## eBiz Insider

the magazine for e-commerce professionals.



- Designing E-mail Blasts that Work
- Avoid Checkout Abandonment
- Expand Your Search Marketing Through Content Networks

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May 2008 Volume 2 • Number 5

Congratulations! You've Grown. Now Pack Your Bags8  Tips about growing pains and how to make moving your company run smooth.
<b>Tricking a Tanking Economy</b> A "hit list" of ways to increase your income without increasing your outgo.
<b>Expand Your Search Marketing Through Content Networks4</b> An in-depth look at the best practices of marketing with Content Networks.
Introducing Avalara & County Level Tax Solutions
Designing E-mail Blasts that Work
Tour the New Solid Cactus
Avoid Checkout Abandonment
I Take Credit Cards.  Should I Accept Bill Me Later, Paypal or Google Checkout?
Top Rankings for AirGunDepot.com
Click Fraud— What is It and How Can Online Advertisers Fight It?20 Protecting your online advertising investments from scams, unscrupulous marketers and competitors.
Tech Corner: Wonderful World of Wi-Fi

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For Our 1st Anniversary!

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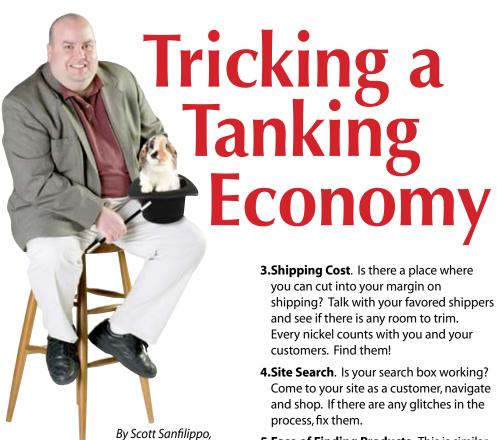


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Get all of your inside e-commerce Tips from eBiz Insider!

The magazine for e-commerce store owners to actually help you run your business better.

www.ebizinsider.com



Okay, we get it. The economy is in recession and we're all being squeezed. Not only are gas prices skyrocketing, they're bringing the cost of every other consumer good up with them. Combine that with a falling housing market which is dragging down the stock market and scaring investors across the fruited plain and you've got a less than encouraging business climate.

Editor in Chief

So, obviously I'm not going to spend valuable column space trying to convince you to invest in a redesign. Instead, let's take a step back and see what we can do to change Browsers into Buyers. Below is a "hit list" of 8 ways to increase your income without increasing your outgo:

- 1.Product/Price. Do your numbers and your product line work for your customers? Take stock, compare yourself with the competition and make sure you're still the best bargain out there. Go a step further and consider cutting your price on some of your more profitable items. Don't turn winners into loss leaders, but make them more affordable and take quantity over margin.
- 2.Promos/Discounts. Dress the old deals up in new clothes. Sweeten the bargain with free shipping, 10% or other offers that work in your industry.

- **3.Shipping Cost**. Is there a place where you can cut into your margin on shipping? Talk with your favored shippers and see if there is any room to trim. Every nickel counts with you and your customers. Find them!
- **4.Site Search**. Is your search box working? Come to your site as a customer, navigate and shop. If there are any glitches in the process, fix them.
- 5.Ease of Finding Products. This is similar to #4, but narrows the examination to the tools your customers use to get around your site. Is the navigation clear? Do people understand it? Use a friend as a mock shopper for the best answers.
- **6.Ease of Ordering**. Is ordering quick? Is it easy, or do you have to jump through hoops? The easier you make it, more of your browsers will make it to buyers.
- **7.Ease of Checkout**. This is where too many shoppers jump ship. Common reasons for cart abandonment include forcing customers to register and log in before buying, including more than 6 steps in the checkout and restrictive payment options. Make it easy for them to buy, make it easy for them to pay and make sure you have a variety of payment options including PayPal, Visa, Mastercard, checks—whatever it takes to keep customers heading toward purchase.
- **8.Customer Reviews**. Are your customers helping you sell? Make sure they can by providing product reviews and making sure they're current.

No single suggestion above is going to solve all your cash problems. But taken together, they can generate some extra buyers who once were only shoppers. Turn enough of them and you'll survive this tight economic period nicely, thank you... eBiz



- O. What web browser are most websites built to perform best in?
  - —Chelsea M., Bethesda, MD
- A. In general, most web developers are designing sites that are compatible with Microsoft Internet Explorer 6.0 and higher and FireFox 2.0 and higher. Internet Explorer still remains the most widely used web browser and version 8 is due to be released soon along with FireFox 3.



- Q. Is it important to have a privacy policy on my website?
  - -Mitchell K., Sacramento, CA
- A. Absolutely! In addition to it being a requirement for Yahoo! Store owners to have a privacy policy clearly posted, new versions of web browsers actually check for a privacy policy on a website when you visit it and if the settings are set to alert you when there is none, you will be prompted with a dialogue box letting you know when one is missing. Consumers are very concerned about privacy and the absence of a policy, explaining actions you take to protect information could cost you a sale.

Good comments and questions!

Let us hear from you! Write to: scotts@ebizinsider.com eBiz

## **Expand Your Search Marketing Through Content Networks**



Imagine you could quickly and easily advertise on every message board, blog and news site across your industry. Imagine creating text and banner ads for thousands of potential new customers. Imagine your ads on competing sites! Stop imagining. You can do all of this and more with contextual advertising.

