

# Ecommerce ABC

—

# Preface

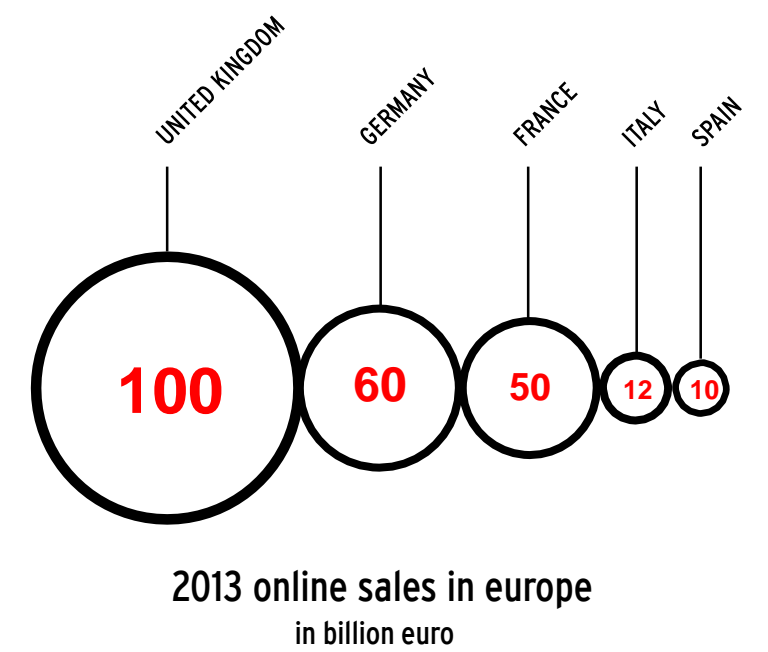
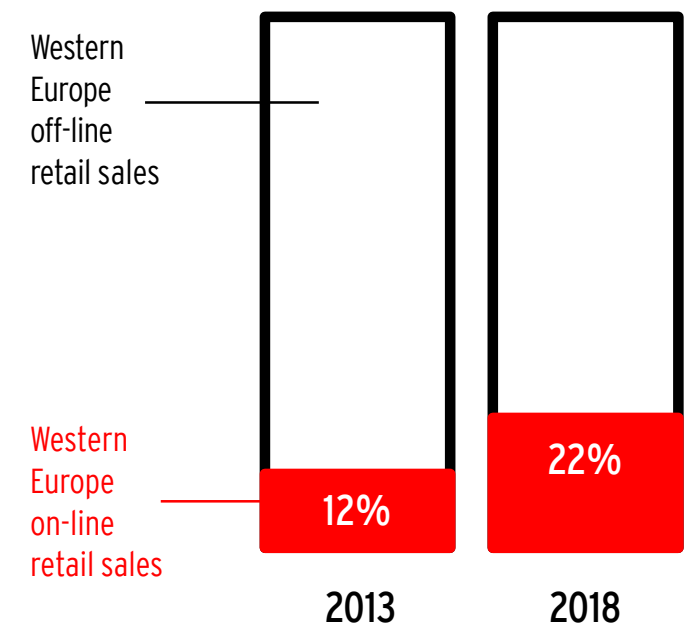
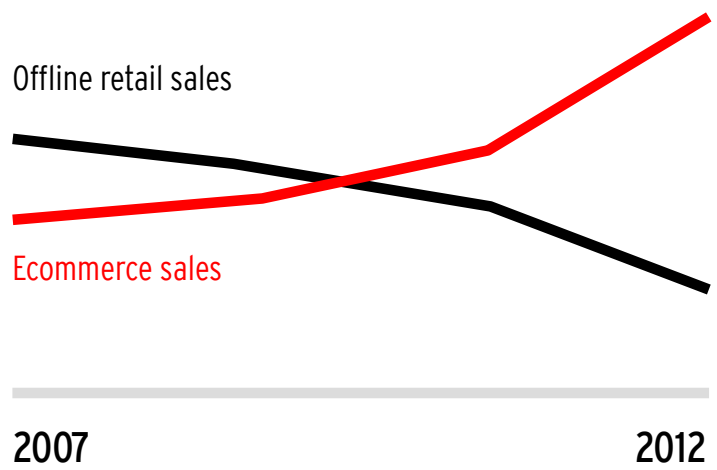
I will try to explain it to you like you are **four-year-old**.

# Ecommerce ABC

WHATEVER YOUR PRODUCT IS,  
YOU CAN SELL IT ONLINE WITH PROFIT.



# E-Commerce matters more than you think



Consumers at all levels and of all kinds transfer their purchasing from offline to online, with a steady and increasing pace.

During the crisis years 2007-2012 e-commerce sales increased while offline retail sales shrunk.

In 2013 e-commerce sales in western Europe reached 12% of total sales and are expected to reach 22% by 2018.

Online sales in 2013 amounted to €100B in UK, €60B in Germany, €50B in France, €12B in Spain, €10B in Italy.



*don't panic*  
*and sell online*

# Don't panic and sell online

1. What you don't know usually scares you.
2. And what you don't know usually costs you a lot.

But if you follow me through the next few slides, you will realize there's no mystery and no money pit, just a great opportunity, which of course need bravery, investment and mastery of skills.

**Let's pinpoint  
the three key elements**

—

# First: traffic

If you don't have traffic you don't have visitors, and **without visitors you are unlikely to sell anything.**

To get traffic you need marketing; either display ads, search engine optimization, search engine marketing, price engines, affiliation, direct email marketing, social, or a mix of all these.

