eBiz Insider

the magazine for e-commerce professionals.

Holiday E-Commerce 101

—By Scott Sanfilippo

◆ **Selecting the Right CSE**

◆ **Time Management Tips for Professionals**

◆ **Guide to Writing Compelling PPC Ads**

Read this magazine and prosper during the Halloween season. Or skip it. Go with no advice. Talk about scary…!

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COMING NEXT MONTH

- *New Year's Resolutions for Your Website*

- *Direct Mail Still Delivers*

- *Maintaining Natural Rankings*

- *Avoid Shopping Cart Abandonment*

- *No Complaints Please*

… and more!

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It Ain't Easy Being King

*By Scott Sanfilippo,
Editor in Chief*

Our Editor, Kevin Lynn hits me with that phrase whenever I'm having a bad day or complaining about my work load or making up a new excuse why my column is late… again. He's right. It ain't easy being king. If you're a business owner you know what I'm talking about.

It seems that no matter what happens in business, it never turns out the way I thought. It's always harder than I thought, takes longer than I thought and contains some surprise that no one, least of all me, expected.

In addition to my duties as Editor in Chief of this magazine, I'm also the president and cofounder of a web design and e-commerce solutions company, Solid Cactus. My main responsibility there lies in my real strengths of public relations and event planning.

Kings get to do the stuff they like, right? So you'd think I'd be thrilled when we found Solid Cactus had just been named to the Inc 500 as the 255th fastest growing private company in 2007. Right. When the announcement came down, I had all of one day to organize a press conference, round

up the media, alert our local Congressman, write press releases and coordinate website changes with our marketing department so our announcement was timed exactly with the official release from Inc Magazine. Talk about stress!

Kings get to make things happen, right? The Inc. Magazine moment no sooner ended when I was up to my elbows planning and organizing our next Solid Cactus Boot Camp @ HQ. Our last Boot Camp happened just 3 months ago on an ocean liner and I'm already booking hotel rooms, conference space, guest speakers, and working out last minute details to ensure a first-class experience. My fingers hurt from the dialing and typing.

collar area that is trying to shake its image as an old coal town. High-paying technology jobs in Northeastern Pennsylvania make us a real player. Kind of like, you know, kings! Still, there are kings and there are kings, so when the Governor says he's coming to town to announce he's helping with our project, I go into overdrive. Again.

Meetings are called, blueprints are dusted off, developers are brought in on conference calls, all in a rush to figure out where our new home will be. Two days before the governor's visit our site was chosen, the parking spaces were counted and a deal was brokered. Construction starts immediately in order to start a phased move-in beginning in January.

Kings get to do the cool big picture stuff, right? I'm managing the relocation of our company headquarters. We had our new location nailed down, I thought. Suddenly construction estimates were way over the early numbers. Suddenly, six months of planning was out the window and we were being told to be out of our current "home" by the end of March.

Office space isn't the problem. Everyone has a lease and a bargain until I drop my bombshell. I need 250 parking spaces. All of a sudden, there's nowhere to move!

Then the governor called and it was fun being king again. After all, we're a tech company nestled in the middle of a blue-

I don't know if my crown is crooked from all the running around, but my title seems to have morphed from cofounder and president to chief cook and bottle washer. One minute I'm wearing a hard hat and checking on contractors as they feverishly work to finish our space, the next I'm organizing press activities for a ribbon cutting, then I'm putting finishing touches on and run the Boot Camp and oh, did I mention I realized I had no time and cancelled my vacation cruise?

It ain't easy being king, but *damn*, it's busy! **eBiz**

Building Trust With Your Customers

One popular team-building activity at leadership retreats is done with a co-worker. One stands behind the other, arms open. The other stands with his back facing his partner, crosses his arms, closes his eyes and falls backward.

Do you trust? Do you fall back without a second thought?

You may assume the catcher has the easier task, but the catcher is actually under the most pressure. He must build trust in order to get the partner to fall.

E-commerce can be quite the trust game.

Do they trust you? Do they click "Proceed to Checkout" without a second thought?

Merchant solutions like Yahoo! work tirelessly to maintain security on shopping carts. But many shoppers may not

understand the inner-workings of these programs, updates and other safety-related lingo. To gain an e-commerce customer's trust, we must rely on elements on the front end. Don't trust this to blind faith.

Place Your Toll-Free Number in the Header

E-commerce market research says people are more likely to buy from online stores with a contact number displayed prominently on the website. Listing the number on one page is not enough. If people have to dig for it they may assume you are hiding it. If your only contact is e-mail—worse yet, opening a link to the user's e-mail program—your conversions will suffer. When a question or problem arises, many customers take comfort knowing there is a live person behind the website.

Beef Up Your "About Us" Page

Even though the World Wide Web only went public in the 90's, many successful online stores have been in business for decades. Read the About Us page of an online furniture store, whose brick and mortar counterpart has been in business for three generations. Their story builds genuine trust. Like the neighborhood pharmacist or hardware store, you give repeat business to people you trust. Gain customers' trust by letting them know you. A solid About Us page is your chance to tell your history, share your mission statement and introduce your staff.

