broadwater continues: "I know of a little website that sells mugs, thermal mugs. They come in different sizes, different colors and patterns. They do Christmas, birthdays, graduations, and so on. They personalize them with your monogram. And that's IT – that's the entire business. But it works – it is a specific, simple, easy-to-grasp concept that is also easy to order and pay for. It is a textbook example of a successful e-commerce model."
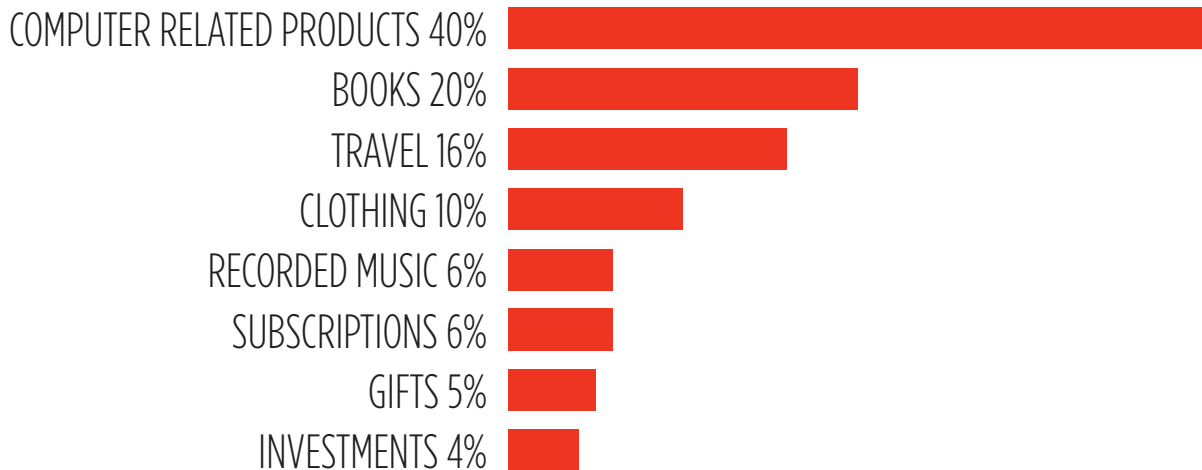
SUCCESSFUL ECOMMERCE PRODUCTS 2010

As Broadwater maintains, products and services sold successfully on the web tend to be ones that capitalize on the convenience of the internet. Successful products are also ones that are easy – and relatively inexpensive – to send by mail or UPS, if not directly downloadable.

So, if the personalized thermal mug niche is locked up, what else is popular now? Comscore, a "global leader in measuring the digital world and the preferred source of digital marketing intelligence," claims that the following goods and services are the showing the most robust growth:

JEWELRY / LUXURY GOODS / ACCESSORIES
FLOWERS / GIFTS / GREETINGS SITES
SPORTS / OUTDOOR

More specifically, auditing firm Ernst & Young reports that the popular internet purchases include:

COMPUTER RELATED PRODUCTS 40%	
BOOKS 20%	
TRAVEL 16%	
CLOTHING 10%	
RECORDED MUSIC 6%	
SUBSCRIPTIONS 6%	
GIFTS 5%	
INVESTMENTS 4%	

FINDING YOUR ECOMMERCE NICHE

Whether you already own a retail establishment, or if you merely have the notion that you might like to, you must fist find a niche when going online – a purpose for being there.

First, determine a niche market in a field you know and for which you have a passion. You are likely already at this point, with an idea that has been turning over in your mind for quite some time. The Passion factor is important, because it will help sustain you during the inevitable bumps in the road.

You may already have an idea related to your area of expertise or interest, but you wonder how to target a niche and determine the needs of the consumers in that market, and how to meet those needs more effectively than your competitors – assuming you have any.

So, you do your homework, researching the market you have in mind. Draw up a profile of your intended market, as detailed as possible. What will be the demand for your product or service? Are there similar products that meet, in whole or in part, that demand? Is there room for another one? How will you do it better, cheaper, or more efficiently?