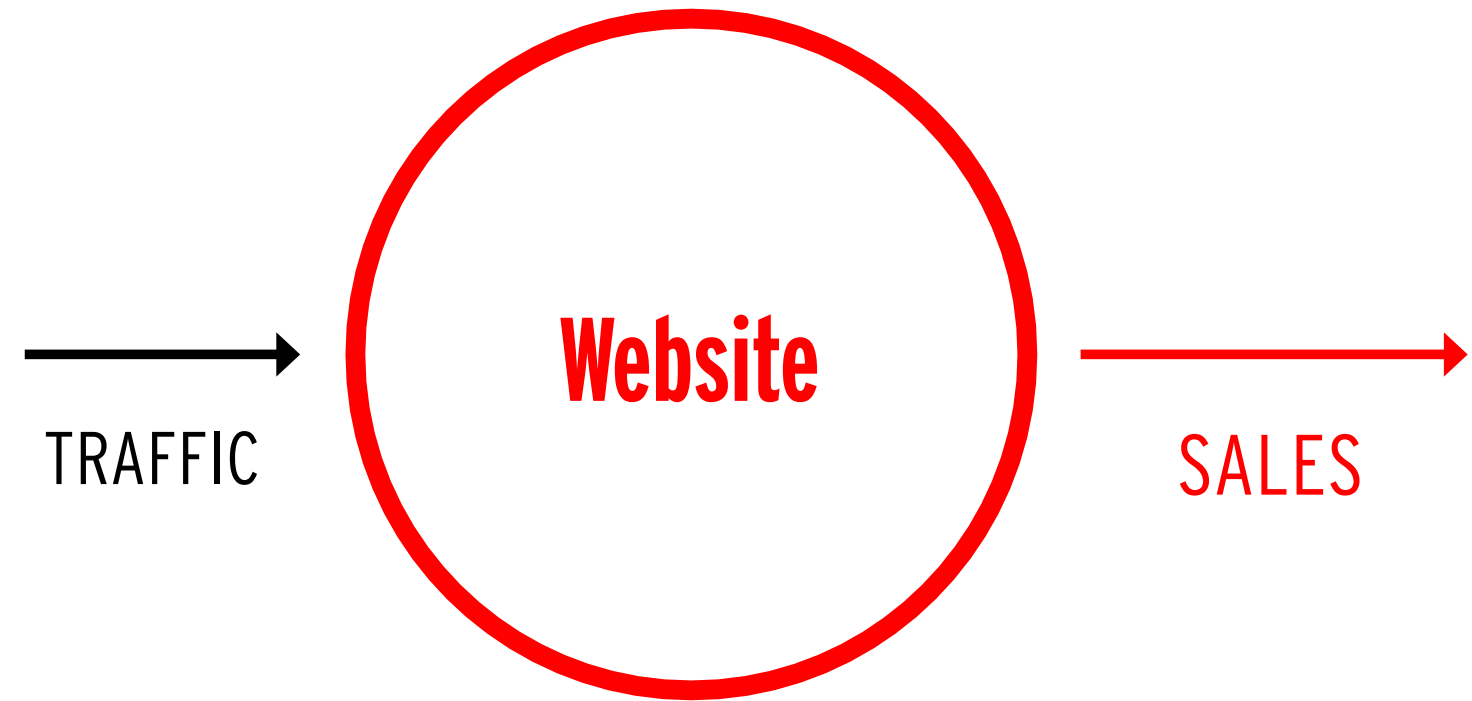




# Second: conversion rate

Once you have traffic you have nothing unless you are able to **convert visitors into sales**.

Think of your website as a black box with an input: traffic, and an output: sales. Your target is to **tweak the content** of the black box **to maximize output**.