Display Your Return Policy and/or Guarantee

Nearly every major department store displays a return policy. Some retail associates recite it to customers upon checkout and it's usually printed on the back of the receipt. So, if someone goes to the mall, buys jeans, then gets home and realizes they should have tried them on…they trust they can return or exchange them without hassle. Lay out an easy return or exchange policy to make customers feel at ease. Be sure to include clear instructions, what information is needed (e.g. an order number), how shipping costs are handled, etc.

Rotating Testimonials

Rotating testimonials are a compelling way to build trust because it's your customers talking. Word-of-mouth advertising works! Prominently feature glowing reviews by making room in your navigation bar. A new testimonial could appear with each refresh. Psychological support for the sale builds with each new page view.

Product Reviews

Product reviews build trust with your product line. Marketing Sherpa just reported over 58% of online consumers surveyed prefer sites with reviews. Adding product ratings and reviews gives customers a chance to return to your site (an extra bonus for repeat business!) and voice their opinions. Again, word-of-mouth is key. Marketing studies show that buyers, especially those in larger ticket categories, value peer opinions over advertisements and articles. Product reviews are now a huge trend in e-commerce. They not only build trust in specific products, they show shoppers that people are buying from you.

Other Features to Remember:

- Shipping policy pop-up to estimate delivery time

- Display affiliations with local BBB's or professional organizations

- Display secure shopping cart buttons from your merchant—big names like Yahoo! on your site build trust

- Display your trust rating with icons from various comparison shopping engines (CSE's)

- Customize your checkout page to bring your branding into the cart (if the checkout page looks totally different than the rest of the site, it may cause apprehension)

Any hesitation to hit that "Proceed to Checkout" button is probably a lack of confidence, and you can bet they will "proceed" elsewhere.

Don't make customers close their eyes, fall backwards and hope they will land in a secure safety net. Make them confident that they are in good hands. Your hands. **eBiz**

By Donna Talarico
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Fonts, Stock Photos and The Fine Print

The design industry has streamlined the way we create designs and acquire content. Long gone are the days of typesetting firms, photostat cameras, and wax paste-ups (though the venerable x-acto blade has its place... along side the first aid kit). Type setting and image acquisition no longer require lengthy waits for content providers or scheduled photo shoots. The Internet lets you gather resources for your projects within minutes or hours. The stock photography industry has f ourished and the type industry isn't far behind. These conveniences come at a price you can't afford to ignore -- Licensing.

Stock photography traditionally required close monitoring and has been licensed almost from the start. While often overlooked, license agreements are legally binding and with any signed contract, digital or written, you had better know what you are signing.

Fonts

Font foundries and distribution sites thrive by offering online purchases. DaFont.com is a popular distribution site which allows you to quickly and effectively search for a font from several foundries at once. Once you have the font—then what? The License Agreement for Font Software on Dafont.com states that the font may be stored in one geographic location and stored on up to 5 computers. The font file may only be stored on one file server that is accessed by a limited amount of machines. The font purchased is available only to computers and geographic location and may not be shared with others. Once purchased, that font is to be used and stored by the purchasing company and no others.

Dafont.com shows the licence above the download button if available. They also include readme-files in their zips that include more detailed information.

For more options, you are often asked to contact the supplier for what is often known as an Extended License. These End User License Agreements (EULA) also state that the license is non-transferable. This prevents your designer from supplying the font or image to anyone outside your company. Clients often mistakenly assume they will have font usage rights after a particular project is over. This can create client and designer legal woes. In some cases, though "essentially not permitted", some EULA's do offer a transfer of license so that the font may be transferred to a new party. Obviously, these limitations cause great concern when dealing with embedding resources into an online document or supplying documents to a professional printer for mass reproduction. The EULA will often allow the printer limited rights (providing they agree to the EULA) where they may accept the font for reproduction and editing purposes only. They cannot be made available elsewhere after the project is completed.

Many people simply avoid the legalese and go with free fonts. Several sites on the Internet provide fonts for limited or unrestricted use, but even these have some form of license. Often you'll see the term Freeware, Shareware or Public Domain associated with a font. These licenses can be explained as follows:

- Freeware is commonly known as software (fonts included) that is available free of charge.

- Shareware will allow use upfront with an expectation of payment after a limited amount of time.

- Public Domain often refers to items which are not copyrighted or have expired copyrights and are available to anyone.

Even sites that offer free fonts may have fine print such as: "If no author/license is indicated that's because we don't have information, that doesn't mean it's free." This notice can be found on Dafont.com and is very clear in warning that you must never assume that a font is free even when you can't find the license for it.

Many of the basic licensing practices applied to fonts translate to online stock photography as well.

Stock Photography

Within the last 10 years, this industry has seen the bulk of its market move away from print and towards digital media. What started off as a means of selling "secondary images" or "location shoot rejects" has become a $1.8 billion dollar annual industry. The resource firms have grown in numbers and the added competition has resulted in higher quality images and competitive costs. At the same time, stock photography has opened itself up to new forms of piracy. A 2003 study by the Stock Artist's Alliance in conjunction with PicScout concluded that 9 out of 10 online Rights Managed stock images experienced unauthorized use. Stock Photo companies realized they were experiencing a staggering loss of revenue in an online environment that was not monitored. Soon, a new industry was born. PicScout is one of many companies that monitor the web looking for misuse and blatant theft of licensed images. Collection from unauthorized image use is contributing revenue for Stock Photographers and even leads to repeat custom business. This is revenue that used to go uncollected. Stock Photo companies are keeping an eye on their photos' uses, even if you aren't.