FINDING YOUR ECOMMERCE CONSUMER

Your intended consumer may hold the clues to these answers. So, find out where they live – online, that is. Let's return to ladies' accessories for a moment. There are dozens – if not hundreds - of consumer, parenting and entertainment sites where women hang out in the forums, chatting about what they love or hate about the latest style of you name it.

So, pay attention. Which products or retailers do they love? Which do they hate? If they dislike something, what might change their minds? Most importantly, how could YOU solve this problem?

Technology holds another clue. A simple keyword search, available from a number of common sources, can help you see the possibilities, based on what terms people are searching. For instance, the most rudimentary form-completing function of Google will give you a variety of "Purse" options, even before you finish typing the word, such as:
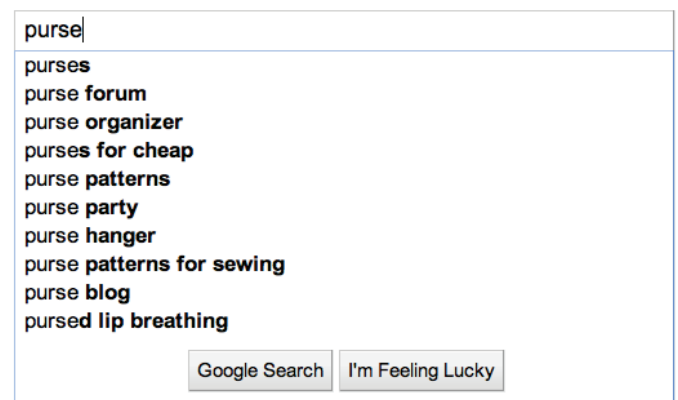
Now, we have no idea what a purse party is, but SOMEBODY is interested in them!

YOU HAVE FOUND YOUR ECOMMERCE NICHE MARKET – NOW WHAT?

So, you have an idea. You have determined its value to your intended consumer. You know a bit about what they like, dislike, and wish they had more of. You have a sense of the competition and how you can do it better, whatever "it" is. Now what?

Now is when the nuts and bolts of e-commerce begin. If you haven't sought professional guidance up to this point, it may now be the time. Now is when you must consider the mechanics of website design, programming, hosting, shopping carts, marketing, and on and on.

ECOMMERCE TOOLS
Where to Begin?

When a retailer decides to enter the world of online commerce, the question of "How?" looms large. Who provides the programming? What tools are required? Will internal staff understand and be able to use the software? Frankly, these are the fears that often prevent retailers from taking the e-commerce plunge.

RevenFlo CEO Jason Broadwater frequently deals with these questions. "Some companies - but fewer every day - have a true IT guy or a webmaster on staff. Some just have a secretary who has had a little bit of web training. Regardless, a good e-commerce solutions provider is going to provide a tool that they will be able to handle, with as much or as little assistance as they require.

"We do that by way of open source content management software. Open source means that we can crack open the software and

customize a solution for the client. Content Management means that they can take some ownership in the process. They don't have to run to us to update their website every time they change a price or discontinue an item.

"Some clients fear that they are going to be shackled to their web developer for the rest of time, but that's just not the case anymore. It just takes the right tools. For RevenFlo, those tools are Wordpress, Drupal and Magento."

WORDPRESS CONTENT MANAGEMENT SYSTEMS: BASIC BUT FLEXIBLE

Wordpress is a flexible open source content management system (CMS). It offers numerous design templates that can be used as-is, or modified by a professional designer/ programmer to meet specific client needs. After the initial delivery by the web designer, a CMS like Wordpress allows the client to update and change information and images relatively easily, without knowledge of programming or markup languages.

WORDPRESS.ORG

Easy to use **Content Management System**

Numerous **design templates**

Allows **custom** *designs and layouts*

Easily **updated by client**

Does not require *programming knowledge*

Wordpress by itself is not an e-commerce platform. However, the various templates allow the site administrator to import basic Buy Now and shopping cart tools from services such as PayPal or Google Checkout.