Once you've optimized your pay-per-click for search, content networks are a great way to get your name out to potential customers. The major search engines (Google, Yahoo! and MSN) offer contextual advertising. They partner with thousands of content sites to place ad blocks throughout each site. When you turn on the content network, the search engine will scan the content of that campaign and compare it against sites in the content network. When they find a match, your ads can run on that site. Your ads may display on blogs, news sites, forums and even competing online stores.

Content networks charge on a cost-per-click (CPC) basis, but network bids are set on the ad group level instead of the keyword level. This is because engines look at the sum of all the keywords and ads, rather than the individual parts. You can choose separate content bids or let the engines determine your content bid from your search bids.

Content networks can extend your brand far beyond your current marketing efforts.

They tend to have a higher volume of impressions, so more people are seeing your name. Even if the effect isn't felt directly through your pay-per-click campaigns, you may still see an increase in traffic. It takes time and testing to maximize your content network results. Be patient.

#### **Content Network Best Practices:**

- Test in Google first. Google has the best reporting features. Optimize your content campaign and expand to Yahoo! and MSN when you start getting results.
- Create a separate content-only campaign. You can run content in the same campaign as search, but you can judge performance better with content in its own campaign. Consider creating a separate budget for content ads while you are in the testing phase.
- Use broad match keywords. Since the engines look at the whole of your ad groups rather than individual keywords, you only need a broad match. Using more than 50 keywords in one ad group increases the difficulty for search engines to determine the ad group's theme.
- Use negative keywords. If you sell flowers, but not roses, you should make "rose" a negative keyword to avoid showing on sites dedicated specifically to that flower.
- Avoid dynamic insertion ads. Dynamic insertion ads automatically pull the keyword that triggered your ad in

a search and place it in the ad text. This works well on search because it makes the ad more relevant to each user's search query. Since there are no searches being performed on content sites, the keyword used is random and may not make much sense.

- Exclude sites with low performance. Monitor traffic either with placement reports (in Google Adwords) or an analytics package. If a site is delivering low quality traffic, add it to an excluded site list that works similarly to negative keywords.
- Use a mix of generic & specific keywords. While you wouldn't use generic words like "flowers" or "hats" in a regular search campaign, consider adding some in your content campaign. Mixing broad industry terms with brand and product keywords gives the search engines a more complete picture of your business and the types of sites you want displaying your ads.
- Write a strong call to action. Since browsers on content network sites aren't actively looking to make a purchase, you need to grab their attention. Use phrases like: buy, find, learn more, save now, limited time offer, etc.

Once you get your feet wet, consider advanced features like image and video ads. Target individual sites and maximize your exposure on them. Google, Yahoo! and MSN have been investing in their content networks to create a better advertiser experience and the results have been impressive. With so many tools at your disposal, isn't it time you gave the content network a try?



By Jean Lloyd jeanl@ebizinsider.com



## BOOT CAMP @ HQ 2008

#### e-commerce conference

Solid Cactus Boot Camps are multi-day events designed to give the e-commerce store owner the opportunity to attend multiple training sessions that are focused on building business and making the most of your e-commerce site. Seminars throughout the event are focused on ways to grow and improve your business, plus you'll have the opportunity to share ideas and thoughts with your peers and the experts on hand.













In addition to our educational seminars, we've arranged for exciting after-hours activities to make the most of your Boot Camp experience. Now drop and give me twenty. Just kidding.

"I could write a book about the entire event!

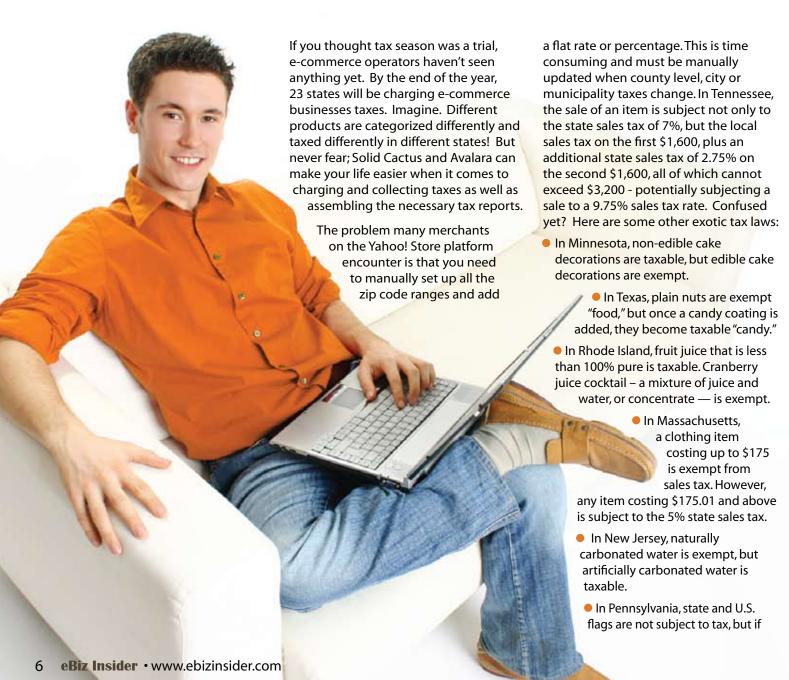
Put it this way, it was awesome.. and you spoiled us. I've been to many events everywhere, and this is by far the best!"