The monitoring and enforcement of online Stock Photo licenses is now a growing industry. Rights Managed images are typically of higher quality and more unique in concept. The prices associated with these images are controlled by the author and usually vary based on the end use. Royalty Free means that you can use the image freely in a project without paying additional and often confusing fees. These images typically have a f at fee regardless of the type of usage. Both types of images have licenses regardless of the term "free." That low cost image that you selected for your homepage was appropriate, affordable, and potentially on 10 other websites across the internet. Conversely, a premium image could cost hundreds of dollars for a single use on your homepage. It is probably perfect in every way... and only available on this exact location and nowhere else, not even your interior pages.

In this case, the Royalty Free images are common but attractive. Still, you are limited in what you may do with it and how often you may reproduce it. Some stock houses prevent you from reproducing their Royalty Free images on sellable items such as t-shirts or mugs. Some prevent the use of their images in magazines without special acknowledgement to the Stock Photo company and photographer. Other suppliers may allow you to display their images online but without any modifications.

These licenses, though similar to EULA for Fonts, are different enough to be required reading. Many stock houses will place the following restrictions on their images:

- You are entitled to a limit run of the image in a printed manner

- The image may not be used for resale purposes, such as on T-Shirts or web site Templates

- The licensed image may only be stored and used by the licensee. That is, the license is non-transferable.

Violating any of these restrictions will constitute an "unauthorized use." In September 2007, news syndicate Reuter's hired Attributor Corporation to monitor and enforce their online news content and trademarks. Maintaining the integrity of their photographers' images and controlling where their content is published has become a top concern. Don't think you're too small of a target for Stock Photo companies to find. Online technology is advancing daily, watermarking technology is invisible to the naked eye and automated tracking via online "spiders" is becoming more and more common. More companies offer online monitoring and enforcement today than ever. Online licensing is a serious matter.

When dealing with a 3rd party design house or freelancers, be sure that they adhere to the license terms set forth by online resource providers. You will pay if your designer carelessly lifted the image from a Stock Photo company without securing the proper license. If you are caught using an unauthorized image, you will at least be asked to take it down immediately. More commonly, a legal injunction will be presented and the fees will be much more than the cost of the actual image(s) used.

Keep track of Stock Photo purchases as proof of ownership in the event that you are audited. Most Stock Photo companies will have an internal record of your purchase so your paper trail may not be needed.

Whenever you use digital resources like Fonts and Stock Images, review the agreements in full. Resource providers are businesses. They provide much needed services to our industry and earn their profits. This article focused primarily on Fonts and Stock Photos, but legal enforcement is not limited to these resources. Video abuse is a genuine concern for content providers. Rest assured; they're watching you.   **eBiz**
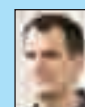
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Holiday
E-Commerce
101

I'm suffering e-commerce withdrawal. "How can that be?" you may ask. "You're in the e-commerce business!" True, but this is the first time in 14 years that I don't own an e-commerce store. I won't be putting together a holiday catalog, assembling a special gift section and getting customer service and the warehouse all pumped up for the big deluge of holiday orders. For those of us in e-commerce, this is what the holidays are all about!

Do I feel a little depressed? Sure. But I'm going to change hats here and go from player to coach. This month's column will be me getting you ready for the holidays, courtesy of my virtual holiday prep session. I encourage you to take notes, think outside the box, drink some egg nog (watch the expiration dates!) play Jingle Bells in the background for atmosphere and join me on this pre-holiday journey.

Customer Service

Now is the time to start thinking about staffing. Look at your current call load and ask: can the folks you have answering phones now adequately handle additional holiday volume? Unless the answer is "yes" you need to do something quickly. You can either hire your own reps and train them, or hire a qualified call center to take all of your customer service calls, handle certain calls such as overf ow, and/or work your after-hours calls. I highly recommend extending your hours during the holidays, especially during the last few weeks of the shopping season. This is where a call center can be a real life saver!

No matter which route you take, training is key. Make sure every rep in direct contact with your customers is fully trained on all your policies and

procedures. If you have a customer service superstar in your organization, you may want to tap that person to be "level 2" support or even a product specialist who is available to assist newer reps during their first few weeks of phone time.

The holidays are "make it or break it" time for customer service. You gain many new customers during this period who are taking your store for a test drive. You have one chance to dazzle them. Fail and they probably won't be back in January. But if your customer service staff makes them feel special and appreciated, you've got a customer for life!

Personal Shoppers

The web can be pretty impersonal, but only if you let it! Give your web shoppers something they wouldn't expect in cyberspace – a personal shopper to help them make gift buying easier. This can be done using a live chat provider such as Live Person.

Put your best CSR's on the other end, the ones who know your products inside and out and can make suggestions based on the customer's needs. Personal Shoppers also create many opportunities to up-sell and cross-sell which drives up the average ticket size.