"This very basic level is not true, full-on e-commerce," explains Jason Broadwater, CEO of RevenFlo. "At this level, you might have a cooking blog, with a Buy Now button to purchase your book of recipes. You might have one or two products for sale – usually no more than that. Wordpress by itself is perfect for this application, and many entrepreneurs can handle this level of e-commerce personally. But when the product list grows, it gets more complex. You have a bigger investment in inventory, and a greater need for marketing. That's when we move up to Drupal."

REVENFLO OFFERS ROBUST DRUPAL CONTENT MANAGEMENT SOLUTIONS

Drupal is a flexible, open source content management system that allows users to publish, manage and organize web content with relative ease. It also allows for easy plug-in of e-commerce software. With Drupal's e-commerce plug-ins, users enjoy a variety of features, including:

Drupal

Flexible **design themes**

Ability to create **taxes, charges and discounts**

Managing **subscriptions and recurring payments**

Managing **inventory**

Flexible **payment and shipping** *options*

Invoice generation *and* **email notifications**

Jason Broadwater is an enthusiastic proponent of Drupal. "It's the king of open source CMS. And Drupal's e-commerce plug-in is robust, to say the least. And we have used it effectively for clients such as SkyVue."

SkyVue Electronics of Chester, SC manufactures televisions and video monitors designed for outdoor use. A relatively new venture, SkyVue sells via distributors and home shows. Now, they are diving into e-commerce. These are physically large, big-ticket items to be sure. However, the size and scope of the product offering is rather small.

"SkyVue sells five or six models and maybe 10 different accessories," Broadwater explains. "The Drupal package we designed for them easily handles their sales, payment and inventory. It also satisfies their content management needs like their blog and other marketing functions.

"Drupal offers SkyVue all of the flexibility inherent with a good CMS, with the added power of a truly robust e-commerce component. This is full-on e-commerce, linked to a third party payment system like Authorize.net. It's happening live, through their portal, and fully secure."

Broadwater admits, though, that Drupal's success in meeting SkyVue's needs is due in part to their limited product offering. It is, however, the right tool for the particular job. For a larger, more complex product offering, more e-commerce firepower would be necessary.

REVENFLO OFFERS POWERFUL E-COMMERCE SOLUTIONS BY MAGENTO

Magento is an eCommerce tool that offers considerable flexibility and control over the content and functionality of online shopping carts. The Magento tool features customizable, template-based design flexibility. It also handles more complex eCommerce functions such as:

*Flexible **tax rates** for US and International markets*

Catalog Promotional Pricing

*Customer **Group-specific pricing***

*Live **shipping quotes***

*Multiple **languages and currencies***

Multiple stores

Most importantly, Magento offers these and many other features for an UNLIMITED number of products.

RevenFlo recently found the perfect application for this capability in Imaging Associates. Based in Charlotte and Miami, Imaging Associates sells new and refurbished medical ultrasound equipment, both domestically and internationally. "This is a company with a small staff and a huge warehouse full of extremely expensive merchandise," Jason Broadwater explains. "In other words, a lot of overhead. Ideally, a good e-commerce solution would not only provide a sales channel, but also an effective inventory management tool, as well. "Magento helps Imaging Associates manage over 600 products, and over 400 tax codes. They are selling in the US, in

South America, the Middle East – everywhere. English, Spanish, Portuguese, you name it. As powerful as Drupal is, it could never handle that volume and complexity. Magento, from the ground up, was meant to be an e-commerce inventory system – and size is not an issue."

REVENFLO OFFERS FLEXIBLE ECOMMERCE SOLUTIONS

RevenFlo offers no set formula for solving clients' e-commerce dilemmas. Every situation and every solution will be slightly different.

"That's the beauty of open source," says Broadwater. "By nature, it's meant to be tinkered with, stretched, and challenged. The flexibility and interactivity between platforms allows us to approach each client individually. We never have a pat, off-the shelf solution.