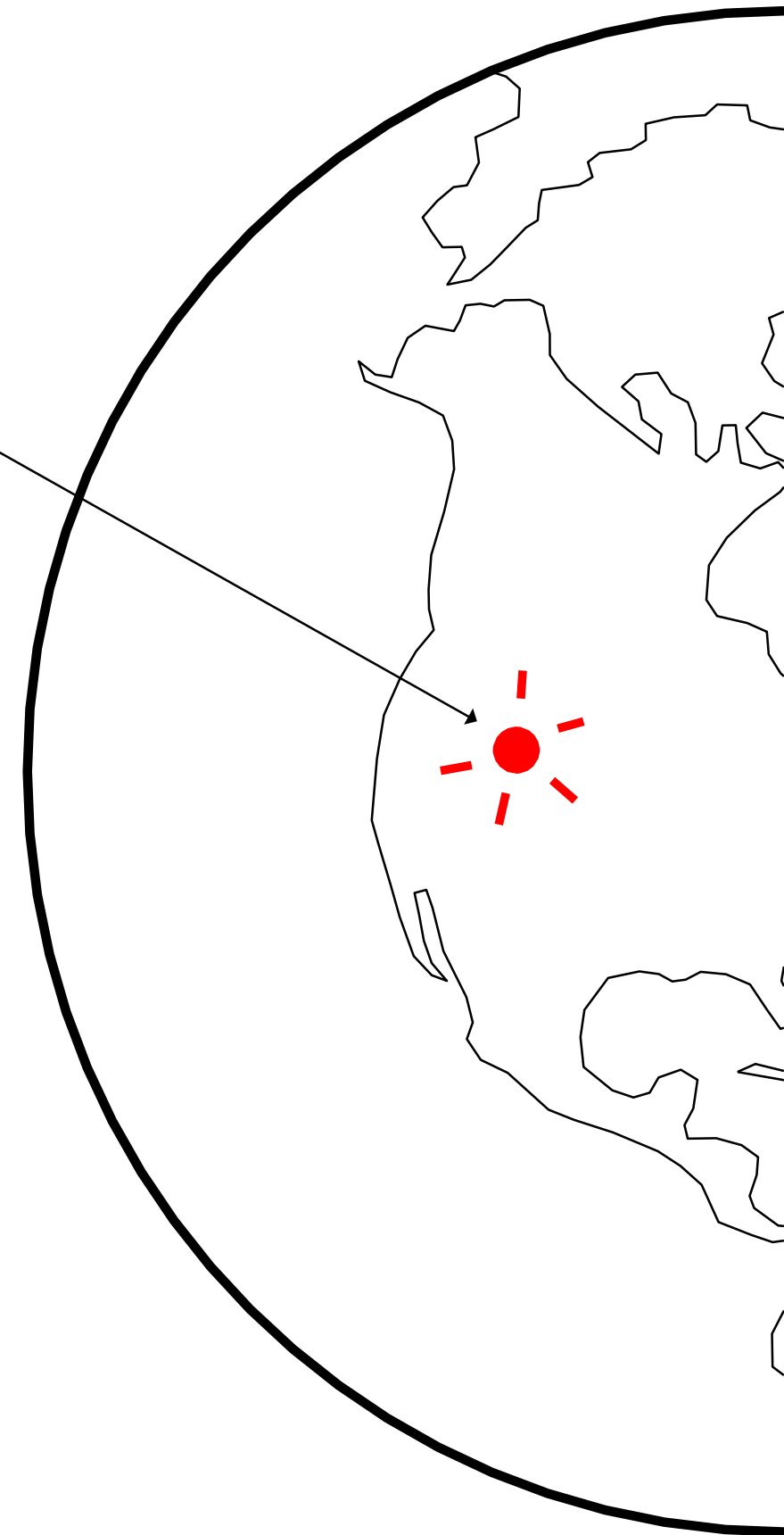


# Third: Products

More products you have, more you sell. Better deals you have, more you sell. The sexiest your product is, the easiest it is to build marketing buzz around it and sell it.

But if you have the best product in the world at the best price in the world and you don't have traffic, you are not going to sell it. And if you do have traffic but your website sucks at converting you are not going to sell it either.

The best product  
in the world



**The next five slides  
are the core**

—

# First rule:

You don't need a good product or a good deal to sell. To sell you need good marketing and a website which performs good in terms of conversion.

The good news is, once you have good marketing and a website which converts well, if you also have a good product at a good price you are going to sell more than your competitors.

But remember, **no matter how unpleasant it is**, it's marketing which sell, not the product itself. Don't focus on improving your product (or your pricing) until you have spent enough energy on putting your marketing strategy in place.

# Everything is connected

The quality of the traffic you get depends on the marketing strategy you put in place; if you sell dentures you are unlikely willing to spend your marketing budget to bring teenagers in. So your marketing strategy depends also on the products you sell.

If you advertise internationally but your website is not localized, you may have big traffic but also a poor conversion rate.

If your products variety is small it's harder to gain traffic and harder to convert it into sales. Albeit if you have an overwhelming list of products it maybe easier to build traffic but potentially more tedious to convert it into sales.

# Key Performance Indicators

## CPA

### COST PER ACQUISITION

Marketing cost divided by the number of sales.

MONTH	MARKETING COST	TRAFFIC (VISITORS)	ORDERS	CPA = MARKETING / ORDERS
January	1000 €	10000	100	10 €
February	1000 €	11000	110	9 € <b>-10 %</b>

Marketing improvements brings more bang for the bucks.

