Introduction to Ecommerce

About Us

media

Ecommerce · Branding · Web Development

What you'll learn

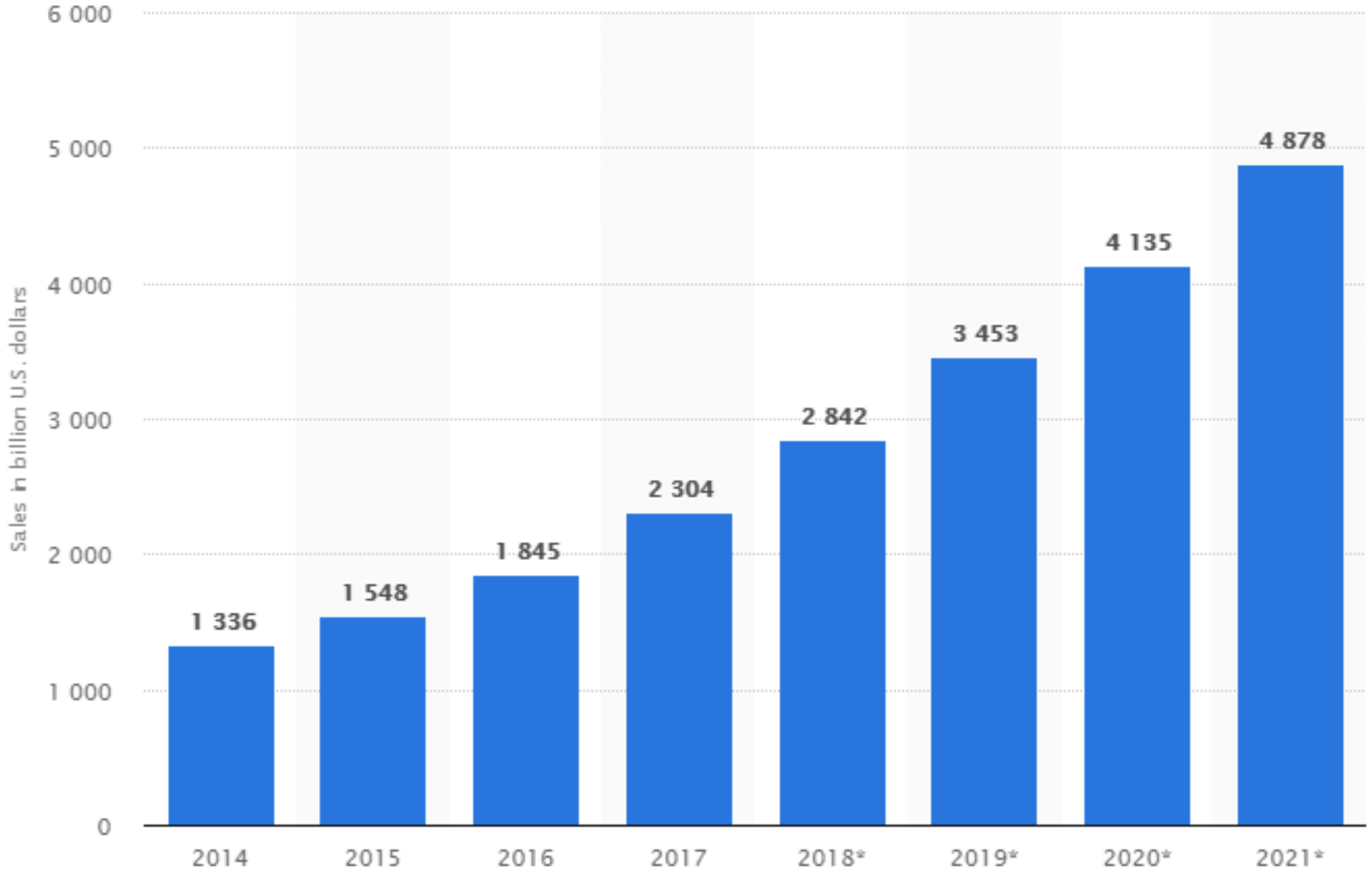
1. What is Ecommerce
2. Finding your Audience
3. Choosing a Product
4. Distribution 101
5. Reaching your Audience
6. Calculating Profitability
7. Resources
8. Q&A

What is Ecommerce?

