

Startup 101 Seminar: Website Basics & E-Commerce

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Hello



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Agenda

1. Benefits of a website
2. How to get a website
3. Retail/e-commerce trends
4. E-commerce tools
5. Other website considerations
6. Conclusion

Do I need a website?

- *83% of small business owners who already own a website feel they have a competitive advantage over those without one ([GoDaddy](#))*
- *75% of small business owners believe that internet marketing is “effective” or “very effective” at attracting new customers ([Business 2 Community](#)).*



Benefits of having a website

1. Share information about products/services
2. Establish/promote a brand
3. Reach new customers (search, 24/7 access)
4. Build credibility
5. Current information (printed materials can go out of date)
6. Collect feedback from potential customers
7. Online advertising can point to website
8. Offer products/services online (e-commerce)

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How do I get a website?



Website Options

1. Build it yourself

- Saves on startup costs.
- There are many website builders online that anyone can use (Squarespace, Wix, Weebly).
- You use a ready-made design template but can make small modifications to it (logo, colours)
- Usually costs about \$50/month for a simple site.

2. Hire a professional

- Can range in price from \$3,000-\$30,000, depending on how much work you need done (features required, online sales, number of pages, integrations, custom design, tool used, etc).
- Can customize almost any part of the website.
- Get a custom design catered to your brand.

What is e-commerce?

E-commerce (electronic commerce) is the buying and selling of products or services online.



Brief timeline of e-commerce

1970s

- Companies started sending information online.
- Technology **facilitated** commercial transactions, but didn't actually process them yet.

1980s

- Growth in credit cards, ATMs, kiosks.
- Technology **processed** transactions, but not online yet.

1990s

- Internet grows, people started creating websites.
- Technology **enhanced** the user experience through innovative websites and applications (recommendations, e-learning, etc).



Brief timeline of e-commerce

2000s

- Most large businesses had a website.
- Technology was used to create an online presence and brand.
- E-commerce begins!

2010s

- E-commerce explodes in popularity.

2020s

- Most transactions will be occurring online.



Types of e-commerce

Business-to-consumer (B2C)

Online transactions between businesses and customers (final consumers of product/service)

Example:

- People buying clothes or products online.

Business-to-business (B2B)

Online transactions between businesses and other businesses.

Example:

- Retailers buying products from wholesalers online (that they intend to sell to consumers later).



Advantages and disadvantages

Advantages

- Purchases can be made 24/7/365.
- Increased reach for businesses (location-wise).
- Transaction cost and other costs are reduced for most businesses (through self-service).
- More customization of products.
- Supply chain improvements.
- Better customer relationships.

Disadvantages

- Growth in online scams and website hacking.
- Customers have come to expect to be able to buy products online.
- Downward price pressure due to ease of ability to buy elsewhere.
- Doesn't hit all demographics.
- If not done right, can result in negative customer experiences.

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Trends: Retail is changing!

High Online Engagement

Canadians visit more pages on a monthly basis than their American counterparts (101 vs. 97)



Loves to Buy Via Mobile



67%
Canadian Smartphone owners have purchased a product via mobile device



U.S. owners compare at **64%**



VS.



E-Commerce Market Nascent But Growing



By 2018, online spending will reach **10%** of total retail spending

Lags Slightly Behind U.S. In Online Spending



Average Canadian spends **\$1,130** online annually



Average American spends **\$1,483**

Internet users making online purchases



Canada



U.S.

Online percentage of total retail shopping remains lower in **Canada** than the **United States**



SOURCES

comScore | International Telecommunications Union | Internet Retailer
Forrester Research | eMarketer | Canada Post | Statistics Canada | Shop.ca
Alexa | Demac Media | Canadian Transportation & Logistics | Visa



www.hanoverresearch.com
info@hanoverresearch.com

Canadians Often Shop
Cross-Border to Fulfill Needs

25%

of online
spending
occurs through

international
websites



Price conscious consumers in Canada
favor Comparison Shopping
Engines (CSEs) seeking
cheapest channels



PriceGrabber.com

Canadian B2B and B2C Consumers
are Used to Paying Additional Charges

- + GOODS AND SERVICES
- + PROVINCIAL SALES TAX
- + HARMONIZED SALES TAX
- + SHIPPING
- + CONVERSION
- + DUTIES
- + BROKERAGE FEES
- + CUSTOMS CLEARANCE
- + DISBURSEMENT FEES