Gift Sections

Most people shopping during the holidays will be looking for gifts for someone other than themselves, so make finding popular gifty items easy by creating a special section for them. Break this section down into important categories like "Gifts for Men" or "Toys for Kids 3 – 7." Feature your easy-to-shop gift section on your front page and in your navigation so it can be accessed from any page in your site. It is essential that the good ideas not only be present on your site, but that they are also easy to find and access. The easier you make it for your shoppers, the more they'll like it and the more they'll buy!

The Look

Don't forget it's the jolly season, people – make your site scream "Happy Holidays!" Start working now on a classy, professional holiday "skin" for your website that you can launch on Thanksgiving Day and take down New Year's Eve. This reinvigorates your regulars and makes a strong first impression on your crucial new business. A nice holiday touch to your site puts people in the mood to buy and also lets them know that you're ready for holiday business.

Please, don't just throw a snowman on the home page! Spruce up your logo, get a nice holiday header, but don't go overboard. People should still see the necessary icons to identify your site easily. Also, blazing lights, bellowing Santas and f ashing reindeer noses are turn-offs. Play it safe, make it professional but keep it festive.

Big Holiday Sale!

This one's up to you. It was always my theory that you don't need a sale during the holidays to generate business. Shoppers are going to spend whatever they can afford to give a gift. In fact, I never put anything on sale from Thanksgiving through Christmas. Not even holiday merchandise. There is no need to cut profit margins during the busy season. Save your sale for the day after Christmas when shoppers are trained to go out and look for bargains.

Shipping Methods

The holiday season is the impatient season and people want their stuff yesterday. Make sure you are offering next day, second day and three day air options (if feasible). If you can't offer those methods, explain why not. Also make sure that you post a holiday shipping schedule on your website and at the checkout. This schedule should display your cut-off dates to have orders delivered in time for the holiday.

You do not want disappointed customers, so if your cut-off date is two days before Christmas, make sure that package can leave your warehouse on time. If it can't, adjust your dates. Customer dissatisfaction grows in the space between what you promise and what you deliver.

Returns

Returns are a fact of doing business, so make it convenient for your customers to return an item. Hassle about a return and they'll probably just shop elsewhere. Here are some good rules of thumb: 1) Make your policy simple – don't require 18 steps in order to make a return. 2) Only charge restocking fees if it's absolutely necessary. 3) Give customers a reasonable amount of time to make the return. You'd like them back, right? Here's a chance to make a good impression. 4) Don't demand a letter stating a reason for the return. Frankly, who cares?

Finally, make sure your return policy is clearly defined on your website and a copy of it placed inside every order you ship.

The Holiday Warehouse

It's the holidays and in e-commerce; it's game time. Orders don't leave your warehouse 7 days after they came in. Customers want their gift orders fast – have your people and your space ready. Your warehouse should be clean, organized and well-stocked. If items are out of stock, indicate the information plainly on your website, or use real-time inventory. Stock up on packing supplies. Your staff must be able to handle the increased volume. If you can't, now is the time to consider bringing in temporary workers to pick and pack orders. Temp workers are a great resource, but ONLY if your warehouse is organized enough to make training simple and easy.

There you have it, my guide to a successful holiday season. While I won't be decorating a front page of an e-commerce store this year, I will be watching to see what you do with yours! I'm making a list…! **eBiz**
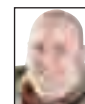
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Selecting the Right CSE

"Which Comparison Shopping Engine (CSE) is right for me?" Choosing the "right" CSE is delicate. Each engine offers its own unique target audience and not all CSE's work for everyone. Below are legitimate steps to determine which engines are best for YOUR website.

A tool to help you through the process is available at *http://www.feedperfect.com/channelselector.php*.

The Initiation Phase

Before you begin, answer THE BIG QUESTION. How much am I able to Invest? By investing within the right CSE's you will drive highly targeted leads directly to your product pages. The conversion rate on these highly targeted leads will be higher than if shoppers were aimlessly looking around your website.

If money is a serious issue, there is still an option for you. Start off with Google Product Search, a FREE engine where you can list your products. Meanwhile, decide how much you're going to invest. With a figure in mind you are ready for the next step—time to get to work.

The Research Phase

Step 1. Product selection. Choose 3-5 of

your best selling products from different store categories. If you only have one category, select 3 products from there.

Note the following information:

- Product name
- Price
- Estimated shipping cost for that product
- Category

Step 2. Engine Listing. Select a few engines where you think you might want to list your products. Below are some popular engines:

- Google Product Search
- Shopping.com
- Yahoo! Shopping
- NexTag
- PriceSavings
- Become
- Pronto

- Price Grabber
- Shopzilla
- MySimon
- Jellyfish
- SortPrice
- Smarter

Step 3. Synthesize information gathered from the previous steps. Armed with your product information and the engines you have selected. You are ready to visit the first engine on your list. Perform a search for one of the selected products and answer each of the following questions:

1. Did you find your product? (Yes or No)

2. Do you have any competition? (None, a few, Tons)

3. Is your product competitively priced? (Lowest, Lower, Average, Higher, Highest)

4. Are you competitively priced on Shipping? (Lowest, Lower, Average, Higher, Highest)

(On the above question, if you and another store both have free shipping select lowest as your answer)

Answer these questions for all products within each of the engines you have selected.