— Pam Macharola, BlairCandy.com

MAY 21 - 23, 2008 - WILKES-BARRE, PA HURRY! Space is Limited.

http://bootcamp.solidcactus.com





either is sold with "accessories" (i.e. a pole), the entire purchase becomes taxable.

With many states adopting the Streamlined Sales Tax or SST (<a href="http://www.streamlinedsalestax.org/">http://www.streamlinedsalestax.org/</a>) there will be more rules in which products will need to be taxed. Some changes will be difficult for merchants to manage as they relate to how products are sold. Currently17 states are "Full Members" of the SST:

- Arkansas
- New Jersey
- Indiana
- North Carolina
- lowa
- North Dakota
- Kansas
- Oklahoma
- Rhode Island
- Kentucky
- mode isiana
- Michigan
- South Dakota
- Minnesota
- Vermont
- Nebraska
- West Virginia
- Nevada
- Wyoming

In addition to the 17 "Full Members" 5 states are considered "Associate Members," meaning they're in line with the SST requirements although the state is not yet in full compliance. They are:

- Ohio
- Utah
- Tennessee
- Washington

The SST rules will affect different merchants in different ways which could make calculating sales/use tax a "taxing" task. Finally, there is a solution.

Solid Cactus has partnered with Avalara, a leading provider of real-time tax calculations and a SST certified tax solution. Among the features of this partnership are:

#### **Reports and Remittance:**

Save time and resources by using a single solution, integrated into your financial application to submit one remittance payment. Avalara not only takes care of the forms you need for each jurisdiction where you have nexus, but also remits the liability on your behalf.

#### **Reporting Tool:**

Comprehensive and easy to use, Avalara's reports provide detailed, summary and exception reports to satisfy statutory tax return requirements. Ensure full

statutory compliance, superior internal process controls, and best practices for sales and use tax.

#### **Reports:**

AvaTax offers a crucial component to sales tax compliance: detailed, ondemand reports provide you with quick access to the information needed to prepare and submit sales tax returns. You can easily and quickly generate

reports, which can be exported to the file format that works best for you.

The Shipping Manager integration with Avalara lets you offer features to enhance your business performance and will make your life much less stressful come tax season. •Biz



By John Tomkoski johnt@ebizinsider.com



Solid Cactus has partnered with Avalara to integrate AvaTax™, a complete sales tax compliance solution - from the point of sale to electronic filing and payment,



streamlining a cumbersome process for millions of e-commerce companies and reducing the risk of loss or penalty in case of an audit.

AvaTax<sup>™</sup> for Solid Cactus Shipping Manager automates tax rate calculation directly into your Yahoo! Store, streamlining a complicated and complex manual process.

Interested in learning more about AvaTax™
and how it can benefit your e-commerce business?

Call 888-361-9814

or visit: http://www.solidcactus.com/sc-shipping-manager.html





#### **Find the Right Location**

Location, location, location! It's the secret of real estate and a crucial consideration when scouting for new digs. Is the new place close to where the bulk of your workforce resides? Is it close to highways and major routes for your vendors and commuters? If you need warehouse space, is there room for tractor trailers to make deliveries? If it's a new retail location, what's the potential for foot traffic? Consider your next growth spurt. How much can you grow before you outgrow the new building?

Make note of quality of life issues. How many nice lunch or happy hour places or hot errand spots like banks, post offices, hair salons and the like are nearby? What are local taxes like? Parking is also important. Will employees have to pay for parking? Is there ample free parking?

#### Use the Move as an Excuse to Upgrade

A new address can function like a "new broom" throughout the rest of your business. You need new stationery anyway, how about a new letterhead? Since you're calling the printer anyway, why not look into a fresh image?

Aside from stationery, as you get ready to move, take an inventory of computers, copiers, cabinets, storage and furniture. Are they in good shape? How old are they? If things need replacing and updating, use the move to set up new items and start fresh.

What to do with the old office equipment? Schools, community centers, non-profits and shelters are happy with desks and old equipment. Most groups will be happy to haul it away for you as well. Leave the old stuff behind; have the new stuff delivered to the new location.

### & Orient Employees to the New Location

Every business is different, but the goal is to move with as little downtime as possible. A key is to have your IT infrastructure and technical components in place so that employees can just plug-in when they arrive.

Moving in a phased approach eliminates loss of production. Create a schedule and have each department separately. Having a seating chart ahead of time will help transitioning employees get to their new desk/area with little confusion.

Hold an orientation session in the new building to provide all the "housekeeping" details. Where are the break rooms, bathrooms, meeting rooms, office supplies, emergency exits? Are there any new policies or procedures in place at the new location? Are there new security systems or alarms in place? What about that new office equipment? Setting up a training schedule for new copiers and other equipment would be a good idea and sales reps are usually willing to stop in and train your staff.

#### Keep Your Customers Informed & Hey, Tell the Media, Too

When Solid Cactus recently moved from downtown Wilkes-Barre to Shavertown, an e-mail went out to all clients informing them about the move.

Make your move a PR event. Contact the local papers and news stations to get coverage on moving day. Send a press release ahead of time and follow up with a day-of Media Advisory. Moving trucks and employees carrying boxes makes for good footage and photo opps. Phase II can be the ribbon cutting, where local public officials can appear and congratulate the company on its growth. Again, the media likes this kind of stuff. Aside from the daily news, also try to target your region's business or lifestyle magazine.