"I believe this also illustrates the importance of choosing the right e-commerce provider," he concludes. "You buy a product from Yahoo, you get what you get. You hire a development company, and they will build what you TELL them to. Hire a designer, and they will make it look like the picture in your head.

"But you hire RevenFlo, and we will take you through the entire process. We will offer strategies to approach your marketplace. We will suggest the types of technologies that will best suit your needs - so that you and your team of 3 or so people will be able to manage your inventory and your products in a meaningful way. And then we will provide the types of services that you need to get your site built, and make it perform for search engines and in the social media space. It is truly consultative service, every step of the way."

Whether you wish to sell one or two products – or 500 – there is an appropriate e-commerce tool to help you succeed. You can choose from the basic but potent Wordpress CMS, the "gold standard" of Drupal with its many robust plug-ins, or the nearly limitless e-commerce power of Magento. The solution is out there, and a good e-commerce solutions provider can help you determine which one is best for you.

We have discussed the history of online retail and the state of the marketplace today. We discussed a path to online retail success by way of a focused, narrow niche - as opposed to the "general store" approach. And we discussed utilizing effective open source e-commerce software such as Wordpress, Drupal and Magento.

We have hinted at some of the benefits e-commerce can provide for the retailer. In this final installment, we will discuss these benefits in greater detail.

ECOMMERCE CAN BENEFIT YOUR ENTIRE BUSINESS

RevenFlo firmly believes that e-commerce can provide system-wide, holistic benefits to the retailer. For CEO Jason Broadwater, convincing the potential e-commerce client of these benefits is his first priority. "Of course, I always want the client to buy in. But I want him to buy in at the deepest level of commitment, to truly understand the benefits he can derive from whatever service I am proposing.

"A surprising number of retailers considering e-commerce say, 'Well, if this website sells five units, that's five more than I would have sold.' That's when I know my job isn't done. I have to help him to see the entire gamut of benefits e-commerce can offer, in terms of his sales and marketing, his business processes and his customer satisfaction."

eCommerce Can Lower Marketing Costs

E-commerce allows you reach your current and potential customers in a focused, efficient way. Every time your customers log on, opt-in, complete a form or place an order, they give you valuable information about their preferences. You can track where they click, learning the steps they take in making their purchase decision. You begin to learn their spending patterns. And you know where they live, online and in real life!

This wealth of information you accumulate will allow you build a comprehensive database of customer preferences. With this information you can market and promote to your customers and their peers with accuracy like you have never known.

eCommerce Offers Expanded Market Presence

E-commerce can help your business to break out of your local market, and gain new customers regionally, nationally or – with the right software – internationally. As your business expands in this way, your online presence begins to level the field and mitigate the advantages enjoyed by large companies. Yours can truly be one of those companies you hear about that offers "the market reach of a large company with the personal service of a small company." And, cliché though it may be, your customers will appreciate that.

eCommerce Helps Improve Business Processes

E-commerce offers improved inventory management. Basically, you will integrate your public showroom and your inventory management system, so that your product display is your inventory. The immediacy and precision of your online inventory management system can reduce inefficiencies in your supply chain. This can reduce your inventory and improve delivery times.

As you automate and streamline your backend business processes by way of your e-commerce system, your business naturally becomes more efficient. Further, this new baseline of automated, smooth-running processes will allow much easier upgrades in the future. All of those hot new business process re-engineering models that have eluded you until now (ISO, Six Sigma, etc.) will be much easier to apply, leading to new potential markets.

eCommerce Can Improve Customer Communication, Service and Satisfaction

A print catalog is outdated almost from the moment the ink dries. By contrast, your e-commerce website is almost a living electronic document. This is due to the user-friendly functionality of open source content management systems (please see Part 2: Tools.) With instruction, you can usually perform these updates without "pro" assistance.

This immediacy offers several benefits that, together, can lead to increased customer satisfaction.