## CR

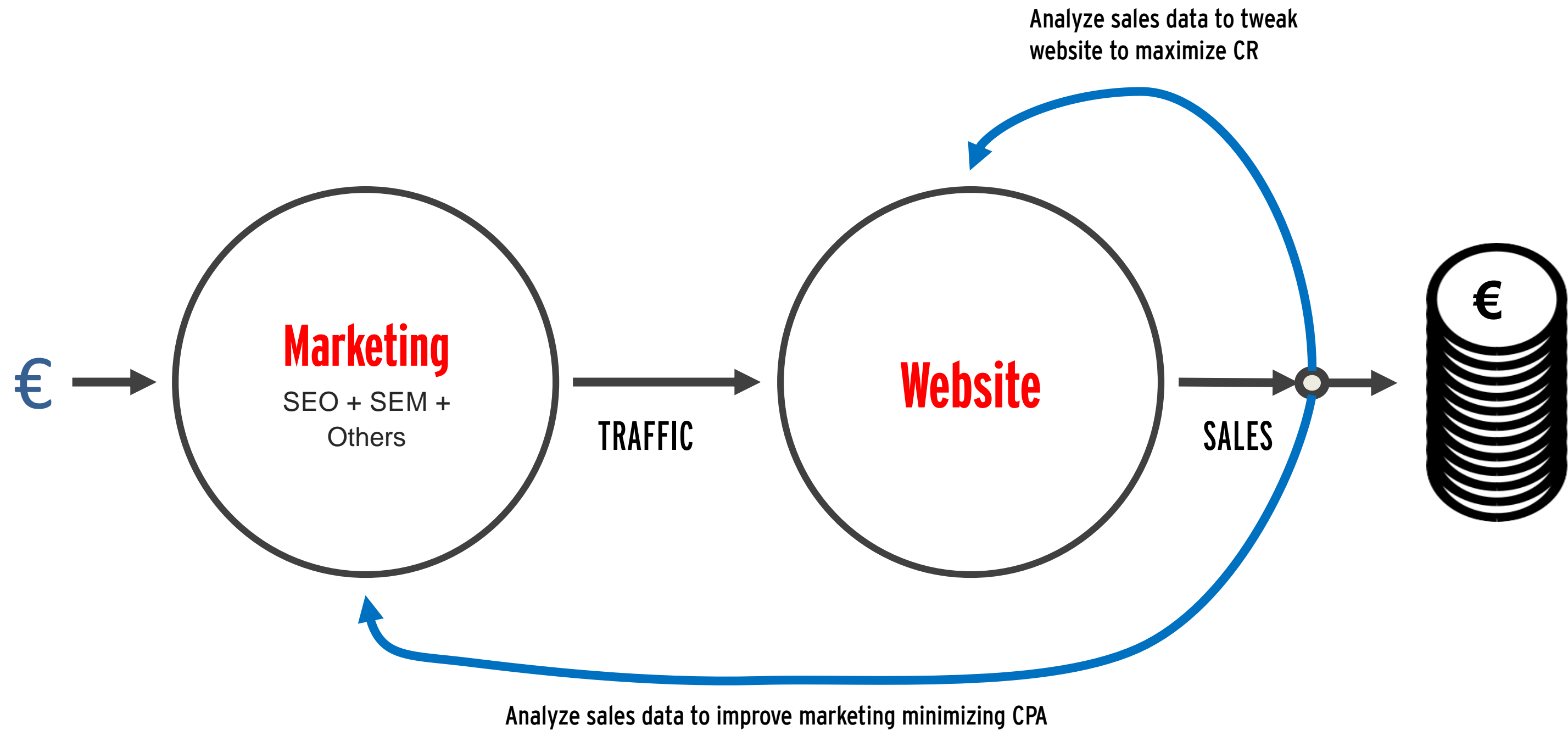
### CONVERSION RATE

Number of sales divided by the number of visits.

MONTH	MARKETING COST	TRAFFIC (VISITORS)	ORDERS	CR = ORDERS / VISITORS
January	1000 €	10000	100	1 %
February	1000 €	10000	110	1,1 % <b>+10 %</b>

Website tweaking improve conversions.

# It's a control system with feedback loops



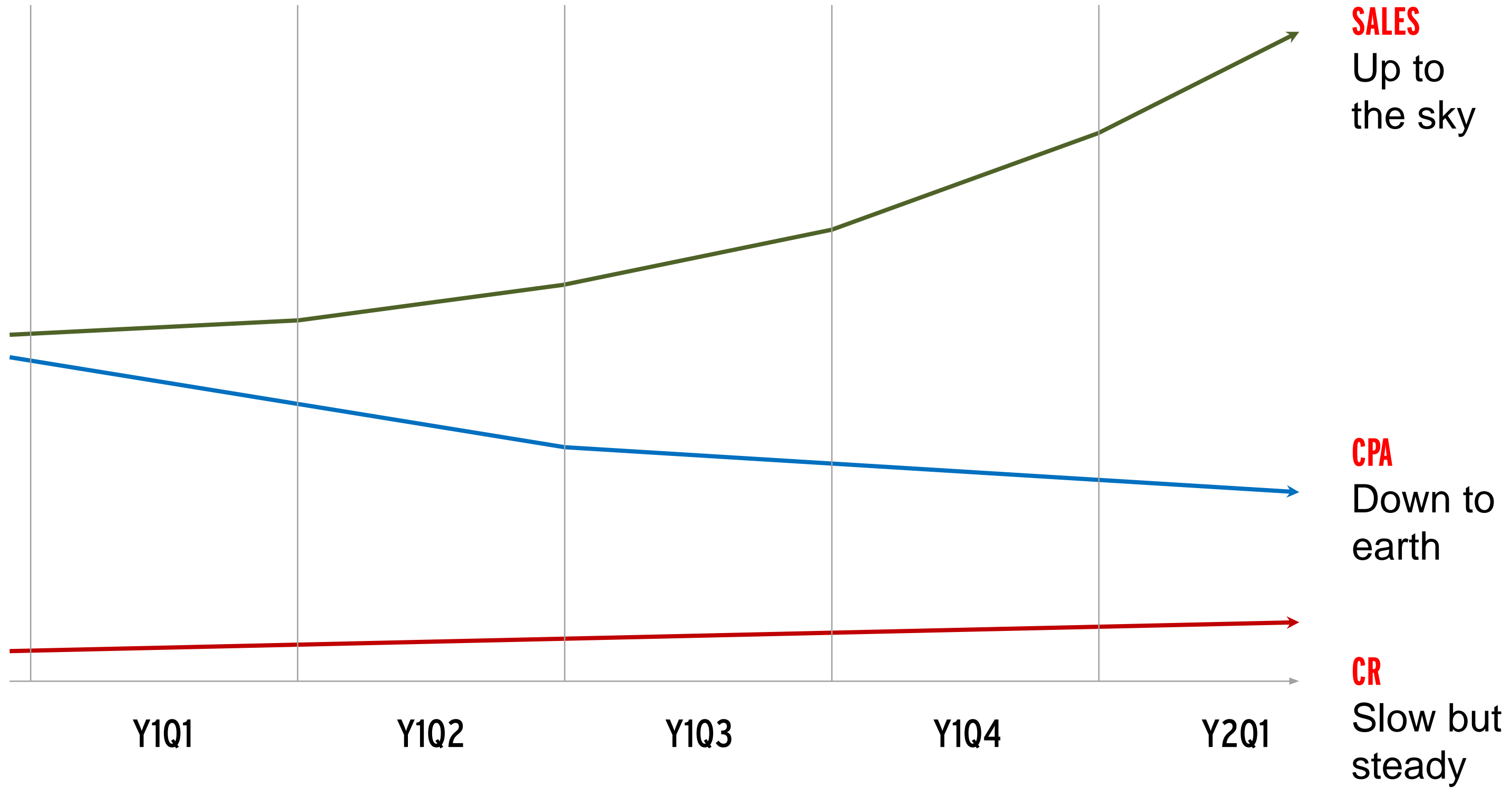
# It's not rocket science

It's like clock making, patient, care, and attention to details are your most needed resources.

You constantly tweak it to improve results, your changes should be driven by the data you collect during the process of selling your goods.