#### **Keep Growing!**

For all the temporary aggravation, growing pains are good pains. Keep growing your business and maybe soon, you'll get to move all over again. eBiz



By Donna Talarico donnat@ebizinsider.com



66

LivePerson.com was able to categorize our e-mail and our chats. We feel as if we can provide substantially better service to our customers and reduce our operating costs. Plus we have a treasure of information about our customers that we can use in real time to help them decide on products, think about new products and overcome their reluctance at the checkout. For us it was worth the investment.

Derek Kleinow - TigerGPS.com

#### **Benefits:**

- Top of the line live chat at a reasonable price
- Increase your sales Sell "instantly" by chatting with your customers
- Decrease your costs Assist multiple customers simultaneously, save money over phone costs
- Improve your customer service -Give them the service they deserve from a real person
- Free extra services Training, consultation, customized graphics

Get started today!

Visit http://liveperson.solidactus.com

Liveperson

# Designing E-mail Blasts that Work

E-mail marketing is underrated by its practitioners, despite its promise. Internet Retailer reports that nearly half of online retailers rate e-mail as the most effective marketing. But that means more than half of online retailers don't think e-mail marketing works. It does.

#### **Real or Spam?**

Jacob Nielsen, the guru of usability, said "E-mail newsletters are the best customer relationship mechanism the internet offers, and every single mailing must strengthen the relationship between the company and its customers." But he warns that more e-mail is not necessarily better e-mail. "Having your low-quality messages deleted is certainly an unfortunate fate. But the long-term impact of such clueless internet marketing is: your future messages may

**not even be opened**. Once users are trained to expect such uselessness, they stop paying attention to your e-mail."

#### **Be Believable**

You must convince your customers that you are a viable provider of information and savings. Only then can you pursue growth of orders and sales.

Among many factors to the success of e-mail marketing:

- Choosing a marketing company who has established relationships with most (if not all) e-mail providers and hosting companies
- Design effective e-mail messages
- The method of collecting an e-mail address
- Deciding how often to use e-mails

The offers and benefits to the customer receiving e-mail

Many e-mail marketing companies provide do-it-yourself services to quickly and easily establish a marketing program. Some tie directly into your shopping cart, making it easier to capture e-mail addresses. Establish your list then decide how to best communicate with your customers.

#### **Be Patient**

Don't get frustrated if your first few e-mails don't have a high open rate or click through rate. Marketing is tweaking, so try different combinations of elements.

#### **Testing, One, Two**

Top e-mail marketing company Silverpop tested the following e-mail elements:

- Content of the "From" line
- Subject line content
- Location of logo
- Ratio of text to images
- Various design layouts
- Number of links
- Type of links (text vs. image)
- Presence and location of navigation
- Inclusion of lifestyle photography
- Feature offers
- Location of call-to-action

Each of these elements had a significant impact on the e-mail open rate, which hovers around 20-30%. Test these elements in different combinations to learn what your customers want to hear and which format works best.

#### **Inside the Numbers**

Surprisingly, Silverpop's study concluded that putting your company name clearly in the "From" line did not have the impact on open rates that has long been considered best practice. Instead, they found that using a person's name improved open rates 3 percentage points more than a business name.

The data suggests using a person's name in the e-mail address, but beware. If they're expecting a personal message and instead they see a sales pitch, this could be perceived as a bait-and-switch. If you use a person's name in the "From" line, use some type of personalization in the content.

The study also found that including the company name & product name in your subject line improves open rates by 32% to 60% over a subject line without the company or product name. It was also higher when it contained either the product or company name only. Like an ad headline or the title in the search engine results, the subject line must be clear, concise and give the customer an idea of what's inside the e-mail.

Most e-mail marketing efforts use a "postcard" format containing an image with an offer. But Silverpop found that the "newsletter" format had a higher click rate than the "postcard" format. The newsletter format included text and images to clearly communicate the message and brand.

Click through rates increase when there were more links in the e-mail, but start to decrease once there were more than ten links. Image-only and mixed format (images and text) also increased click through rates. Images drive more attention to your offer and the call-to-action even though most e-mail providers block images initially.

Successful e-mail marketing involves finding the right format and wrapping your arms around it and making a commitment to it. Now, put these things into practice and make your company some money!

eBiz



By Kurt Illian kurti@ebizinsider.com



#### 



September 21, 2007 • Pre-construction



September 21, 2007 • Pre-construction



September 21, 2007 • Pre-construction



September 21, 2007 • Pre-construction

## Tour the NEW Solid Cactus...

I don't want to bore you with the gruesome details. Actually, I do want to bore you with how hard it was to turn a former elementary school into our new Solid Cactus Technology Center, but there isn't time in this column. There isn't time in this issue! Instead, please enjoy the photos of our before, during and after construction. I can tell you that I was here for virtually every nail pounded and paint brush stroked.

The new headquarters are open and breezy and relaxed and quiet and loud. Don't believe me? Visit our new digs and check out our color schemes!

We wanted a space that will grow with us and put our people in the best possible location to take the best possible care of our clients. We have off-street parking, a full gym and changing rooms, break rooms on each floor and an employee-only restaurant, Saguaros, serving great food at greatly reduced prices.

The new Solid Cactus Technology Center is open for business! It is no mistake that we have landed in a school. This is where we will develop the latest advances in e-commerce and teach them to others.