Step 4. Categorize potential engines. Answer these questions for each engine:

1. Is the main category where your product would be placed accessible via the home page? (Yes or No)

2. If navigating through the site, can you find your category within 3 clicks? (Yes or No)

3. When you perform a product search, is

it listed in a category which is easy to find? (Yes or No)

Before you answer, select your 2 top selling products and find the products within the engine. Once you find the product please take note of the breadcrumb for that product. It will be listed somewhere above the results.

Below is an example of a category that is easy to find when looking for glass bird feeders:

back to: Home > Home and Garden > Garden > Perkey Pet Glass Feeder - Feeders

Compare with an example of a category that is difficult to find when looking for GPS systems:

All Categories : Electronics : Phones @ Communications : GPS Systems

Step 5. Monitor results. If you are using the channel selector tool available at *http://www.feedperfect.com/channelselector.php*, click on the continue button to see which engines scored best based on the answers you supplied. If you used another method to keep score, rate the value of each engine. Invest first in the engines with the highest value and then move down the line.

Step 6. Compare site charges. This strikes some people as counter-intuitive. Shouldn't rate analysis come first? Not really. The majority of the engines charge either a cost per click charge or a cost per acquisition charge. Their rates really should not be considered when deciding if the engine is a good fit for your website.

Always submit your products to any of the FREE CSE's available. Then invest in the highest-ranked engine you can afford at the time. This will help get your products out to the shoppers, and help build your brand identity. CSE's are a key to modern e-commerce. They're also a big investment, so, do your homework.   **eBiz**

By John Fallon

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Why the Employee Manual Matters

Mention the words "employee handbook" and you conjure up an image. Sadly, it's usually a blah image. The employee handbook is that thing in your drawer you got when you joined the company. It's that thing you have to write because, well, you're a company. The employee handbook is a necessity for any serious business, but it can be so much more. The employee handbook can help to set the tone for your company and its attitude toward your people. It can be an important tool for communicating workplace culture, values, benefits and policy information to your employees.

The Company Bible

The employee manual should start by being an information reservoir. It should be the central place where employees can go to for just about any company information. If you have expectations of your people, the handbook is where you lay them out.

Any conditions specific to your state or industry should be mentioned in the beginning. This could include an "At Will" employment statement (if your state is an At Will state) and a statement that explains the manual is not a employment contract. Other handbook necessities will include an EEO (Equal Employment Opportunity) statement, the company policy on holidays, vacation time, sick time, personal leave, attendance policy, pay periods, payroll deductions, benefits and the FMLA (Family Medical Leave Act). This includes private employers who employ fifty or more employees in twenty or more calendar weeks and any public agencies regardless of their number of employees.

The list of what should be in your handbook will vary state by state, so be sure that you become familiar with the appropriate state and federal laws.

A Behavioral Framework

A well written manual should inform employees and help managers make decisions and maintain consistency. Documenting policies and procedures in a manual is important for any business small or large. Many small businesses don't feel that such policies apply to their business and prefer to keep management f exible. Over time, though this can create problems for businesses that are growing or planning to grow. A key in writing a good employee handbook is to plan ahead. What kind of business will you be next year? In five years? How will your expectations of your employees change if you double in size? In almost all states there are laws and labor codes that apply to all employers with one or more employees.

Composing Your Manual

The process of preparing and maintaining an employee handbook can be complicated. If you are preparing a manual for the first time, look for guidance to other successful models. When possible, get a copy of a manual of a national company you admire. See how they approach core issues and how they order and list the priorities for their people. Then compose your own handbook, making sure to underscore the workplace issues which mean the most to you. When you are finished, have an attorney review the final document.

The employee manual process doesn't end with the publication of your handbook. Actually, the process never ends. As a company grows new policies and procedures need to be adopted, so a yearly review is a necessary task. A manual is not a static statement that you write once; it is a document which will continue to change with your company. You must be prepared for those changes and you must regularly commit them to writing when applicable.

Make the Commitment

Too many companies avoid the commitment of time and money required to prepare a proper employee policy manual and keep it regularly updated. Don't be penny wise and pound foolish. Over time, having a thorough and regularly revised manual will reduce the amount of litigation and conf ict while showing your employees that you are the great company you claim to be. **eBiz**

By Ed Stanchak
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Using Surveys to Identify Your Customers

Do you really know your customers?

I can't count the number of times I've heard a merchant say "my customer is everyone from the age of 0 to the age of 85". Please! Let's get real, everyone between the ages 0 to 85 are not going to buy, say, a surfboard. Typical surfboard customers could be profiled as men and women between the ages of 12 to 45, but is that enough? Sex and age range is a good start but there is much more you can learn about your target customers to determine what message will appeal to them and where to concentrate your marketing efforts and money.

Market Segmentation and Customer Profiling is the Key

Imagine, if you dare, that you could satisfy the needs and desires of each and every consumer with a specific market item or service. Okay, now wake up. Does Wal-Mart do that? What about Neiman Marcus? Of course they don't. It would be an incredible stretch and a logistical nightmare for any marketer to try to meet everyone's needs and desires.