Ecommerce refers to commercial transactions conducted online.

Whenever you buy and sell something using the Internet, you're involved in Electronic Commerce.

How big is Ecommerce?



https://www.statista.com/statistics/379046/worldwide-retail-e-commerce-sales/

Why shoppers buy online?

- Lower prices
- Accessibility
- Convenience
- Wider selection of goods
- Comfort
- Repeatable purchases

Why sell online?

- Global audience
- Easily scalable
- Data gathering
- Younger audience
- Less risk

Misconceptions about Ecommerce

- Cheap & Easy
- It’s passive income
- No need to advertise
- Great margins
- Tax is hard
- Not worth it if you have B&M

The Ecommerce Product Canvas

- Audience
- Product
- Fulfillment
- Marketing
- Value

Audience

Determining a target market, their needs and their values

Audience

Starting with an audience ensures there is a market that will pay for your product.

Audience

What need are you trying to fulfill?

Audience

Traditional Market Segmentations

Demographics

Geographics

Behaviouralistics

Psychographics

Check our resources for more information about Marketing Segmentations

Audience

What do your customers value?

Quality?

Great customer service?

Low prices?

Exclusivity?

Audience

Value

How much does your audience value solving the problem?

Budget

How much is your audience willing to pay?

Audience

Your product should entirely reflect your audience’s values.

If your audience demands high quality, your product can’t feel cheap.

Audience

Questions

Product

What will you sell to fulfill the audience need?

Product

How will your product solve your audience’s problem?

Product

What does the ideal Ecommerce product look like?

Product

Ideal Ecommerce Products

- Digital products
- Small and lightweight
- High profit
- Easily shippable
- Online audience
- Niche products

Product

Required product information

Price

Product Name

Photos / Video

Description

Measurements / Specifications

Warranty / Return Policy

Product

Complete:

Solution

Product Info

Product

Competition online is fierce

Do other similar products exist?

How much do they cost?

How is your audience finding competitor’s products?

Activity 1

Compare

Product pictures

Prices

Descriptions

Reviews

Website Quality

Questions

How many products did you find that solved your problem?

How wide was the price range?

Product

There is no free lunch online

Knowing the competitive landscape will help you determine your pricing, advertising strategy, and how to position your branding.

Product

Manufacture vs. purchase and resell

What materials will you need?

Where will you get them?

Product

- Importing Materials or Products
- Wholesalers
- Freight
  - Incoterms
  - EXW Guangzhou, CN
  - FOB Shenzhen, CN
  - DDP Guelph, CA

Alibaba.com
Global trade starts here.™

Check our resources for more information about Import/Export Terminology

Product

Questions

Seller’s Journey

How Ecommerce looks from the seller’s perspective

Seller’s Journey

4 main steps of the seller’s journey

Listing

Receiving Orders

Processing

Delivery

Seller’s Journey

Step 1 : Listing

Listing your products online

Seller’s Journey

What is a “listing”?

Seller’s Journey

Roll over image to zoom in

Echo (2nd Generation) - Smart speaker with Alexa - Charcoal Fabric

by Amazon

1,855 customer reviews | 471 answered questions

Amazon's Choice for "alexa"

List Price: ~~CDN$ 129.99~~

Deal Price: CDN$ 99.99 & **FREE Shipping**. Details

You Save: CDN$ 30.00 (23%)

In Stock.

Arrives before Christmas. Choose delivery option in checkout.

Want it Friday, December 14? Choose **Same-Day/One-Day Shipping** at checkout.
Ships from and sold by Amazon.ca. Gift-wrap available.