By Scott Sanfilippo scotts@ebizinsider.com



▲ April 28, 2008 Ribbon Cutting Ceremony in the new gymnasium



▲ Second floor main hallway



▲ Second floor corridor to E-commerce Consulting & Store Development

#### 



September 21, 2007 • Pre-construction



November 26, 2007 • Demolition

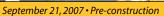


November 26, 2007 • Demolition



January 14, 2008 • Framing







September 21, 2007 • Pre-construction



September 21, 2007 • Pre-construction



September 21, 2007 • Pre-construction



▲ Main reception area



▲ First floor Internet Marketing



▲ First floor Software as a Service



▲ Second floor waiting area



▲ Second floor Solutions Advisors



▲ Second floor Store Development Programming Team



▲ Business Office



▲ Second floor Break Room



▲ First floor Saguaro's Cactus Cafe



▲ Second floor Design Team



▲ Marketing Team



▲ Third floor Executive Offices



February 8, 2008 • Dry wall



February 28, 2008 • Ventilation



March 4, 2008 • Painting



March 18, 2008 • Furnishing



## Avoid Checkout Abandonment

In this month's article, I will discuss more tips to avoid Checkout abandonment. I also encourage you to join the eBizInsider forums which contain a wealth of knowledge.

Let's split the checkout process into two distinct steps. The first step is a shopping cart page where the consumer adds products to the cart. The second step is the rest of the checkout process including the shipping and billing page, order review and confirmation. The largest percentage of abandonment occurs on the shopping cart page. There are steps you can take and things to avoid during this checkout step to make the experience easy for your customers and profitable for you.

#### Single Page vs. Multi Page Checkout

Single Page checkout is most likely two or more pages in total, one page displays your cart and all the other checkout information, including shipping and billing information on this single page, and the second page would be the confirmation page. Some checkouts allow customers to review the content before submitting their order. Multi-page checkout includes a cart, checkout pages and a confirmation page. Each option offers benefits and drawbacks depending on your store.

#### Single page:

- Single page is truly not a single page checkout but most likely two pages minimum including the confirmation page. It is now possible to display everything on one page without reloading the entire page.
- Single page checkout has been gaining popularity because it reduces the number of steps for customers to complete an order.
- Customers who frequently shop online may benefit from the speed of a one page checkout.
- One page checkout makes for a longer page which leads to excessive scrolling. This can cause shoppers to miss fields required to checkout and lead to an unpleasant shopping experience.
- If there is no easy access provided for your customer to get back in the store and shop for more products, single page checkouts might decrease the overall size of your order.

#### Multi-page:

- Multi-page checkout is a more traditional and familiar checkout model for most customers. If multi-page checkout is not designed properly, it leads to customer confusion and abandonment. Ideal multi-page checkout should not be any more than 4 steps starting from the shopping cart to the confirmation page.
- Here is an ideal flow for multi-page checkout
- Shopping Cart > Shipping and Billing > Order Review [Optional] > Confirmation Page
  - o It's easier for customers to have
    Shipping and Billing combined
    on one page. Let your
    customer choose the
    shipping and billing
    address to be the



- same so they do not have to re-type the same information during checkout.
- Order review helps build customer confidence. It allows customers to review information before submitting their order. This allows a comfort level, especially in the case of large orders. Not including an order review takes a step off the checkout process but can lead to increased cancellations if the customer expected a review page to be shown before confirmation. Decide which works best for your website.

My advice is to skip the cart page altogether and let customers add a product to the cart from the category or product page and view all cart related information on these pages. This feature is called, variously, Mini Cart, Persistent Cart or Floating Cart. This feature reduces a step in the checkout and improves the shopping experience. This feature also keeps customers on their current page and allows them to surf and add more products in their shopping cart. When they decide to check out they will be sent directly to the Shipping and Billing page, skipping the shopping cart page altogether. The primary goal is to improve the customer experience, but it also leads to larger orders because of the seamless shopping experience. Research shows it lowers abandonment by as much as 20%.

#### **Account Registration**

I have seen websites asking for account registration before I have decided to check out or see the shipping costs. This is a big turn-off for customers. This step should always be optional. Customers will not mind registering on your website once they trust you. When asking customers to register clearly, display how registration will benefit them and they'll be less hesitant.

Offering your customer a reason to register generates customer information and repeat business, which statistics show convert at higher rates. To review:

- Registration should always be optional
- Show your customer benefits of registering, not limited to an easy way to check out
- Register customers after the purchase unobtrusively and without detouring the customer from check out

You might wonder why, if the big sites do this, that I suggest not doing it. Sadly, if you can't compete with the big guys at eyelevel, then you can't afford to apply their standards. They have the benefit of brand recognition.

#### **Secure Pages and Warnings**

Security-conscious buyers may amount to 30% of total users on your website. Always test your checkout pages to make sure they're using secure channels to transmit data and there are no errors or warnings displayed in your checkout. Customers who see security warnings often become lost customers. When you install third party tracking scripts, always install the secure version of the scripts on your checkout pages. You can also display secure icons on the checkout pages that will add customer confidence.

#### **Error Handling**

Customers often make mistakes while filling out checkout pages and the difference between successful conversion and abandonment could be as simple as how you handle the errors. Display in a polite and clear way what customers missed and help them complete the checkout. Below are some approaches:

- Highlight the fields that were incorrect or missed by changing the background color of the incorrect fields to point your customer in the proper direction
- Hide or gray out the fields that were entered correctly, or display only the fields that were missed or incorrect
- Display error messages for specific fields missed instead of generic messages

#### **Checkout Page Design**

One of the main reasons for checkout abandonment was because customers found the Checkout process to be too confusing. Checkout pages should be clean and easy to understand, leading your customer a step closer to checkout by avoiding clutter on the page. Remove unnecessary navigation from the checkout page to block an exit path, but provide all the required links to your policies and contact information in case the customer needs to review it before purchase.