Pricing

Your prices – TODAY'S prices – are easily displayed. And those prices can be programmed to reflect the customer's status. Loyalty Club? Preferred Partner? Active Military Discount? If and when your prices change, again, they are easily updated.
· Selection: Ever have your heart set on the picture in the print catalog, only to find that the item is backordered or discontinued? Frustrating, right? With open source CMS, you can easily remove the item, swap it with the replacement SKU, or slap a Temporarily Out of Stock banner across it.
·Delivery. As we state elsewhere, your online showroom IS your inventory. So, backorder situations are greatly reduced, and delivery estimates are more accurate.
·Ease. Every time your customer returns to your site, the shopping experience is a little easier and a little quicker. Utilizing cookies, address and credit card information forms that are filled in once need not be filled again.

Promotions

The information you collect about customer preferences can be used to send targeted promotions. Loyalty Club software alerts the customer to special deals "Just for You!"

eCommerce Offers Increased Sales Potential

In the brick-and-mortar retail world, one way to increase sales is to open an additional location to serve more customers. Launching an e-commerce site is very much like opening a new branch of a retail store, and can increase your sales in a similar way. However, there are important differences that make an e-commerce site even more attractive. The operation of this virtual branch location entails low startup cost, practically zero salary and benefits, and a tiny fraction of the "rent." An e-commerce site does this while commanding vastly larger market exposure. So, whatever additional sales this new branch achieves, it achieves them at a lower cost, i.e., more profitably!

CONCLUSION

E-commerce is not a fad. It isn't something to dive into just to keep up with the times. If it sometimes seems like everyone is jumping on a bandwagon, it is because more and more retailers are realizing the growth potential e-commerce offers! Retailers large and small are seeing tangible benefits in increased sales, expanded market presence, improved business processes, lower marketing costs, and improved customer satisfaction.

Whatever your retail business, whatever your size and with your goals and objectives in mind, RevenFlo can craft an e-commerce solution for you. Never a pre-packaged, off-the-shelf set of online retail tools, but a true solution that takes into account your business model, your market and your goals.

If you have been considering entry into the world of online retail, or if you have any questions about web design, web marketing or web strategy, please contact RevenFlo!

ABOUT REVENFLO

RevenFlo specializes in internet marketing services, including: Strategy, Management, marketing, Consulting, Design, Development, Content Creation, Content Marketing, Email Marketing Campaigns and Search and Social Media Marketing. An increasingly important part of RevenFlo's service offering has been to assist retailers – both brick-and-mortar businesses and online retailers– in launching powerful, cost-effective eCommerce websites to sell their products and services.

RevenFlo is experienced and capable in assisting retailers in the development or redesign of their internet retail ventures successfully and profitably. To achieve this success, RevenFlo believes in providing the retailer a solid education on many facets of e-commerce, including:

The history, current conditions and potential future growth of e-commerce

Successful market entry strategies;
The tools of e-commerce that best fit their needs

Potential benefits for the online retailer.

If you are a retailer interested in exploring your online options, if you have questions about e-commerce - or about web design, internet marketing or internet strategy - please contact RevenFlo!

COMPANY HISTORY
RevenFlo was founded in 2004 by Jason Broadwater. Originally named Prose Productions, LLC, the company found its footing as a content generation and strategic content consulting firm serving an online marketplace of Internet Marketing professionals and Advertising Agencies. Prose Productions grew to the size of 15 writers being managed and strategically guided by Jason in his efforts to serve a growing network of global freelance writing projects.

As Jason became more interested in serving local and regional service organizations, the scope of services grew to incorporate all strategies, communications, and marketing online – including Web Strategy, Web Design and Web Development, SEO, PPC, Email Marketing, Analytics Tracking, CMS Development, and more.
Instead of supplying a hyper-niche service to clients across the nation, we began to provide a comprehensive web solution to local and regional organizations. Today, we serve organizations of all kinds spanning the nation, but our core business is in serving businesses in North and South Carolina.

We provide comprehensive
Internet Marketing Services.