1 new from CDN$ 99.99

Color Name: **Charcoal Fabric**

Configuration: **Echo**

Echo | Echo + Lighting Kit | Echo stereo pair + Echo Sub

- Echo connects to Alexa—a cloud-based voice service—to play music, make calls, set alarms and timers, ask questions, check your calendar, weather, traffic, and sports scores, manage to-do and shopping lists, control smart home devices, and more—instantly
- Just ask for a song, artist, or genre from Amazon Music, Spotify, Radioplayer and more. With multi-room music, you can play music on compatible Echo devices in different rooms.
- Call or message almost anyone hands-free with your Echo device. Also, instantly connect to other Echo devices in your home using just your voice.
- Powerful speakers with Dolby processing fill the room with immersive, 360° omnidirectional audio, and deliver crisp vocals and dynamic bass response
- With seven microphones, beamforming technology, and noise cancellation, Echo hears you from any direction—even while music is playing
- Just ask Alexa to control your compatible smart lights, thermostats, locks, and more
- Alexa is always getting smarter and adding new features and skills. Just ask Alexa to control your TV, check flight status, and more.
- Alexa Voice Service is currently only available in English (French language not supported)

Jump to: Compare devices | Technical details

Share

Yes, I want FREE Two-Day Shipping with Amazon Prime

Quantity: 1

Add to Cart

Turn on 1-Click ordering

This is a gift, do not link to my account.
Why is this important?

Add Additional Items

Warranty and Accident Protection (delivered via e-mail): 2 year CDN$ 29.99

Amazon Smart Plug CDN$ 34.99

Deliver to Guelph N1H

Add to Wish List

Seller’s Journey

What are the 2 listing options?

Hosted Platforms

Self-Hosted Platforms

Seller's Journey

Hosted Platforms

amazon

shopify

ebay

BIGCOMMERCE

Etsy

WIX.com

Seller's Journey

Self-Hosted Platforms

WordPress + WooCommerce

Seller’s Journey

Access to a huge market

Complex and high fees

Check our resources for more information on Amazon stores

Seller’s Journey

Step 2: Receiving Orders

How will I accept payments?

Seller’s Journey

Payment Solutions

stripe

PayPal

shopify

Seller’s Journey

Fulfillment

Warehousing, processing, and delivering orders to end customers

Seller’s Journey

Step 3: Order Processing

Pick - Finding & verifying the correct items

Pack - Packing the correct items securely

Ship - Getting your items to the Courier on time

Seller’s Journey

Step 4: Delivery

Who can help you ship and different shipping models

Seller’s Journey

Couriers

Seller's Journey

Alternative Shipping Providers & Software

ChitChats

ShipStation®

CLICKSHIP by Freightcom©

Fulfillment

Methods of Fulfillment

Direct Fulfillment

Third Party Logistics (3PL)

Dropshipping

The Dropship Model

Customer places order
pays you retail price ($200)

Forward order to your supplier
and pay wholesale ($150)

Customer

1

Your Store

Keep $50 Profit

2

Supplier

3

Suppplier ships the product
directly to your customer

Oberlo

Seller’s Journey

Questions

5 Minute Break

Marketing

Presenting your Product and Online Store to your Audience

Marketing

Focusing your efforts

Understanding your customer will ensure you store stays aligned with their values

<u>You are not your target audience</u>

Marketing

Why is advertising is a must?

Marketing

Avg. digital advertising conversion:

1.0 – 3.5%

Avg. Ecommerce conversion rate (US):

2.63%

This means roughly **1 in 2000** people who see your ad will actually purchase your product.

Marketing

How will your customers discover you?

Social Media

Influencer Marketing

Paid Search

Traditional

Word of Mouth

Check our resources for more information on Influencer Marketing

Marketing

Once your audience discovers your product, how will you get them to make the purchase?

Marketing

Marketing Persuasions

Authority
Scarcity
Commitment
Social Proof
Reciprocity
Liking

Check our resources for more information about Persuasions

Marketing

Scarcity

Out-of-Stock
Limited-Time Tactics
Pre-orders

Check our resources for more information about Scarcity

Marketing

What are common persuasions you have seen for selling products online?