Checkout pages should be designed so customers can see where they are in the checkout process. A progress indicator should always be visible, like the image

below. You know where you are and how many steps until you're finished.



Another area that checkout design should emphasize is buttons on the page. You should have the button designed so that button to the next step of the checkout is more emphasized than the one that will take you back out of checkout. Here is a an example of the two buttons on the checkout page. Notice the "Cancel" button is darker and graved out while the "Submit Order" button is bolder and red colored so that your eyes get drawn toward the "Submit Order" button rather than the "Cancel" button. You can even experiment by making the "Cancel" button smaller and light.

CANCEL

SUBMIT ORDER

#### **Shipping Methods** and Payment Options

Providing different methods of payment like Credit Cards, PayPal, Bill Me Later, etc. will give your customers the freedom to choose the payment methods, which in return would increase conversion. Likewise, providing a variety of shipping methods for your customer to choose from will help them choose the method best suited for their needs.

#### Real-time Credit Card Verification

Credit cards should be verified in real-time, not after the sale is completed. If you verify manually and there is a problem, you take the chance of turning off the customer and losing the sale.

#### **User Opinion**

Ask family and friends to shop on your website and provide their opinions of the checkout process. Was it easy, or were there stages where they had to rethink before taking the next step? Based on the feedback, you can tweak it.

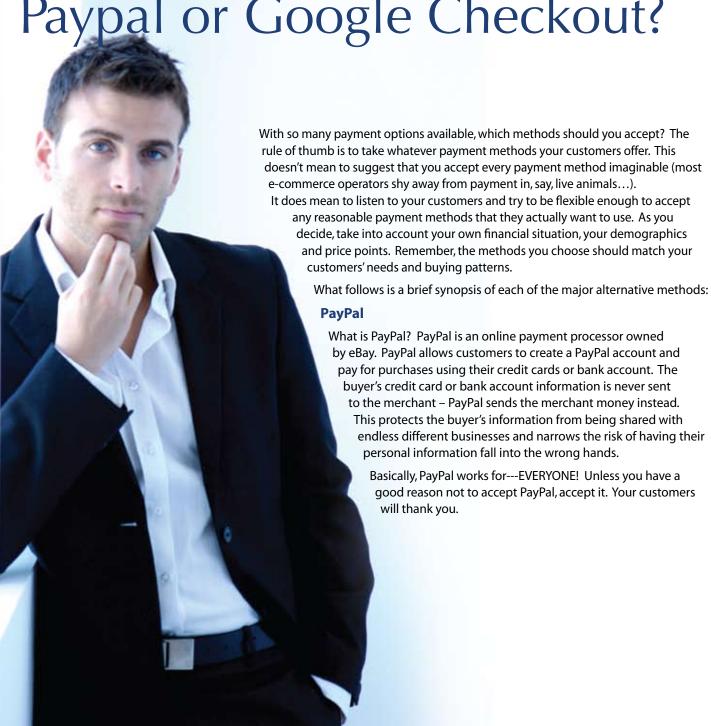
#### Conclusion

Tweaking and customizing your checkout process to meet customer expectations should be continuous. With newer tools and technology there are always new ways to provide your customer with a seamless shopping experience. eBiz



By Sunil Lukose sunill@ebizinsider.com

# I Take Credit Cards. Should I Accept Bill Me Later, Paypal or Google Checkout?



#### PayPal Benefits:

- · Already integrated with your Yahoo! store
- Rates are comparable to most merchant
- Over 150 million online shoppers use PayPal worldwide
- Privacy: Actual credit card information is only seen by PayPal and not shared with merchants – this protects customers if a merchant compromises payment information
- Typically, PayPal users prefer to pay with PayPal because it gives them a single place to manage all of their purchases
- · PayPal also offers express checkout





(Using express checkout, your customers' information is already saved and populated for them so they don't have to retype everything again. Because of this, express checkout conversion can be 40% higher than other modes of checkout.)

#### **Bill Me Later**

What is BML? Bill Me Later offers financing to your customers. When purchasing



through your site and Bill Me Later, your customers are able to purchase high ticket items with no money down and no payments for 90 days!

Who should consider incorporating BML? Merchants who are doing at least \$5M a year in online revenue and selling higher ticket items are obvious candidates.

#### **Bill Me Later Benefits:**

- Offers affordable payment terms on high ticket items (jewelry, computers, etc)
- 50%+ increase in average order value, up to 150% when combined with promotional financing
- · Easy integration through the industry's largest payment processors, so authorization and settlement flow through existing interfaces

#### **Google Checkout**

What is GC? Google Checkout is a fast, convenient checkout process that allows customers to buy from you with a single login.

Which businesses are the best candidates? Anyone advertising on the Google

Adwords platform with an e-commerce website that is compatible with Google Checkout should consider GC.