81% rely on search engines to
compare prices



27% check the U.S. and Canadian
websites to find the lowest prices

B2B Sales Stronger Than B2C Sales in **Canada**

Canadian

B2B

e-commerce
market was



the level of
B2C
e-commerce
in 2012

This mirrors the



B2B - B2C rate
in the **U.S.**

Canada E-Retailers Present in Canada

kijiji

Well.ca

SHOP • CA™

Overshadowed by **U.S.** Retailers

But

amazon.com

ebay™

SHIPPING

Shipping Costs Remain Prohibitive

A typical **Canadian** e-commerce shipment costs

3.6x
more

than in the **U.S.**



Though

Shipping Options Through International Couriers Have Still Proliferated



Retailers have introduced free shipping, and have seen a surge in sales

B2B and B2C E-Commerce Best Practices

Canadian consumers prefer channels that:

BEST PRACTICES



Provide full landed costs (taxes, customs, duties, shipping) as early as possible in the checkout process



Accommodate the Canadian postal code during checkout



Show consistency in pricing and accept major credit cards

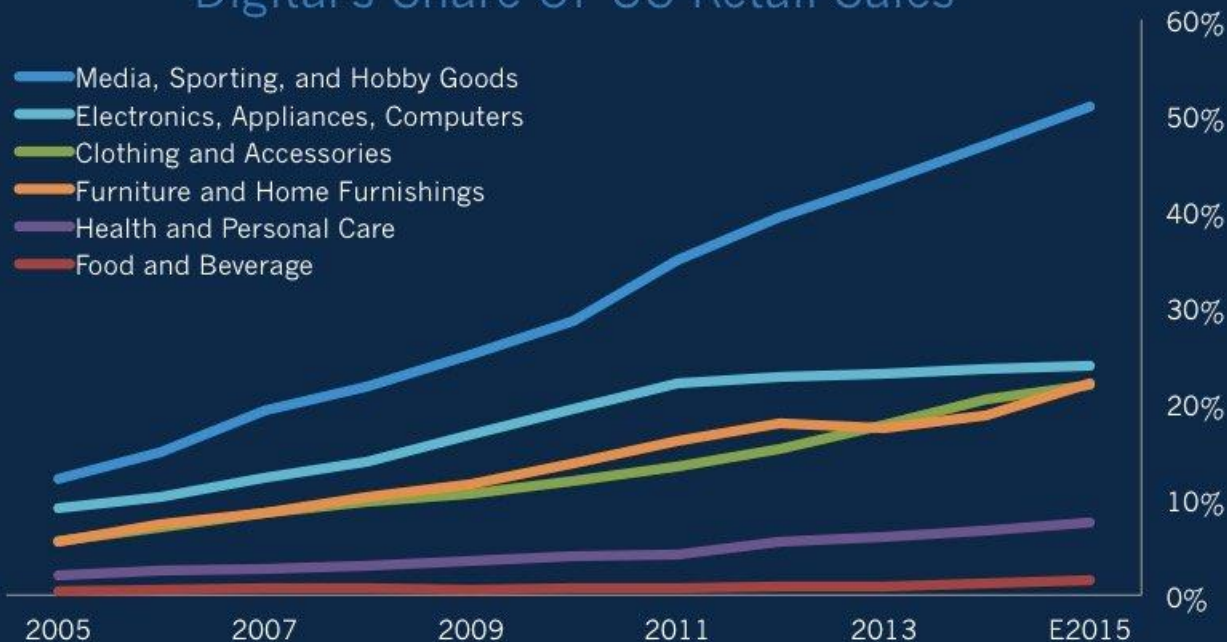
From a macro perspective, digital commerce may not seem like much compared to in-store retail.



BI INTELLIGENCE

But look closer, by product category...