Marketing

Dry-Erase Board Eraser

Item: 634797 / Model : 13612-CA

★★★★☆ (568) Add to Favourites

- Specially designed to clean any dry-erase surface
- Washable
- Black

$4.04

Each

1 ▲ ADD TO CART

PICK UP TODAY

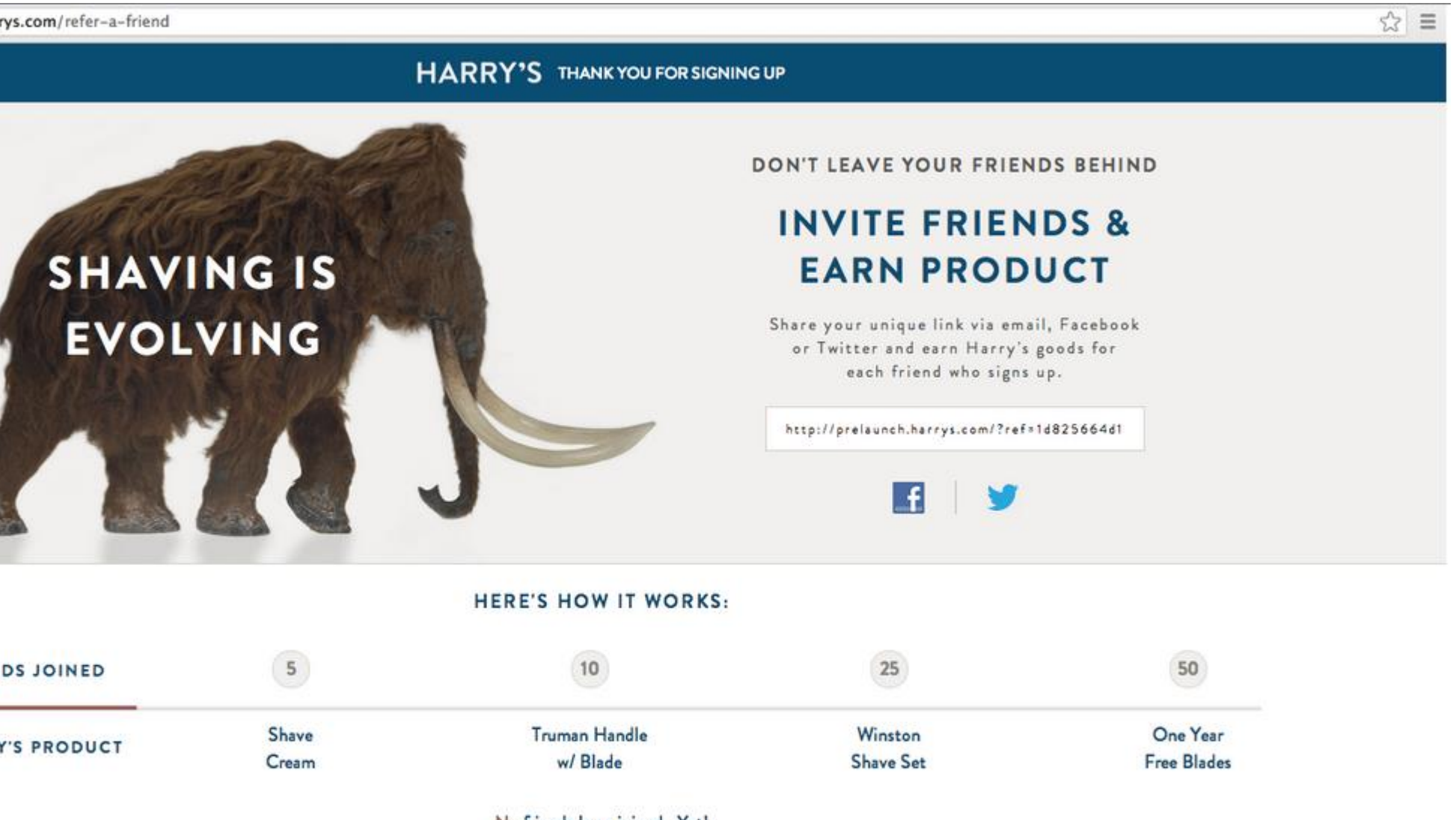
Marketing

Retention

How can you turn 1 customer into 2?

How can you encourage repeat customers?