#### **Google Checkout Benefits:**

- \$50 in free adwords
- 21% discount on FedEx shipping
- Free credit card processing (as long as your sales don't exceed 10 times your Google Adwords spend)
- Google Checkout users click on ads 10% more when the ad displays the Checkout badge and convert 40% more shoppers who have not used the Checkout in the past
- Checkout's Payment Guarantee protects 98% of Checkout orders on average when an order is guaranteed, you get paid even if it results in a chargeback

#### Summing Up

Each of the above methods has its strengths and each should be strongly considered, based on your business. PayPal is widely trusted by consumers who shop actively but want security. Bill Me Later offers credit options which can be particularly attractive to high ticket shoppers. Google Checkout offers the ability to buy with a single login and falls under the highly-trusted Google umbrella. Consider your business, consider your customers and choose accordingly. eBiz



By Justin Rattigan justinr@ebizinsider.com

# Top Rankings for

We went from being buried in the search engines to being ranked #1 to #3 on Google in all of our relevant categories. I'm sure it's because of our web site's new structure.

-Scott Thomas, AirGunDepot.com

Remember that Daisy BB gun the boy wanted in the classic movie "A Christmas Story"? You can find one at the airgundepot.com. But you can find much, much more. "Air guns don't really have too much in common with our father's bb guns," laughs Scott Thomas of airgundepot. com. "The modern air guns are much more powerful than in the old days. In style and function, they're very much based on the real thing." That means real business for airgundepot.com, which now carries more than 1300 products including pellet guns. air rifles, air pistols, bb guns and bb gun accessories, as well as airsoft guns, blank guns and paintball. The air gun industry has many devotees. They include pest shooters, target shooters and even top competitors who want to practice their craft at a high level without the danger, noise and expense of powder-based weapons.

Airgundepot.com came online in 2003, just Scott and a partner. They knew they wanted to be in e-commerce and did months of research before deciding on air guns. "It was a business decision," says Scott. "It was really a matter of supply and demand online. We weren't what you'd call devotees. We went live with a website designed by a guy from India for five hundred bucks. By 2006 we knew we needed more flexibility,

more scalability and a site that was easier for us to manage and easier for shoppers to navigate. We called Solid Cactus."

Airgundepot.com incorporated lots of bells and whistles into their new redesign. Multiple Add to Cart was added to promote cross selling and increase ticket size. Dynamic Navigation made it easier for Scott and we've just moved into a new 10,000 square foot space."

Airgundepot.com and Solid Cactus are teaming up for their next step in e-commerce marketing, interactive video. "Our new video platform has increased conversion rates between 50% and 100% when employed," says Scott. "Next we'll



Scott Thomas, AirGunDepot.com

to add sections and products. The new menus enabled shoppers to more quickly and easily navigate the site. Rotating best sellers kept the top selling airgundepot. com products in front of customers. They upgraded to a new cart integration to improve the checkout process and cut down on cart abandonment. Rotating testimonials were added to increase customer trust.

Airgundepot.com made a significant investment in upgrading their site. The results? "The first thing was, the site became much easier to manage," says Scott. "That was huge for us. It was easier for us to add new products and other content to the site, like customer reviews. Our ticket size increased by 20%, our order value is up and our search rankings are way up. We went from nowhere to the top of the Google ratings and I believe it's because our site is more readable by search engines. The bottom line is we've gone from 2 people to 10

be doing interactive video. We believe this is the next step in marketing and it is particularly effective with our products. People who think that bb guns are like they used to be only have to see our products in action right on the home page. It is very compelling and really helps to promote the authenticity of our products. We think this will make a huge impact on our sales."

The changes airgundepot.com has implemented have changed the look, sophistication and nature of the business. But beyond that, Scott Thomas says he's happy to finally have a partner. "Before, we were on our own," he says. "Now, when we have a problem, we have someone we can trust. The people at Solid Cactus have a genuine interest in airgundepot.com and our success." eBiz



By Kevin Lynn kevinl @ebizinsider.com

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## Click Fraud -What is It and **How Can Online Advertisers** Fight It?

As pay-per-click (PPC) advertising becomes more and more popular with online advertisers, e-commerce operators must be increasingly wary of the latest scams and most recent forms of fraud. Pay-Per-Click online advertising has grown into a multi-billion dollar business and the stakes and downside risks have never been greater. One online development that advertisers need to be acutely aware of is that of "click fraud." Click fraud is the clicking on an online advertisement for reasons other than the good faith intention to purchase the associated goods or services or to obtain information. This fraud can be perpetrated by competitors or unscrupulous marketers and it can cost an advertiser countless sums of money in wasted advertising dollars.

#### **Why Click Fraud?**

There are several motivations for click fraud. One is to make an advertising campaign appear more effective. For example, a marketing company, seeking to generate unjustified revenue, might arrange to have advertisements it has developed for a client clicked by those who are not potential customers in an effort to improperly inflate the results and make their marketing seem more effective than it really is. Another motivation is to force a competitor to pay for worthless clicks. For instance, someone can repeatedly click on a competitor's ad without buying. This makes the competitor waste money for no results, leading them to assume their conversions are not worth the investment, which in turn can cause them to bid less aggressively or lower their overall advertising budget. If it works, this has the effect of lowering the cost of that advertising. There are a number of other methods and motives for perpetuating click fraud and new scams are being discovered daily.

#### **How Click Fraud Works**

There are several ways to actually generate the amount of clicks necessary to effectuate click fraud. Two of the most prevalent are to either manually click on advertisements themselves or to use automated software programs designed to continuously click on PPC advertisements. In other words, someone can sit on the computer all day and do nothing but click ads (or pay someone to do so), or they can implement software to automatically click those ads over and over again. These methods can result in thousands upon thousands of fraudulent clicks.