# What your trends should look like



# Key performance indicators

There are many other KPI you will learn to monitor, analyze and improve, like *bounce rate*, *ads click through rate*, *percentage of abandoned cart* etc..

But **the two you shall master ASAP** are CPA and CR.

Can you tell the change in your CPA last week compared to last month and last quarter? If not, there's a train heading in your direction you are not aware of, but it's going to crush you soon.

# The basic about marketing

—

# Don't throw good money after bad.

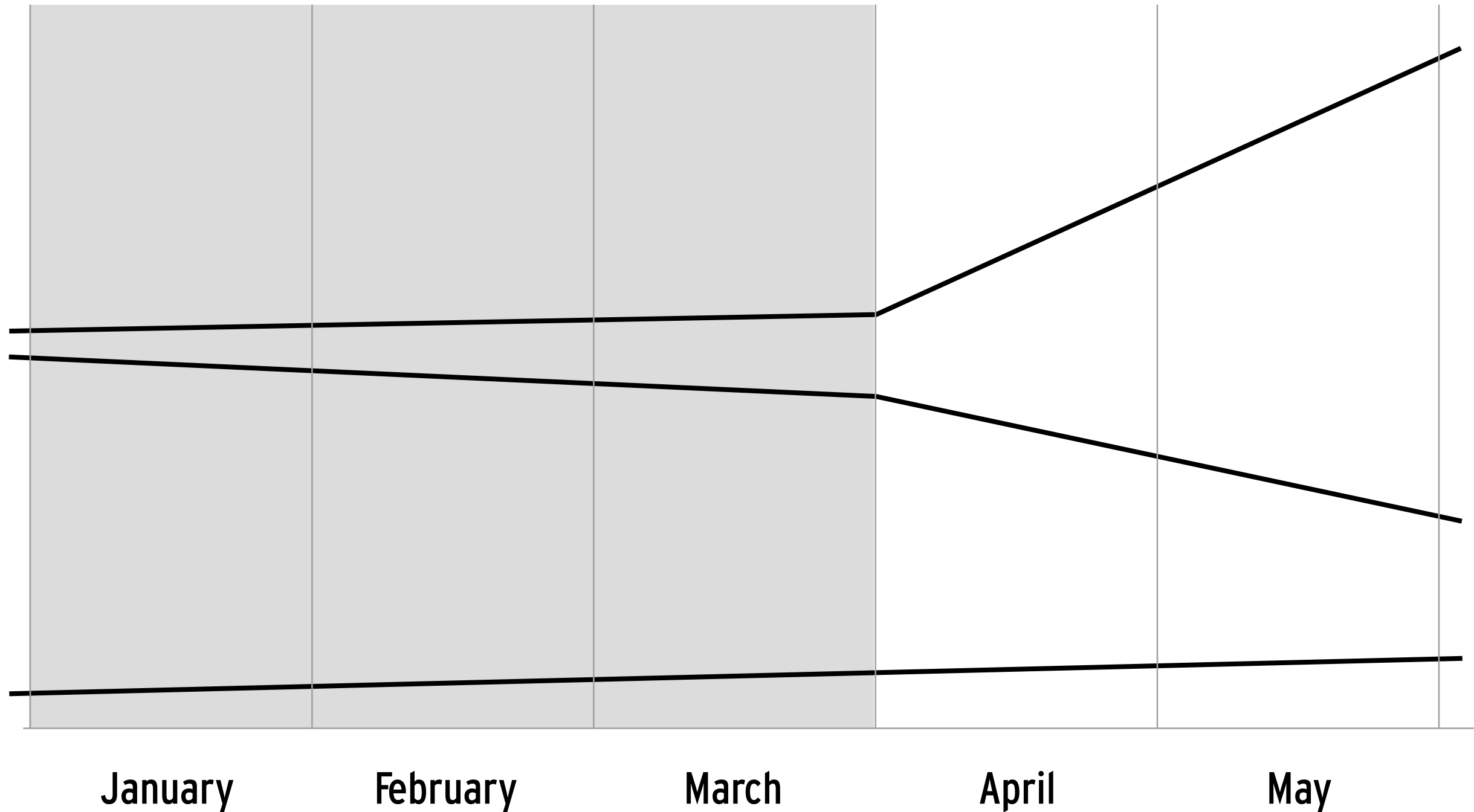
The good thing about online marketing is you have metrics to monitor, to learn from and to adapt to; in order to improve your sales performance and keep marketing costs down.

Continuously Monitor your spending and your KPIs to improve your results.

# Set-up

Initial set-up, collect the data and act accordingly.

It may take 4 weeks or three months to start to see results, but if after that time nothing improves, you are doing it wrong.



## Give it a little time

The set up of an online marketing strategy has an initial start-up cost which is unrelated to actual sales, please note the words "set up" and "initial start-up cost".

# SEO, SEM

**SEO**, Search Engine Optimization, is when you spend money to improve your position in Google natural search results.

**SEM**, Search Engine Marketing, is when you pay Google to show your ads around natural search results.

These are going to be the bulk of your marketing strategy. To date have been generally proven to give the best ROI.

Email marketing (DEM) is also considered to give good ROI, but only if you have a highly targeted email database, and to build one you need time. On the other hand is very easy to buy a junk email database and waste your money.

# SEO

Search Engine Optimization is going to give you the best ROI.

Shoppers go to Google to search for products to buy and information about those products. They trust natural/organic search results and happily click them.

To improve your position in **organic search results**:

1. you first need to identify which keywords matter for your business,
2. then build your website taxonomy and craft your website content around those keywords to feed Google crawlers,
3. and launch a link building campaign; without quality inbound links to your content you are highly unlikely to get any relevant position on Google organic search results.