Marketing



Referral Programs

Marketing

Cart Abandonment

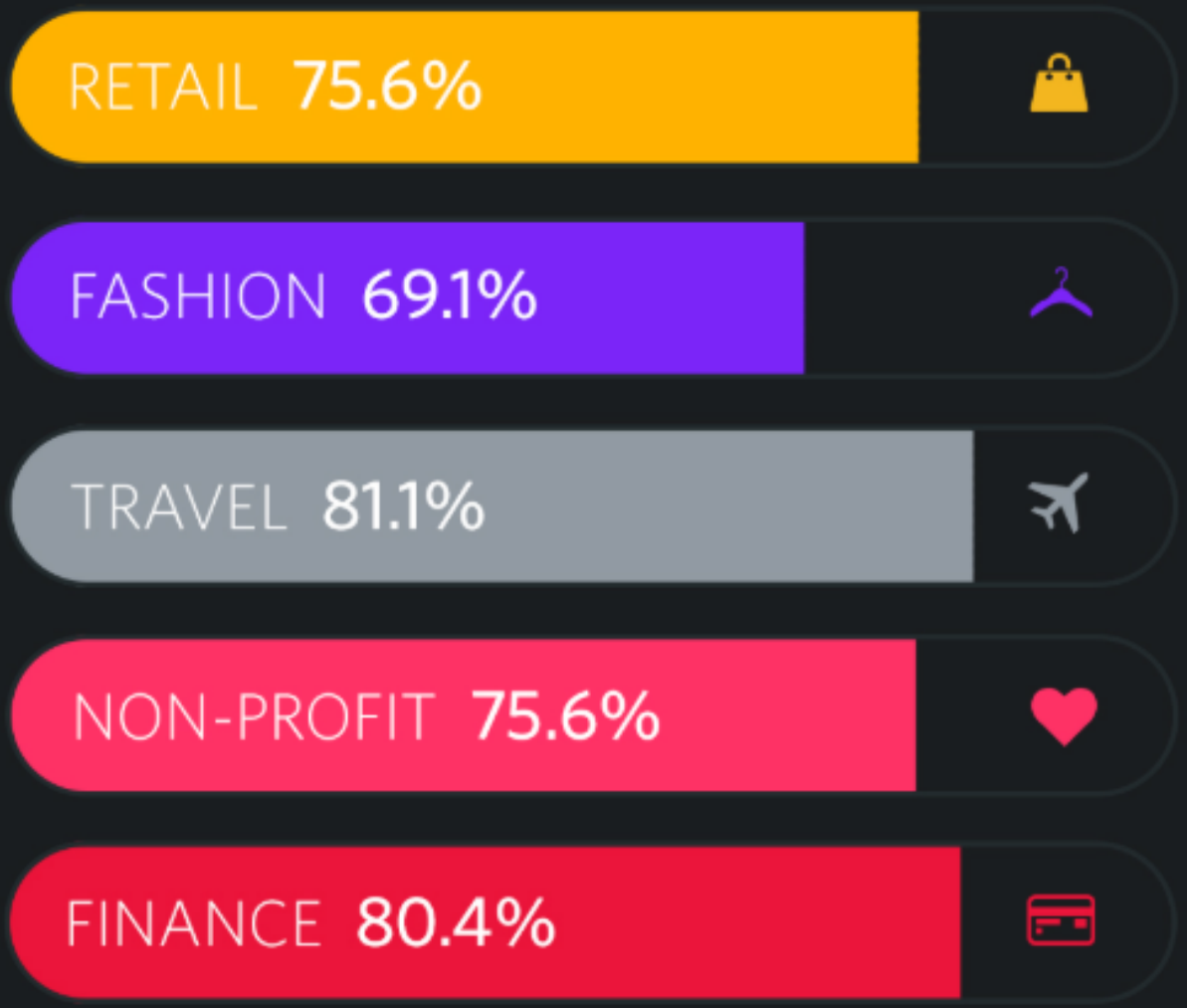
Cart abandonment occurs when customers add items into their virtual shopping cart and then, for whatever reason, leave the website without completing their purchase.

Check our resources for more information about Cart Abandonment

amazon
Try Prime
$10.00
+ $2.39 shipping
$12.39
& FREE Shipping

Abandonment Rates by Industry

These rates represent the percentage of customers who left behind their order instead of purchasing.