#### **Detecting Click Fraud**

Since it is almost impossible to know the true intentions of someone surfing the Web, detecting and proving click fraud can be very difficult. No matter what methods of detection you employ, no process is infallible. Both Yahoo! and Google have

methods to detect and prevent click fraud. These systems are constantly evolving and both keep the details relatively secret for security purposes. They both utilize a variety of click monitoring techniques and have people examine click activity and investigate cases where click fraud is suspected. If click fraud is found they will then take action. A number of other companies

Click fraud is the clicking on an online advertisement for reasons other than the good faith intention to purchase the associated goods or services or to obtain information.

are developing their own solutions for identifying fraudulent clicks and dealing with click fraud. There are managed solutions as well as software applications and other online resources available to help advertisers deal with this problem.

#### **Pay Attention!**

Also, proper management of PPC campaigns is critically important. Advertisers who monitor their own PPC campaigns should review the related records, reports and logs to identify unusual activity. They should pay attention to discrepancies between the number of clicks they pay for and their anticipated conversions. If an advertiser works with a third party who is responsible for managing the advertiser's PPC campaigns, they should make sure that the company is qualified, capable and honest.

By monitoring responsibly, an advertiser can guickly become aware of invalid clicks and take steps to stop and prevent click fraud. Ultimately, there is no foolproof method to detect or prevent this problem. There will be more internet scams and scammers tomorrow than there are today. However, advertisers can mitigate their damages by staying educated and informed, remaining attentive, and being quick to act when a problem is discovered. If an advertiser is willing to spend money on advertising, he or she should also spend the time and money necessary to protect that investment. eBiz



By Jonathan D. Tenenbaum, Esq. iont@ebizinsider.com



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**Add Your Site** 

## Tech Corner: Wonderful World of Wi-Fi

Wireless networks can extend your network where wired networks can't easily reach – like outside or throughout your warehouse. Public hotspots can allow you to connect to the Internet when on the road and from your favorite café. In some cities. Wi-Fi also has become an integral part of emergency responder and municipal communications. We'll assume you know what Wi-Fi is. This month we'll take a look at how Wi-Fi can help your small business and which security issues should concern you.

#### **Network Devices**

Aside from desktop and notebook computers with Wi-Fi adapters, manufacturers are now creating devices for integration into your wireless network. These include Wi-Fi certified printers, scanners, digital cameras and camcorders, televisions, MP3 players, game consoles, PDAs, phones, smartphones and more. (A full list of certified devices is available at wi-fi.org). These devices can help streamline your operations and save you money. A few issues back, I talked about Voice over IP. Now providers like Skype and Vonage sell VoIP cordless phones at affordable costs that operate and connect via Wi-Fi.

#### The Access Point and Protocol

The base component of your wireless network is your access point. Often bundled with router technology, these devices serve as the bridge between your wired and wireless network. Currently, Wi-Fi uses the 802.11 protocol. The most popular of the 802.11 protocols is 11b, followed by 11g. These devices operate at 2.4 GHz, which is a frequency range shared with many other devices including cordless phones, Bluetooth devices, microwave ovens, etc. The earlier 11a operates at 5 GHz, making it a faster, more reliable connection - but with a shorter range. Newer 11n series devices

are capable of using both frequencies simultaneously.

Most access points are omnidirectional, therefore centralizing your placement can increase your coverage area.

#### Security

Wireless encryption is always important, not only when you're using a guest network, but for your own internal network as well. Imagine someone sitting outside your warehouse with a highpowered laptop and a packet-sniffing tool, snooping on all the information going around your network. Proper use of encryption can greatly reduce your risk.

Often, companies use an older, depreciated protocol called "Wired Equivalent Privacy" or WEP. An experienced hacker can break WEP keys in about 2 minutes. You'll want to use at least WPA2 (Wi-Fi Protected Access) - which is currently the closest you can get to wired security on a wireless network. You also want to use a randomly generated access key, at the highest level of complexity – containing letters, numbers, and symbols. Your best bet is to use a random key generator (https://www. grc.com/passwords.htm).

Additional measures you can take to protect your network are to incorporate Access Control Lists (ACL) which are programmed on your access point to authenticate only users connecting from approved computers.

#### **Reliability and Privacy**

You must be aware that even if you are on a secured network, vulnerabilities exist. Also, interference is also a factor with wireless networks. Remember, you can get 100/1000 Mbps speeds using a wired network, and only 54Mbps on wireless. Therefore, servers (especially those used for financial transactions) should be put on your wired network.

#### **Final Thoughts**

The Wi-Fi Alliance is a trade group that owns the trademark to Wi-Fi. The alliance controls the "Wi-Fi Certified" logo which is given to devices that have undergone rigorous testing and have met a number of certification standards. Look for this logo

when purchasing Wi-Fi certified devices.

On a related note, I'm often asked for a brand

preference and have always been a fan of Linksys routers, switches, and access points. When Linksys was acquired by industry leader Cisco Systems in 2003, I started using only Linksys (and for higher end applications Cisco) networking equipment.

Wireless Networking is one of the fastestgrowing, emerging fields in technology. Keep up to date by visiting the Wi-Fi Alliance at wi-fi.org.

Feel free to ask questions in our eBiz Insider Forum at http://forum.ebizinsider.com. eBiz



By John Dawe johnd@ebizinsider.com



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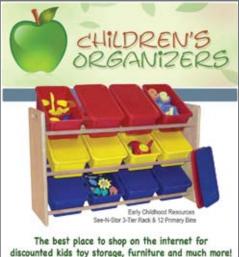






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