Your strategy should be to serve the consumers that you are best equipped to accommodate through the process of market segmentation using customer profiles.

The goal is to market to select groups of consumers who are most receptive to your product line or services.

What Should You Know About Your market segment?

Or should the question be: is there enough I can learn about my consumer?

The answer is no. Your market is constantly changing due to social and economic trends. Being vigilant about gathering information will keep you on top of the trends, allowing you to adjust your marketing efforts as your market segmentation evolves. For instance, as the Baby Boomer generation is moving from the working class into retirement, they are also moving geographically, changing their lifestyles, social status and more important, their financial situation. If you are targeting that segment, these pattern changes may drastically affect your marketing. Collecting the following information can be useful in predicting the behavior of your market:

Personal Demographics Information: describes age, sex, income, occupation, education, household status, and geographic location.

Social Cultural/Lifestyle Information: describes subcultures and social classes.

Psychographic Information: describes the aspects of individual behavior like activities, interests, personal values, products and services consumed, personal traits and attitudes toward different product classes.

Building a consumer profile

How do you find information about demographics, lifestyle, and individual behavior? I asked my bank and, well they shrugged their shoulders. I should have been surprised, but I wasn't. Then I remembered an old ad agency solution. Our clients had a large data base of existing customers that we could mine for information. Our plan was to build a questionnaire that would allow us to actually profile real consumers in that particular market segment. We offered an incentive to fill out the form and an easy way to respond. Voila! The information rolled in. To build your surveys always remember to:

- Keep your survey easy to fill out, use check boxes as often as possible.
- Give them a place for specific answers: for instance if someone answers yes to "do you visit websites at work?" The next question should ask to list a few of their favorite sites.
- Make it complete and concise.
- Always ask them for their help so you can serve them better.
- Always, always offer an incentive like a discount, a free gift; buy 1 get 1, etc…
- Use a coupon code to track the incentive.
- Make it easy for them to complete and return the survey. Supply a self-addressed postage- paid envelope and a fax number. If you send out your questionnaire with every order (a very good idea, by the way), give them the ability to submit it online.

Effective market segmentation requires knowledge of your consumer. Customer profiling with questionnaires is an affordable way to gain and keep up to date with that knowledge. A sample questionnaire is available online at www. ebizinsider.com. Know your market. Know your people. **eBiz**

By Randy Llewellyn
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Guide to Writing Compelling PPC Ads

When writing ads for a Pay Per Click campaign, you must create a message that connects with the needs, wants and desires of the target customer. The hard fact is, ads don't directly lead to visitors. They must feel compelled to click on your ad, so your ad must be compelling.

To get started, ask yourself the following questions.

What are the demographics of my target audience?

What makes me different from and ultimately better than my competitors?

What are the most relevant keywords for the ad I'm writing?

Demographics

First, understand your target market. If you are selling a niche product then you probably have a niche target audience. Then determine the predominant age and gender of your potential consumer. Use this knowledge to create the tone of your ad.

Each target audience will need to have ads tailored specifically to them. Obviously, an ad targeting teenagers should have a different tone than one targeting the baby boomer generation. Know your audience and what they like. Different things make them laugh and different approaches will make them click. Become intimate with your audience and use this knowledge to create your ads.

Competitive Advantage

What differentiates your offerings from the field of competitors? Why are you better? Every business is better. You either do it with value or price or service or frills or no frills. What is it? Do you have no shipping fees, superior customer service, or perhaps a sale in progress? Whatever it is that separates you from your competitors should be in the ad. Make a list of your top 5 differential qualities and then rank them on importance and uniqueness. Remember when you rank, there are two sets of rankings. There are your rankings and the rankings of your customers. Always go with your customers' rankings as to what's most important.

Using this list, create multiple ad variations that highlight these qualities in various approaches and test run them side by side for several weeks. It should give you a good indication of which parts of your message are getting through and which are not. This will help to not only create compelling PPC ads but will also help increase performance in your other marketing channels.

Keyword Rich

Once you have the base set and value

propositions in place it's time for keyword research. After several days of running a campaign you should know which keywords are driving most of the visitors to your store. Take these high volume keywords and intersperse them into your ads wherever it's appropriate. Always include some variation of these high volume keywords in the title of the ad and in the display url. Be sure to include at least one keyword in the body of the ad.

All three major search engines bold the keywords in your ad that match the search keywords by surfers. Not only will these bold words make your ad stick out, but their relevancy to the searcher give you a better chance of having your ads clicked over your competition.

A good shortcut is to use Dynamic Keyword Insertion in the body and title of your ad. This feature is available in some form on all major search engine platforms. It will place the keywords from your adgroup into your ad in bold whenever they are searched.

Guidelines

Each major search engine has guidelines on the number of characters to use. Google allows 25 for the title and 70 in the body, Yahoo offers 35 for the title, and MSN has a similar restriction. When creating ads for each different platform, be sure to maximize the allotted ad space.

This is It!