Marketing

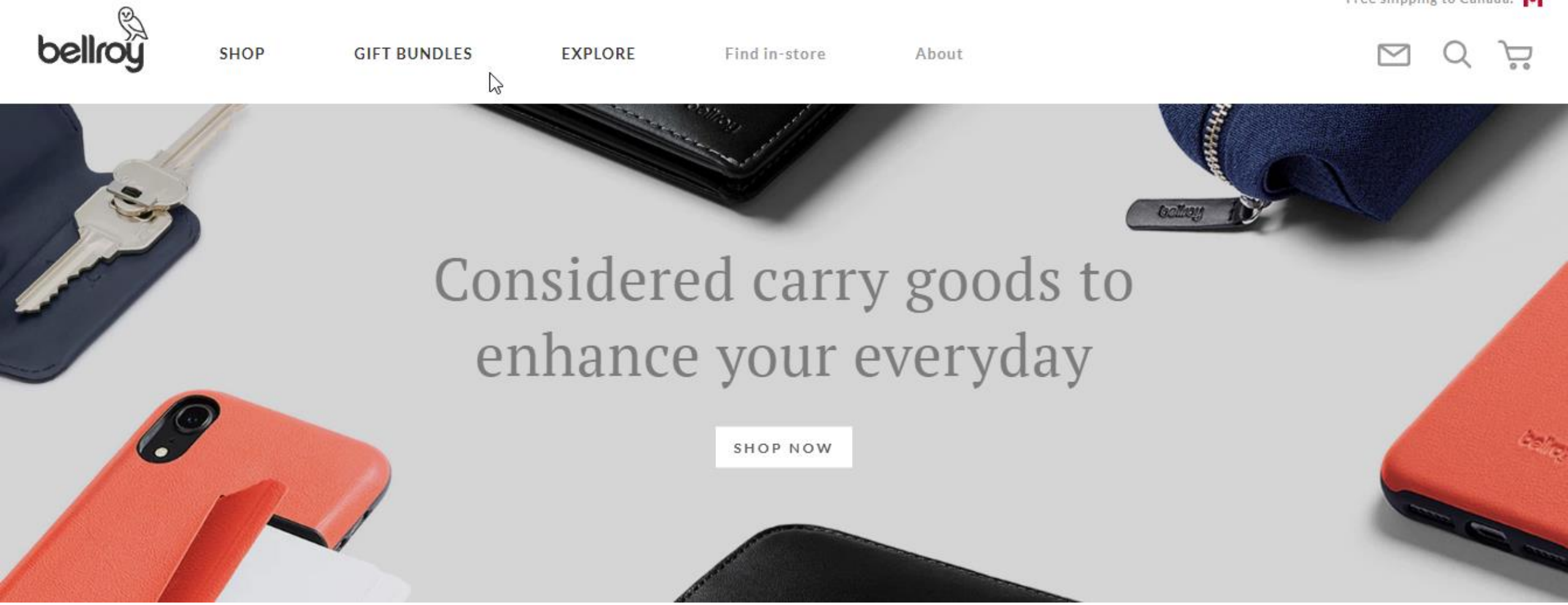
Top Reasons for Cart Abandonment

- Unexpected shipping costs: 25%
- Having to create a new account to finalize an order: 22%
- Customers researching & comparing prices with no intention of buying: 17%