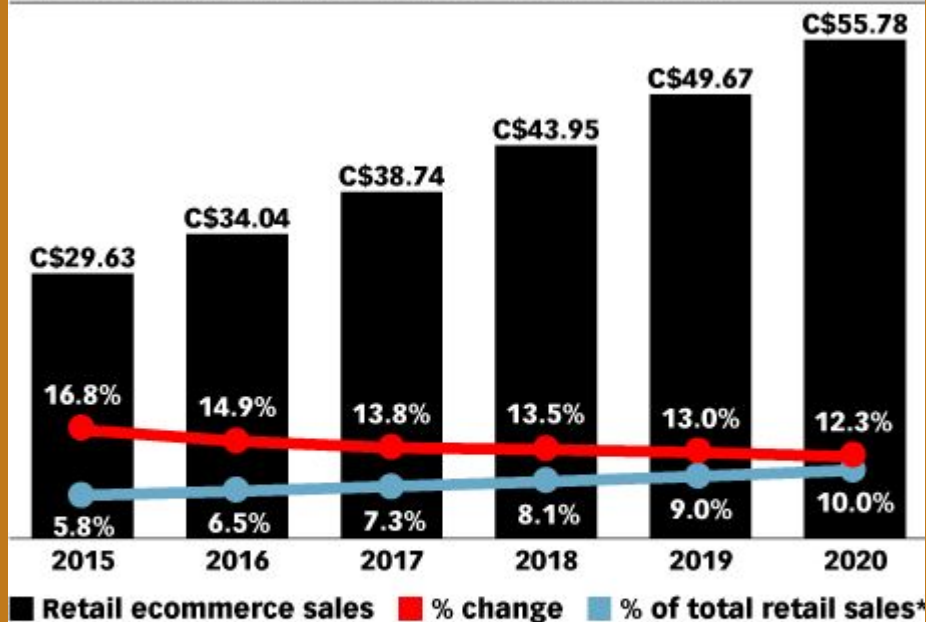
Digital's Share Of US Retail Sales



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Retail Ecommerce Sales in Canada, 2015-2020

billions of C\$, % change and % of total retail sales

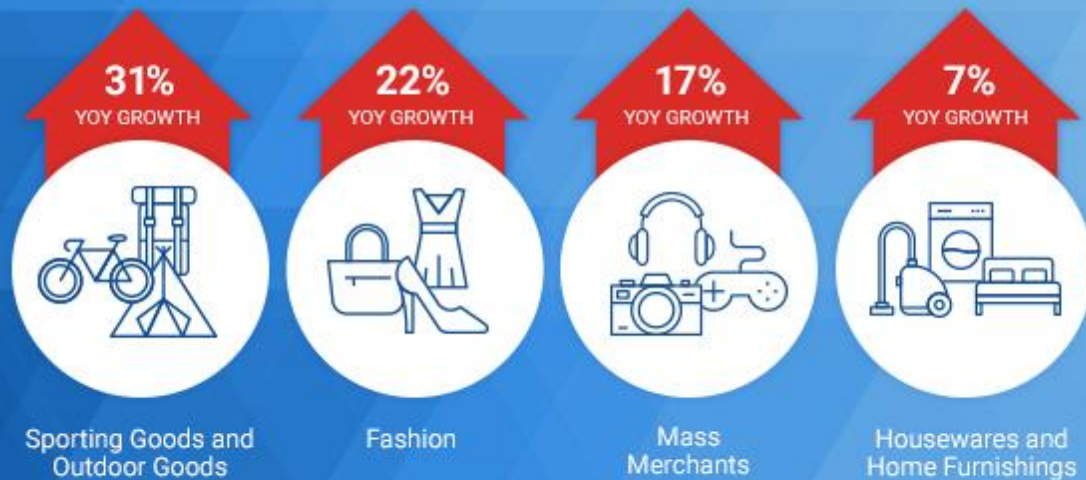


Note: includes products or services ordered using the internet via any device, regardless of the method of payment or fulfillment; excludes travel and event tickets

Source: eMarketer, Aug 2016; confirmed and republished, Dec 2016



Stand-out industry segments in Canadian e-commerce growth



Source: YOY Parcel Volume Growth, January–December (2014 and 2015).
Data retrieved from 2,690 Canada Post e-commerce customers.



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**How can I implement
e-commerce?**





Option 1: Leverage existing online marketplaces

- You can use an existing online marketplace that allows you to list products: Amazon, eBay, Etsy, Kijiji, Facebook, Instagram, etc.
- Advantages:
 - Quick to get started (you can start selling today!)
 - Simple to use
 - Leverage their existing user base for new potential clients
 - Less risk because the payment process and personal information is mainly handled by the third-party
- Disadvantages:
 - Less customizable (less brand presence and can't control all aspects of process)



Option 2: Add e-commerce to your new/existing website

- There are tools available online (eg. Shopify) that let you create your own e-commerce website at relatively low cost. Or if you have the funds, you can leverage professional developer services to create a more custom experience on your own website.
- Advantages:
 - Customizable - you are using your own website so you have a brand presence and you have control over the purchasing process.
- Disadvantages:
 - Can be more work/time to setup initially because you have to configure your own store.
 - Need to invest in marketing so that people know about your e-commerce site and use it.
 - Risk of insecure plugins, broken functionality, etc.