The screenshot shows a Google search for "leather wallets for men". The search bar is at the top with the query "leather wallets for men". Below the search bar are navigation tabs for "Web", "Images", "Shopping", "Videos", "Maps", "More", and "Search tools". The search results show "About 12,400,000 results (0.37 seconds)". The first three results are paid advertisements (Ads) from WalletGear.com, bellroy.com, and AspinalofLondon.com. The fourth result, which is highlighted with a red border, is an organic search result from Fossil: "Men's Wallet Guide, Mens Leather Wallets | FOSSIL". The fifth result is another organic search result from John Lewis: "Men's wallets | Wallets for Men, Leather Wallets | John Lewis".

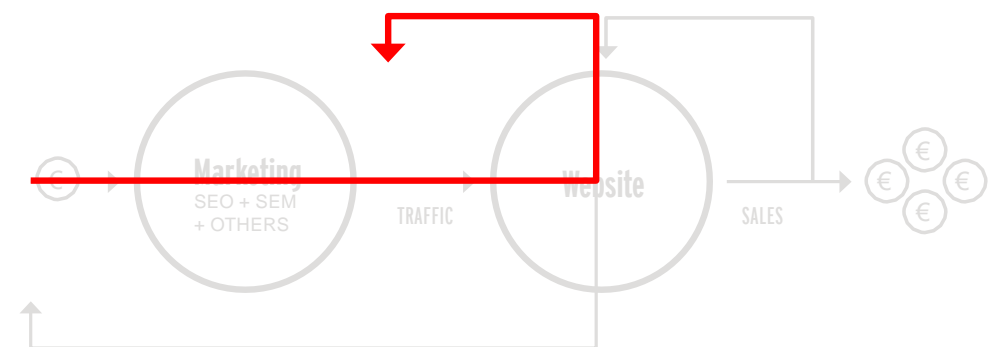
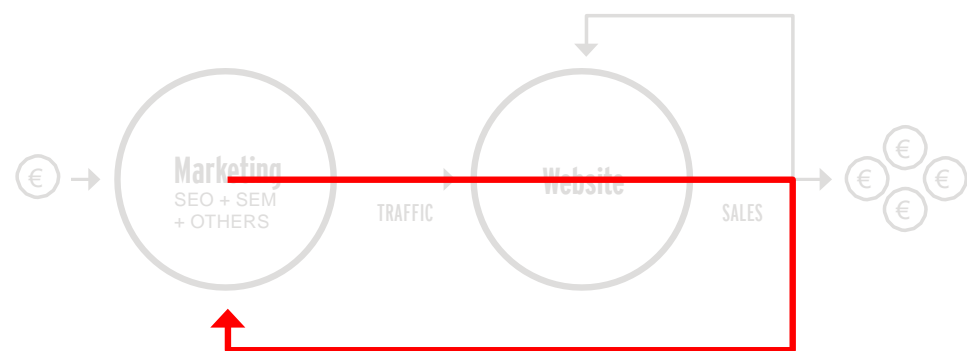
Organic search results

# SEO is a continuous process

You should start with SEO as first thing, but you will **start** to see results after 30/90 days, maybe later, not earlier.

Your SEO position will change with time, Google change their algorithms, your competitors tries to outperform you, consumers change their habits.

And **more than anything else**, you improve your SEO tactics learning from the data you collect.





# SEM

Search Engine Marketing is the mother of all online marketing battles.

The same shoppers we spoke before, who goes to Google to search for products to buy and information about those products, have learnt to trust **Google sponsored ads** (aka Adwords) as well; even more so when they feel closer to actually buy.

The moment you start paying you also start getting traffic, so it's quick. But it's a very competitive battlefield and you can get economically wounded if you don't constantly monitor and tweak your Adwords campaign in terms of ads content and keywords selection.

The image shows a Google search results page for the query "leather wallets for men". The search bar at the top contains the text "leather wallets for men". Below the search bar, there are tabs for "Web", "Images", and "Search tools". A "Google sponsored ads" label is visible above the first three results. The results are:

- Leather Wallets For Men - WalletGear.com**  
Ad [walletgear.com/leather+wallets+for+men](http://walletgear.com/leather+wallets+for+men)  
Rich leather wallets to fit in any pants pocket. Order now!  
Bifold Wallets - Zipper Wallets - Hipster Wallets - Front Pocket Wallets
- Leather Wallets For Men - bellroy.com**  
Ad [www.bellroy.com/leather-wallets](http://www.bellroy.com/leather-wallets)  
Expertly Crafted Slim Leather Wallets by Bellroy. Shop Now.  
"... they're the best your money can buy, and be kept in." – GQ-UK  
Our New Slim Sleeve - Three Year Warranty - Slim Sleeve Wallet - Leather Care
- Men's Leather Wallets - AspinalofLondon.com**  
Ad [www.aspinaloflondon.com/Leather-Wallets](http://www.aspinaloflondon.com/Leather-Wallets)  
Quality Men's Leather Wallets. Free Personalisation of Initials!  
Aspinal of London has 213 followers on Google+

Below the sponsored ads, there are organic search results:

- Men's Wallet Guide, Mens Leather Wallets | FOSSIL**  
[www.fossil.com/en\\_US/shop/men/wallets.html](http://www.fossil.com/en_US/shop/men/wallets.html)  
Shop Men's Wallets from Fossil. Vintage Inspired, Quality Mens Leather Wallets.  
Made from Premium Leathers with a Functional & Stylish Design.
- Men's wallets | Wallets for Men, Leather Wallets | John Lewis**  
[www.johnlewis.com/men/wallets-keyrings/c600001552](http://www.johnlewis.com/men/wallets-keyrings/c600001552)  
Buy men's wallets. Browse our wide selection of men's leather wallets from a wide range of brands. Free Standard Delivery on order above £0.