Check our resources for more information about Cart Abandonment

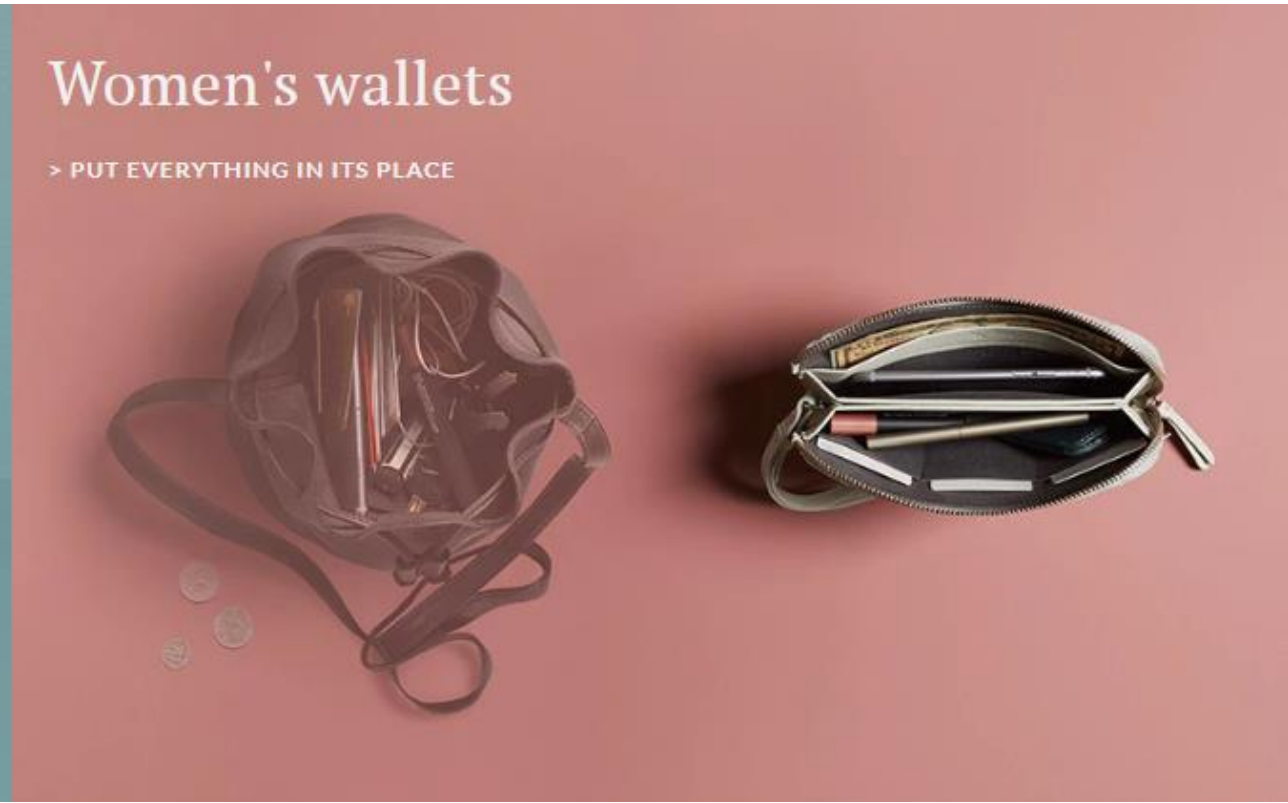
Marketing

Store Branding



Marketing

Product Branding



Marketing

Store and Product branding can be difficult.
Great design takes expertise.

This is your business! Hire an expert.

Reach out and start developing your support network!

Marketing

Activity 2: In 60 Seconds find a product or store with GREAT branding that will attract their desired audience.

What makes their branding great?