This is your billboard space, this is your moment to entice the customer to visit your store over the 10 other ad competitors and multiple organic listings. Fit as many value incentives as possible into the space given. And if these value incentives and tone of the ad match the needs, wants and desires of the target market, then you will have succeeded in writing compelling ads. Good luck!

eBiz

By Jeff Petrosillo
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Is Gift Wrapping for You? The Answer is — Maybe

With the holidays on the way, consider "gift wrapping" as an extra profit center. I know I would gladly pay for gift wrapping, and I bet many of your customers would as well.

To make it easy to offer gift wrapping during the purchasing process, the merchant must ask: "does my company have the ability to offer gift wrapping," and "how much should we charge for it?"

Do "projections" to determine if gift wrapping works for your company.

- Do we have the warehouse space to offer gift wrapping services?

- Do we have qualified people to wrap the gifts?

- Can we route the orders that require gift wrapping to the proper workstations without causing a problem with our work f ow?

Next, calculate estimates to see if gift wrapping would be a profit center.

- How many packages do we think we are going to wrap? We need to purchase the necessary supplies.

- Time our gift wrapping people on sample boxes to gauge labor costs.

- Factor in "extra" packing materials, as these wrapped boxes will need to be placed inside of another box, and securely packed to prevent damage.

- What price might our customers be willing to pay for gift wrapping?

Now let us create an estimate using our hypothetical company, XYZ Jewelry.

We believe we will process 200 orders per day during our gift wrapping period. We think our demographic wants gift wrapping. We estimate that 50% of our

customers would use our gift wrapping service from November 24 until December 24. Using 31 days as a guide, we should ship about 6200 packages –3100 of them gift wrapped. Estimates tell us that a $1000 investment in gift wrap, bows, tape, etc. will cover our materials. Since our merchandise is pre-boxed jewelry we will not have the "added" expense of an outer box (we do this anyway).
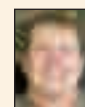
We test our gift wrappers and determine that they can do one box every 30 seconds, but we double that estimate and allow a minute per wrap. We're adding approximately 100 minutes (1.67 hours) of wrapping per day. Wrappers cost us

$10.00 per hour. 1.67 hours of wrapping at $10.00 per hour means $16.70 in wrapping labor per day, and on a per package basis – our labor cost is $.17 cents. Packing materials based on our $1000 supply purchase average $.33 cents per unit, so our "estimated" wrapping cost would be $.50 cents. If we charge $5.00 per unit, we know that gift wrapping is a good idea.

But gift wrapping isn't for everyone. If we estimate that boxes in large sizes cost more, that cuts into profitability. If larger boxes take longer to wrap, that means less profit. And if using large boxes require some packages to be shipped UPS Oversize, it adds a substantial penalty. This model doesn't support the gift wrapping model very well.

Another perspective is to offer gift wrapping as a breakeven customer service. "We don't make a profit on our gift wrapping," says Thom Moore of ParadiseBath.com. "We think we make more sales by providing gift wrapping; it increases our volume. We feel it helps us sell more of our products, and that does add to our bottom line."

Gift wrapping could be a huge profit center, but there are many factors that come into play. Do the math to see if gift wrapping is right for you. **eBiz**

By Joe Palko
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BizChair.com
The Student as E-commerce Teacher
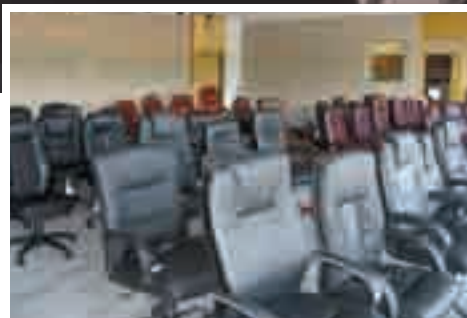
Sean Belnick grew up with the internet. While Fortune 500 companies were still trying to decide if they needed web sites, Sean was already engaged in e-commerce. Today it's BizChair.com, a $24 million furniture company. But back in the late '90's he was selling Pokemon cards on E-Bay. "I made between $2,000 and $3,000," Sean recalled with a laugh. "It was a lot for an 11 year-old." That's right, Sean Belnick is just 20 years old. He's still in college! But he has grown up in this new economy and has much to teach his older counterparts. That would be, basically, all of us.

Sean started BizChair.com in 2001 at the ripe old age of 14 with a $500 loan from his folks. His step father was in the furniture business, and Sean had noticed that retail furniture stores would call to place orders, which were shipped directly to the customer. It was a light bulb moment. Sean thought, why not save customers a trip to the store by creating

an online marketplace for office chairs? In other words, Sean used basic e-commerce thinking. Today it might seem obvious, but six years ago it was revolutionary. Want proof? What were you doing on the web 6 years ago? Take your time…

BizChair.com was born as an e-commerce company and Sean Belnick wanted state-of-the-art. He visited online forums to learn about marketing. "Online marketing is different from bricks and mortar," Sean said. "I roamed the internet reading how other people did it. I wanted to see how

other people generated business out there on the web."

One early change was a site redesign. Sean recalled, "we'd been in business about six months and we realized we needed a more professional look. So we went with bold colors and a professional design. Our look gave buyers confidence that we were a solid company. More professional means more successful."