# Relevant Keywords

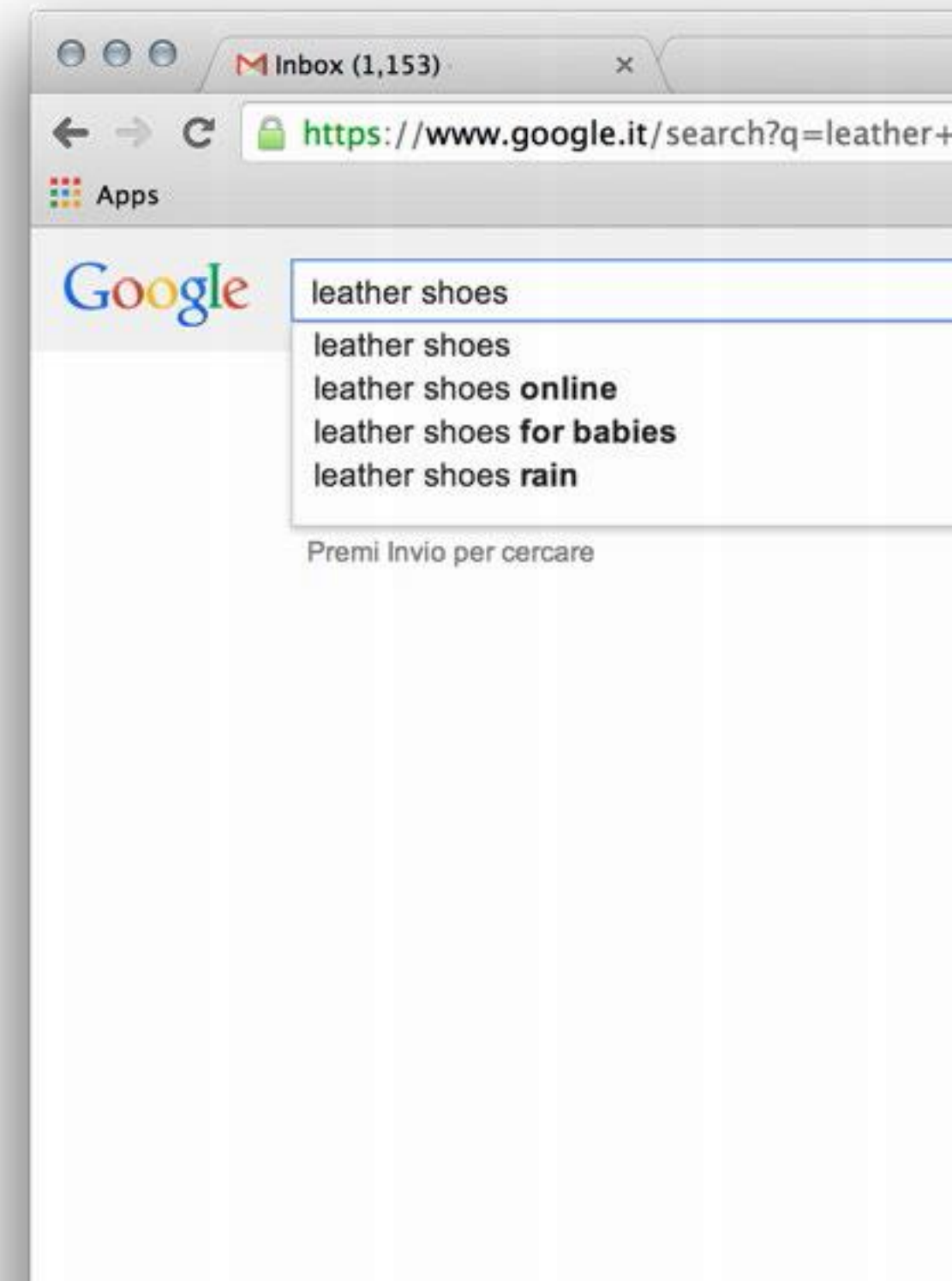
The keywords you should focus on are the ones shoppers are more likely to search for on Google when willing to shop for your products.

You should build a list of thousands of them.

If you have 10 thousand products on sale, and each one has it's own product name, you are already starting from a 10k thousand keyword list.

If you have just 10 products on sale, find 10 thousand way of describing it, and if you can't come up with 10 thousand start with 100; just start from somewhere and improve through trial and error.

Through time you will identify which keywords convert well and which one doesn't and tweak your keywords list.



# Content

Good content is information with a good density of relevant keywords.

Good density mean enough to have Google rate your content as relevant for those keywords but not as much as required to have Google believe you are trying to cheat him into improving your position (and as a consequence ban you).

The quality of the content has little importance for Google crawlers, so you could be lead to believe it doesn't matter much. But once you get traffic you need to convert it into sales, and poor quality of your content is going to affect negatively on your conversion rate.

# The others

- Display ads
- Price engines
- Affiliation
- Social
- Remarketing

They should all be part of your mix, but it's a much more impervious path; so keep them for later.

# Offline marketing

Maybe, but maybe not.

Once someone who is looking for his next leather wallet on google see your ad, he is one click away from discovering your fantastic online catalogue of the best leather wallets in the world.

But once someone who is driving home from work has her favorite comedy program interrupted by your ad, even in the unlikely probability San Valentine is approaching and her husband needs a new wallet, either she stop the car and write on her hand the Url of your website correctly or she will have forgot before to get home.

**What matters  
about your website**

—

# A great e-commerce website

The greatest e-commerce website in the world is the one which sell.

You must **continuously** improve your website to improve your sales performance.

And you can easily find out what works and what doesn't works through split testing; you channel visitors through different versions of your website to measure which one perform better.

