

Some Great E-Commerce Platforms for SMB's

By Neal Lappe with excerpts from Entrepreneur.com – January 24, 2011

As e-commerce continues to mature and more people seize the convenience of the web for buying things from clothes to cars, we are often asked about the various “shopping cart” tools available on the market for small and mid-sized businesses. While there are many tools out there to turn your flat website into an “online salesperson”, Entrepreneur.com recently released what they believe are the best options.

PayPal Payflow Link - \$179 one-time start-up fee; \$20 per month with a maximum of 500 transactions.

Best for: Web-savvy entrepreneurs comfortable with the logic of the web.

PayPal is probably most widely accepted online commerce tool. It gets points for its all-in-one small-business product sales tool: Payflow. Pay a one-time fee of \$179 for the basic plan, plus a \$20-per-month service charge for 500 transactions per month. With a bit of web coding, such as cutting and pasting a few lines of script, you can place PayPal Payflow in just about any site. Don't worry, the instructions generally are excellent. Payflow has its limits. The tool needs an existing merchant account, that is, a bank account that accepts credit cards over the web. The additional fees can be complex and expensive. And customer support, especially for small accounts, can be limited. Extras such as fraud-prevention services can reach \$90 a month, which can sting. Still, for getting started online, Payflow can be impressive.

Checkout by Amazon - No start-up fees; transaction fees start at \$.30 per transaction, plus 1.9% of the amount for accounts with \$100,000 or more in monthly transactions on average, and range up to 5% of the transaction, with an additional \$.05 per transaction, for transactions of less than \$10.

Best for: Web commerce beginners

Checkout by Amazon is basically a shopping cart and payment system that is designed so that your customers feel as if they are shopping for the holidays at Amazon.com. For the do-it-yourself set, Checkout is impressive. Fill out the forms, follow instructions, configure your pages, and you are off and selling. Video tools and tutorials are reasonably well produced and easy to follow. And you are not limited to doing business on Amazon.com. Be warned, being Jeff Bezos's "partner" can get pricey quickly. While there are no start-up fees, the service takes both a percentage of each transaction, which can touch 5% for sales of \$10 or less, and a hefty \$.30 per-transaction cost for most sales. Keep in mind these can be on top of any transaction, bank fees, or other costs you incur in your business to do business. So close monitoring of these fees is a must. But if you must do it yourself, Checkout by Amazon may be for you.

Google Checkout - No start-up fees; transaction fees start at \$.30 per transaction, plus 1.9% of the amount for accounts with \$100,000 or more in monthly transactions on average, and range up to \$.30 per transaction with 2.9% of the amount, for accounts with a \$3,000 or less average deal volume.

Best for: Businesses that already use Google tools Google AdWords, Google Analytics and Google Apps.

Google Checkout is Google's sales tool offering for small businesses. Being Google, it is not shy about making extravagant claims. In this case, the company says Checkout can boost sales by 10 percent, which may strike some as rich. The service is attractive for its solid Website integration and low upfront costs. Google Checkout can work with your firm's existing company identities and log-ins and can be managed from an easy-to-use central administration page.

On the downside, Google's, all-white, text-oriented interface doesn't offer the same ease of use of say, Amazon's



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service, and Google's customer service can be spotty. And be warned: Checkout, like Amazon and PayPal, Google takes a percentage of each transaction plus a fee, which again, can be on top of your other costs. So be sure to check your statements and know what you are paying for.

Authorize.Net Payment Gateway - \$99 set-up fee, \$20 monthly fee, \$.10 per transaction fee, \$.25 per batch fee. (Pricing can vary greatly by business type, deal volume and available promotions.)

Best for: Growing firms looking for sophisticated virtual sales tools.

Authorize.Net, which was acquired by credit card giant Visa in 2010, offers a sophisticated array of tools to manage transactions across the Web, mobile devices, and retail locations. Authorize offers everything from simple do-it-yourself tools, to more complex systems that require the support of certified developers. Working with a tech-support professional or a consultant to get the most out of the service can make sense. But if you are careful, some products can work for even the smallest businesses. And the breadth of Authorize products is impressive. Their mobile point-of-sale tools for example, can function with compatible smart phones. But be careful: Authorize.Net can't seem to help itself when it comes to the upsell: Fraud protection, customer information management and other products are pricey. And actual pricing varies by customer and deal volume. So be wary of the costs of using Authorize. And make sure you fully understand the terms of any contract before you sign. But done right, Authorize.Net is a viable option for even the simplest of businesses.

Don't Stop Here

These are great tools but a good shopping cart won't turn you into an online success. Did you know that a good online conversion rate is in the single digits, that is, less than 10% of visitors result in a sale? Even the best of the best out there have relatively low conversion rates.

So, how do you get the highest conversion rate you can and then continue to improve? Besides having great products at competitive prices, analysis of your web analytics data will inform you about how you are doing and reveal the secrets about how to improve.



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