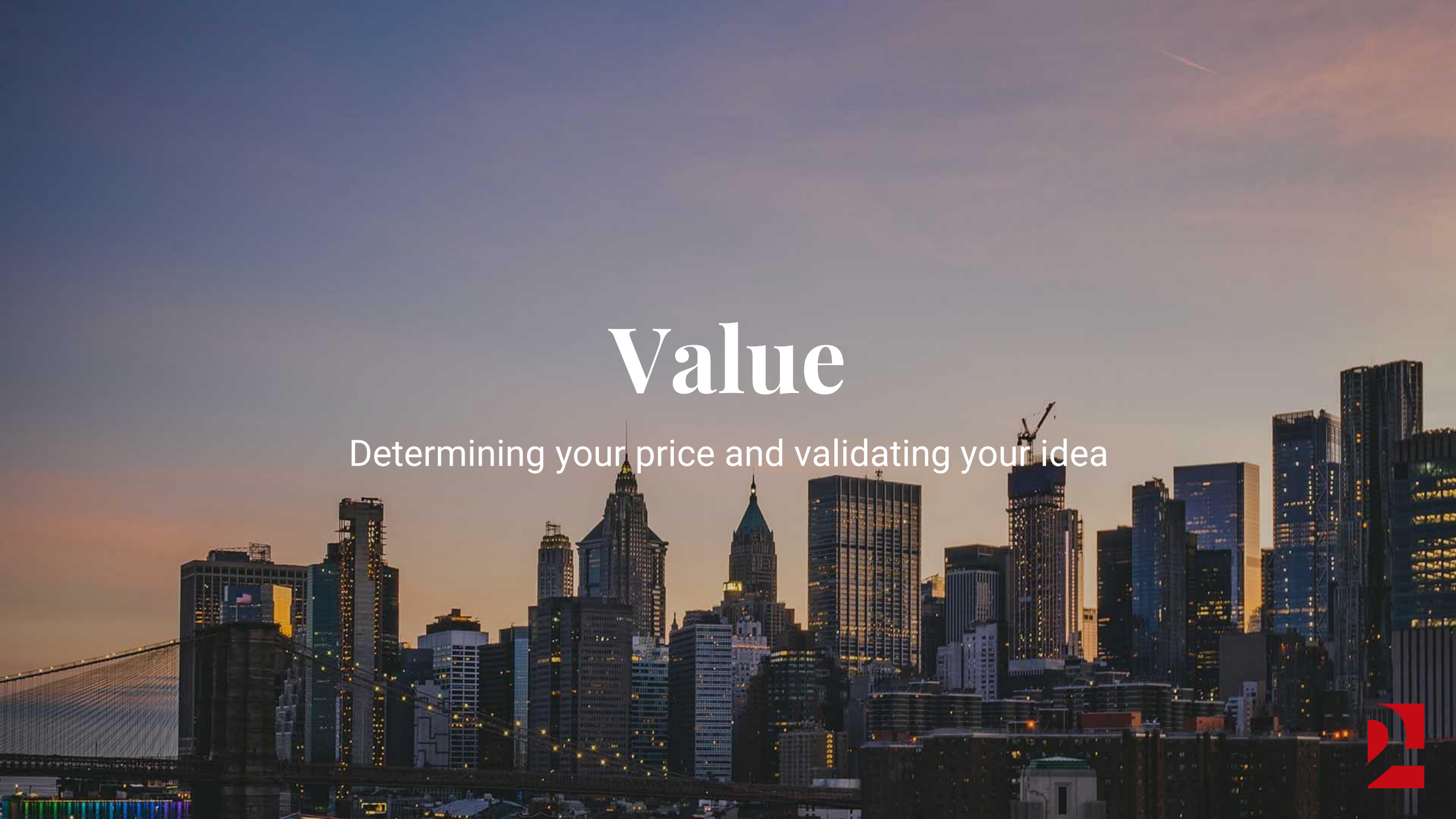
Why will their target audience identify with their brand?

Marketing

Questions

Value

Determining your price and validating your idea



Value

Determining whether your product will be profitable is the last step of the Ecommerce Canvas.

We take into account:

Expenses

Break Even

Price Point

Value

Similar to traditional selling, Ecommerce has a variety of expenses:

One Time Fixed

Recurring Fixed

Variable

Value

One Time Fixed Expenses

This may include:
Designing Store Branding
Designing Product Packaging
Creating Marketing Collateral

We treat these expenses as assets

Value

Recurring Fixed Expenses

This may include:

Advertising / Marketing Campaigns

Hosting

Warehousing

Value

Variable Expenses

This may include:

Labour

Payment Processing

Packaging

Value

Break Even

The Break Even point formula is calculated by dividing the total fixed costs of production by the price per unit less the variable costs to produce the product.

Break Even Point

$$\text{Break Even Point in Units} = \frac{\text{Fixed Costs}}{\text{Sales Price per Unit} - \text{Variable Cost per Unit}}$$

Resources

Where to go if you get stuck

Resources

Udemy
Shopify Guides
Hubspot Academy

Check out www.2h.media for resources

Resources

- Resources can be found at www.2h.media/workshops
- Market segmentations - https://www.marketing91.com/4-types-market-segmentation-segment/
- Persuasions - https://www.insites-consulting.com/6-principles-of-persuasive-marketing-how-to-influence-people/
- Scarcity - https://www.referralcandy.com/blog/scarcity-marketing-examples/
- 3PL Distribution - https://www.youtube.com/watch?v=eCgHcLoOE8Y
- Influencer Marketing - https://www.entrepreneur.com/article/324177

- https://www.statista.com/statistics/379046/worldwide-retail-e-commerce-sales/

Resources

- Incoterms: https://www.icontainers.com/us/2013/07/18/incoterms/
- Logistics: https://www.inflowinventory.com/blog/small-business-3pl/

Q&A