Shopify Features

- Why it stands out:
 - One of the most popular e-commerce tools
 - Reasonable costs compared to industry
 - So simple to use
 - Excellent support and customer service for you
 - Many features and more constantly being added (you do have to pay more for some apps)
 - Nice design/interface for customers
 - They handle the hosting for you
 - Drag-and-drop interface allows you to customize layout
 - Can still access HTML/CSS files if you want to hire a developer to customize more for you
 - Very healthy growth
 - Free two-week trial
 - Demo: <https://www.shopify.ca/tour>



Shopify Pricing

- **Lite** – \$9 per month for credit cards rates of 2.9% + 30¢, a Shopify buy button (so your site is technically not a real online store,) Facebook selling, POS integration, fraud analysis, manual order creation and shipping codes. One staff account is provided.
- **Basic Shopify** – \$29 per month for everything in the previous plan, credit card rates of 2.9% + 30¢, an actual online store, 24/7 support, fraud analysis, manual order creation, discount codes, a website and blog, and a free SSL certificate. Two staff accounts are provided.
- **Shopify** – \$79 per month for everything in the previous plan, credit card rates of 2.6% + 30¢, an actual online store, gift cards, professional reports and abandoned cart recovery. Five staff accounts are provided.
- **Advanced Shopify** – \$299 per month for everything in the previous plan, credit card rates of 2.4% + 30¢, an actual online store, advanced report builder and real time carrier shipping. 15 staff accounts are provided.

Each plan allows for an unlimited number of products, unlimited file storage, shipping label discounts and a retail package if needed.



Other website considerations



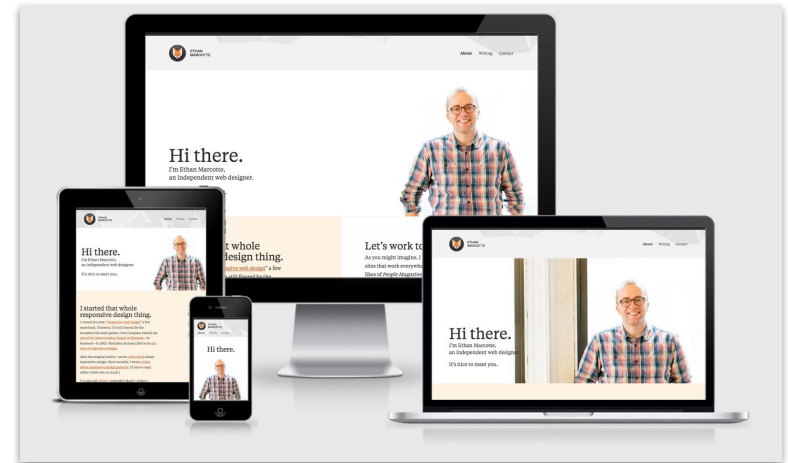


Domain Name

- When you create a website, you should purchase a custom domain name (eg. “www.regionalbusiness.ca”) which can be used to advertise your website. You can normally purchase this through the company that is hosting your website, or you can purchase it from any reputable domain registrar.
- A custom domain name increases the credibility of your website and promotes your brand.
- If you have already picked your company name, you will need to check if the domain for your name is available by searching for it: <https://www.whois.com/whois/>. If it isn't available exactly as you want it, try looking for something similar (eg. RBC.ca is taken)
- You should at least purchase the .com and the .ca versions of your domain.
- A domain name usually costs between \$12-50/year depending on the domain extension (.ca costs more than .com).
- You can use your domain to create custom email addresses, like renee@greatersudbury.ca.

Design

- Your design should be modern and visually appealing.
- Your website should convey your brand through logos, colours and the general look & feel (eg. “modern”, “trendy”, “traditional”).
- Avoid photos that have the “stock photo” feel. Try to use photos that do not look posed and invest in professional photography of your products/services if possible.
- For many businesses, over half of visits are from mobile devices. This varies a lot by industry, but it is critical that your website is functional from a cell phone. Many modern websites use flexible “responsive design” to automatically adapt the website to the user’s screen size.





So you have a website - now what?

- Become informed about search engine optimization to make your website more likely to show up at the top of search results when people search for specific keywords.
- Consider using Google Ad Words to get your website advertised at the top of search results for certain keywords. Cheap way to reach people looking for similar products/services.
- Consider using Facebook Ads to reach your target market. These ads have great returns if they are properly used.
- Use your printed advertising materials and other means of communication (eg. business cards, pamphlets, email signature) to advertise your website.



Conclusion

- It is important for businesses to have a reputable online presence, mobile-friendly websites and good engagement on social media.
- E-commerce is a key component of many businesses, and it is experiencing exponential growth.
- E-commerce is more important to certain product categories than others.
- It is vital that businesses consider and plan for websites and/or e-commerce in their strategic plans to ensure their long-term viability.



Questions?