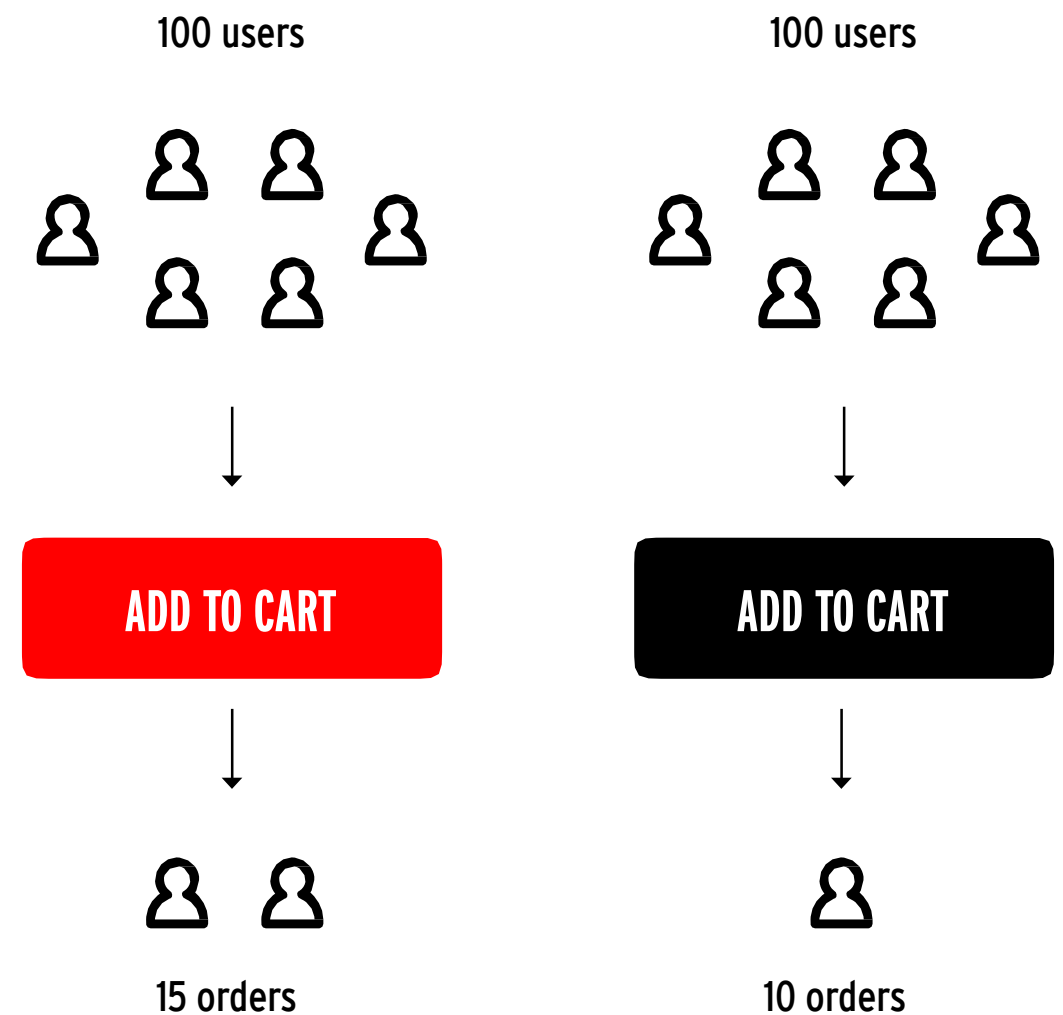
# Split testing

You find ideas about what to change looking at competitors, reading analysis, asking advice to consultants, looking at people using your website, or sitting under a apple tree waiting for apples to fall on your head.

But you must continuously run split tests.

At times you will find a complete overhaul of your homepage is decreasing conversion rate by 1% while **just changing the color of the add-to-cart button** improve conversion rate by 50% (these actual figures are coming from real life experiments).

The point is **you must test and analyze results**, as often as possible and as much as possible.





# Continuously

It's a process which never ends.

You don't just pay someone to build your e-commerce website and then focus on running it. Unless you want to run it into bankruptcy.

You need to change it, and change it often.

You design the changes analyzing the data you collect from it.

And this core principle applies no matter your size; either you are a one man show or a big corporation, history teach us you are doomed and you will fail selling online unless you adapt and change, continuously and quickly.

**The best e-commerce  
technology in the world**

—

# The right technology for you

1. Let you define the taxonomy freely,
2. allow you to organize and change your content quickly,
3. makes running split test really easy,
4. collect vast statistical data about your sales,
5. and is fairly inexpensive.

If you really want to excel you need to be in total control of your e-commerce solution.

# Don'ts

1. Don't choose your technology because it's tightly integrated with your existing ERP, a ease of integration can save you from a high percentage of canceled sales; but if you don't have sales due to the solution lack of flexibility canceled sales are your last concern.
2. Don't buy from a software vendor who doesn't show clear understanding of the basic concept explained in this document; if they don't know what split testing is they sell crap. If they don't have a track record in improving conversion rate they sell crap.

# The obvious

## **Google Analytics**

It's the industry standard, and how much value you will get out of it only depends on how much skilled your team will be at configuring it.

## **Google Web Master Tools / Semrush / aHrefs**

To monitor results of your (and competitors) inbound links campaigns and your improvement in SEO positioning by keywords

## **Google Trends / Google Keyword Planner / Keywordtool.io**

To get inspiration about additional keywords and forecast traffic volume per keyword.

**One final thought  
about time**

# Time matters

Until you start selling you don't start collecting data.

And until you have data you are not able to make decisions to improve your sales; you are not able to improve your marketing strategy, and you are not able to improve your conversion rate.

**Don't waste time, and start selling.**

As soon as you start selling, start analyzing your data and improving your sales performance, don't waste opportunities.

**Good luck!**

[max.favilli@gmail.com](mailto:max.favilli@gmail.com)

