

Capitalizing on E-Commerce

Ten Classic Rules for Doing It Right

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Many receive advice, few profit by it.
Maxim 149. Publius Syrus, 42 B.C.

Everyone is doing e-commerce these days, but not everyone is doing it right. For every company that's smart about e-commerce and growing fast there are hundreds that are pouring dollars into poorly conceived e-commerce initiatives that will never deliver real value. Here are ten classic rules for effectively integrating e-commerce into your business, coupled with timeless words of wisdom from Publius Syrus, a playwright and epigrammatist from Rome at the time of the first emperors. The maxims are included to demonstrate that even in the warp-speed world of the web the past still has a lot to teach us about the future.

I. Have a Plan

Amid a multitude of projects, no plan is devised. Maxim 319

Large organizations with deep pockets can afford to jump into e-commerce without careful planning, but smaller organizations don't have that luxury. Do the work to understand your current and potential customers and map out an e-commerce strategy that can deliver both competitive advantage and a clear path to near-term profitability. Remember that e-commerce is more than just selling goods to the public. It's also about providing services more efficiently and building long-term relationships with customers and suppliers. Business-to-business e-commerce revenues promise to be twice as large as those gained from business-to-consumer sales, so draw your plan broadly to include the full range of potential e-enabled business activities.

A good strategic e-commerce plan should set priorities and identify investments to optimize three major areas: achieving key business objectives, making best use of available technologies, and leveraging the capabilities of current systems and personnel. The e-commerce planning process can also give you an opportunity to gain greater benefits by linking electronic initiatives more tightly with the rest of your business. Use the planning process to solidify the commitment of your executive sponsor and to build tighter connections between your IT team and the rest of your organization.

II. Move Fast

While we stop to think, we often miss our opportunity. Maxim 185

The Internet thrives on speed. Strategic planning is a valuable process, but it should be coupled with a short-term tactical implementation plan that can be put in place rapidly. Recent research indicates that being first into a market can provide a substantial long-term advantage. If you have the chance to be the first to offer e-commerce capabilities in your market do what you can to fast track the project through your organization and get an e-commerce offering up and running quickly. If it's too late to be first to market, moving to be as good as or better than your competition can reduce the damage to your organization. Even better, define a new niche where you could be first to market by serving a new group of customers or delivering a new solution.

III. Get Help

Every one excels in something in which another fails. Maxim 17

Most organizations need help doing e-commerce right. Unless you've got staff in place to manage your web servers 24 hours a day, 7 days a week, have a thorough understanding of web-related security issues, and have redundant high speed connections to the Internet, you're probably better off letting a third party host your e-commerce site. You may also need help with developing your strategic e-commerce plan or implementing the specifics of your tactical e-commerce web site. Internet hosting, consulting, graphics, and development companies tend to specialize on serving small, medium, or large-sized clients, or on serving specific industries, so be sure to confirm that potential partners focus on firms of your size and industry.

IV. Make It Easy to Buy

A fair exterior is a silent recommendation. Maxim 267

When you build your e-commerce site think like a customer and make it easy for them to buy what you have to offer. Some sites "bury the lead" by forcing customers to click through several pages before they can buy anything. Others ask customers to fill out several pages of forms and register with the site before they can view products or place an order. If it's easier for customers to buy from you than from your competitors you'll get a larger share of their business.

V. Integrate Customer Service

It is a very hard undertaking to seek to please everybody. Maxim 675

E-Commerce transactions can be very impersonal, which makes many customers anxious. Integrating customer service capabilities is an excellent way to make your site more personal and help customers feel at ease. Clear policies on privacy, credit card security, billing, and shipping can also do a lot to reduce anxieties. Comprehensive lists of answers to frequently asked questions are important. Likewise, easy to use methods for providing feedback or asking new questions are essential. Make sure customers receive prompt responses to their feedback and questions or they will lose confidence in your commitment to doing business on-line.

VI. Be "Pushy" about Marketing

Keep the golden mean between saying too much and too little. Maxim 1072

If customers have given you permission to contact them, "pushing" them regular email messages to let them know about new products or services can be a very cost-effective marketing technique. Don't bombard customers—make sure you have something special to say or something worthwhile to offer. Keep your messages brief and never include attachments. You can provide more detail by including links in your messages that will let customers jump directly to specific pages on your site. Don't send emails to people who have not given you permission to contact them.

VII. Know Your Customers

We are interested in others when they are interested in us. Maxim 16

The web makes it easy to gather details about your customers and their on-line buying habits. Many organizations are building extensive data warehouses to store customer information and help generate personalized offerings targeted to individual customers. The next generation of these technologies will go even farther, moving from basic knowledge about customers in a single context to extended customer relationship management solutions linking multiple contexts, like telephone call centers and face-to-face interactions, with information gained from the web. Start by gathering basic customer demographics and preference information over the web so you can begin selling smarter.

VIII. Keep an Eye on the Competition

When two do the same thing, it is not the same thing after all. Maxim 338

Keeping an eye on the competition is pure common sense. Look to your known on-line competitors for examples of what they're doing right and even more for what they're doing wrong. Scan the horizon for unknown competitors as well. The web makes it easy for companies that have established a market presence in one area to expand and compete in another. Don't forget that your competitor today may be your partner tomorrow.

IX. Exceed Expectations

Never promise more than you can perform. Maxim 528

Web customers are particularly hard on organizations that don't do things right. If it's difficult to buy a product, or receive a timely answer, or see what part of their order has been shipped, they are likely to go elsewhere. Executing fundamentals correctly is even more important on the web than in the traditional business world. But there are many opportunities for exceeding customer expectations as well. Personalization systems can help predict customers' needs. Automated systems can provide more accurate and up-to-date information. Staff members can be redeployed to areas where they deliver higher value to customers and the organization. Delight your customers and they will delight you.

X. Plan to Change

It is a bad plan that admits of no modification. Maxim 469

You can't put together a budget and strategy for e-commerce in October and expect it to remain unchanged for the following twelve months. Budgets may be blown by the challenges of extraordinary growth, or requirements to create versions of the site in three new languages, or the implications of an acquisition tripling the number of items in your product catalog. Because changes are sure to occur it is wise to set up ground rules with your executive sponsor and the people who control the purse strings to give you more flexibility in coping with them. If you've got a workable process in place for changing your plans quickly you're ahead of most of your competition.

These ten classic rules are good guidelines for capitalizing on e-commerce opportunities. You'll discover more ways to apply these rules to your business as you move forward with building your own e-commerce solutions. As Publius Syrus wrote in Maxim 439, "Practice is the best of all instructors."