To make BizChair.com more visually attractive, Sean opted for larger pictures of his products and more vivid graphics. "We figured it was a good trade-off," Sean said. "Our larger pictures loaded more slowly, but they looked much better. We felt the extra detail was worth the extra waiting, especially for office furniture. We went with high-speed DSL years ago."

BizChair.com also added web site features like Click to Enlarge and Custom Add to Cart. Sean wanted to be sure that shopping online was informative and easy. Today this advice is part of the standard e-commerce blue print for success. People like Sean Belnick wrote that blue print.

Not surprisingly, BizChair.com gives special attention to search engine marketing. "We've developed our own text," said Sean. "We have copy writers who do our products specifically. This gives us another way of being unique to the search engines. Being unique is a help in natural rankings. We believe in categorization. If customers have more categories, it's easier for them to find things. At BizChair.com we want it available, alphabetical and organized." While the natural rankings are a bonus, 60% of BizChair.com's search engine efforts are paid.

BizChair.com started in Sean's bedroom with an inventory of 50 to 100 products. Six years later, BizChair.com has 75 employees

and sells more than 25,000 products from some 200 manufacturers. The company has moved beyond predominantly direct-shipping to stocking many of the products it sells in a newly opened 327,000-square-foot warehouse in Canton, Ga. "We never thought we would be growing this quickly," said Sean. "Five years ago we operated the business out of our home." That $500 investment turned into $24 million in revenue last year. In addition to office furniture, the site now offers home furniture, school furniture, and medical equipment. Among the company's notable clients are the Pentagon, Fox's American Idol, Microsoft, and Google.

Let's review the list: Start small, fill a niche, invest in a professional web site, market like mad, advertise, categorize, organize and stay on the cutting edge of what the internet offers. Yep. It's the modern model for e-commerce success. For now, Sean Belnick is finishing his undergraduate degree at Emory University. But in every real sense, this student is already an e-commerce teacher. **eBiz**

By Kevin Lynn
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Tech Corner:
Lock the Doors and Windows

One of my best friends is an information security manager at a local university with around 7,000 students, faculty and staff buzzing around the network. He spends hours a day poring over the latest newsgroups, e-mail lists, and RSS Feeds. E-commerce operators don't have the time or inclination for full time security concerns, but it's worth an hour or two a week to keep up to date on current security issues.

Lock the Cyberdoors

Protect the inside of your business from the outside world. At our office, we have three doors -- two with digital swipe cards, and one with a physical key. On the information technology side, we have a network firewall and traffic filtering hardware device.

For the small shop, the same rules apply, although the scale and cost are smaller.

If you're using DSL or cable as your provider, check to see what security systems they have in place. Find out what they're lacking, and compensate on your end, or if possible, find a better ISP.

Never connect your computer directly to your ISP's device, be it a cable or DSL modem. Instead, make sure there is a router or hardware firewall in the middle. Many new modems come with this built in, but make sure before connecting your computer.

Make sure your company's inner network and computers are protected. *Host-based* attacks are often the most detrimental to your business. One virus or spyware making it past your perimeter can result in hours of downtime.

Personal anti-virus, anti-spyware, and firewalls can protect you. I mentioned several free programs in last month's issue as one form of protection. If you're a Windows user, Windows Live OneCare (*http://onecare.live.com*) bundles a comprehensive security suite for $50 and can be installed on three computers.

Public Networks + Private Information = Disaster

Transferring private data over an unsecured network is the next highest threat. Websites teach hackers how to capture packets from unsecured networks, making stealing information easier than ever. Never transmit credit card or other personally identifiable information on a public network, such as Wi-Fi or public computer labs.

Physical Security is often overlooked and therefore overexploited. Imagine you back up your customer database, complete with credit card numbers, e-mail addresses, and other private information on a USB f ash drive so you can access it anywhere and not have to take your computer with you. If you misplace that USB key and Henry the Hacker grabs it, he'll search your drive, e-mail himself your database, sell your entire list to spammers for a tidy sum, and use credit card numbers from the database to buy himself a subscription to a naughty website. By the time anyone reports a fraudulent transaction, Henry Hacker is now Stanley Stealsalot and you're at fault. The same is true with burned CDs and DVDs, laptop computers, etc. Encrypt as much as possible using software at TrueCrypt.org. Secure your laptop with a Kensington style lock. And think before you walk away. Henry and Stanley are watching.

Keep Up!

New spyware and viruses are released to the Internet constantly. Keep your definition files up to date on at least a weekly basis. (Mine updates daily.) Stay abreast of new trends in security. TWIT.tv has a great podcast called "Security Now" (*www.twit.tv*) that provides an overview of security issues and trends that isn't too technical for the novice user, but still activates my geek senses each week. Most of computer security is common sense. You can hone your "geek sense" with more resources, including the aforementioned RSS feeds and resources at eBizInsider.com! **eBiz**

By John Dawe
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Useful Links

SANS Institute - *www.sans.org*
Security Now - *www.twit.tv/sn*
Symantec Security Response - *www.symantec.com/security_response*
IT Security Center - *www.itsecurity.com*
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