eBiz Insider

the magazine ... -commerce profession

'Tis the Season:
Seasonal Selling is a Year-Round Business

—*By Donna Talarico*

◆ **Deconstruction of an E-Mail**

◆ **Paid Search & Bounce Rates — Did my traffic bounce or stick?**

◆ **SEO Nutrition 101: Am I Over-Optimizing?**

◆ **Implementing Proper Procedures to Protect Every Penny**

Read this issue and enjoy the tricks and treats of October internet sales. Or skip it. Now that would be truly frightening…!

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It's All About Appearance

By Scott Sanfilippo,
Editor in Chief

"You can't judge a book by its cover." Yes, and isn't that the problem? Appearance is paramount! When you meet someone for the first time, that first look formulates your opinion of that person for quite some time to come. The initial impression another person makes on you may well vary depending on whether they are neatly dressed or completely disheveled.

Appearance is crucial in our world. In cyberspace, you have only a few seconds to make that initial impression on the person visiting your website. If your site looks disheveled, contains outdated content and is an organizational nightmare, do you think customers are going to stick around to shop from you? Here are some tips to make that first impression count:

- **Keep your navigation simple** - break down your nav bar into clearly defined "departments" to avoid confusion.

- **Don't clutter your front page or landing pages** - don't overload them with tons of product, loads of text and blinking or flashing distractions.

- **Keep content fresh and timely** - if it's January 3rd, you shouldn't have your holiday products featured, unless you're blowing them out. Change your featured products at least once a week.

- **Keep customer comments updated** - last thing a potential customer wants to see when deciding whether to order from you or not is a comment from a customer dated four years ago. Kill the dates or replace outdated comments with new ones.

- **Get a designer!** You're neighbor in 8th grade is NOT a designer. You wouldn't have him paint your house and you shouldn't hire him to design your website. Professionalism is important.

Here is an example of how appearances count. I was on a domestic flight recently and sat in a row which is a bulkhead seat. As in any bulkhead seat, you're going to have people putting their feet on the wall getting it a little dirty. But the appearance of this bulkhead wall was something more than just a "little dirty" as you can see from the photos below.

The first thing that came to my mind was, "wow, if they can't take five minutes to bring in a rug shampooer to go over that wall, are they doing regular maintenance on their planes?" I fly a lot and recognized the plane as being at least 20 years old, but that isn't an excuse to not clean it. I've been on planes that were older and much cleaner. The point is that impression made me begin to question not only the plane, but the wisdom of flying that airline at all.

Don't let your customer's minds wander when they hit your site, make that first impression count! **eBiz**

Letters to the Editor…

Dear Editor: Our site was just redesigned. How can I make sure when I publish my organic rankings don't drop?

—Christie and Tim, Baltimore, Md.

Christie & Tim: Your rankings probably will drop temporarily as search engine "spiders" crawl your site and collect information on your new store. Here's how you can combat the momentary dip:

- *Check Google Webmaster Tools*, identify your top indexed pages and make sure you don't change their filenames. Increase the "Crawl Rate" while you're in there.

- *Add SEO friendly tools* like Solid Cactus' new Product Caption Tagger and a Categorized Site Map.

- *Make sure your customers can find products easily* with a good 404 page which includes a search box.

- *Compensate for the drop in SEO* with an aggressive PPC campaign, at least until your SEO bounces back.

Dear Editor: Why do I need to be doing PPC if I already have favorable organic rankings?

—Mark S. Oakland, CA.

Mark: Research shows that being visible in both sponsored (PPC) and natural (organic) results increases brand affinity, brand recall and purchase intent. When you are ranked high organically and are participating in PPC at the same time, PPC isn't taking click share away from organic listings. Rather, your PPC efforts are taking click share away from your competitors.

According to Enquiro Research, when your listing is in the top ad and top organic listings, purchase consideration increases by 8 percentage points.

Visit http://link.solidcactus.com/semorg for a great illustration of how this theory was tested.

Good comments and questions!
Let us hear from you!
Write to: scotts@ebizinsider.com **eBiz**

The Importance of Choosing a
Business Credit Card

Every business should have a business credit card. Why, you ask? Because a true business card will NOT post to your personal credit unless you go into "default status." Also, from a true accounting perspective, business expenses should always be kept separate from personal expenses. Most true "business cards" offer reporting for tax purposes, which helps filing your income tax much easier come year end.

Keeping your business expenses separate from your personal expenses may not seem like a big deal now, but as your business grows, your personal credit score will play a huge role in your ability to acquire business credit.

Banks are moving more and more towards a system of automation, and the "common sense" decision-making that banks used to have the ability to make in the past no longer seem like common sense decisions. Let's take this example. If you have a personal credit card with a limit of $15,000 and you normally keep a balance of $2,000 on it, and you have

a credit score of 720.... Next month, you need money to make payroll. You use your personal card for a cash advance. Suddenly your balance is $14,000. You can expect this to drop your credit score about 50 points. You are now a 670.

You now go to your bank and ask for a loan. The banker tells you, "In order to qualify, you need a credit score of at least a 700". You explain, "but I will use this money to pay off the XYZ Visa Card, which I used to fund the business." Guess what the banker is going to say...

"In order to qualify, you need a credit score of at least a 700 - there is nothing I can do if your score is less than 700. It is our policy." (So much for that vaunted 'common sense' decision-making by your friendly banker!) BUT, if you had used a "business" card from the beginning, this card would have never posted to your personal credit report.

Other important factors are "interest rate" and "rewards programs." Interest rates are usually determined by your personal credit and your payment history. Always

try to pay business cards in full each billing cycle. Business cards tend to come with much higher limits than personal cards do. The downside is that once you "rack up" a high balance and it becomes hard to pay off, the bank usually responds with a higher interest rate.

American Express has one of the best programs in existence. Each month, you accumulate points. Your points can be cashed in for traveler's checks, gift cards, airfare, vacations and more. These programs can help you save a lot of money – both personally and professionally.

The key here is to choose the card which is right for you and your business and keep it separate from your personal finances. Sadly, good credit can take a lifetime to establish, but a week—or a weak decision—to destroy. **eBiz**

By Joe Palko
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"Organized"
It's More Than A Clean Desk!

and no clear understanding of how the company worked.

Communication is Key

I recently spoke to a very frustrated marketing manager. Her department's goal for the 1st quarter of this year was to increase the customer base by 7%. Unfortunately the tele-sales group's goal was customer retention. It's a bad structure when department managers aren't talking. If they had communicated their goals, the marketing campaign could have worked. Every department should be working towards agreed-upon goals. If everyone isn't on the same page, you'll go nowhere fast.

Be Goal-Oriented

Structuring your company is more than just a flow chart showing who reports to whom. It's about analyzing each department, each task and each responsibility to ensure that they all support the overall goal.

As you grow, you need to insert levels of management with specific responsibilities, direct reports and departmental goals which match the goals of the company.

Structure benefits everyone. Workers without direction aren't as productive. Unmanaged employees, no matter how good they are, are never good for business.

> *Building a structure and tweaking it is extremely important in preparing your business for growth.*

Structure instills a sense of security in the minds of your employees and also makes them feel like they're working for a company with clearly defined goals and practices.

Expect Growing Pains

Improvements take work. Your first efforts to add structure may be met with resistance. Hey, we all hate change! Explain the benefits and improvements and most of all stress how the changes will make everyone's job easier. Make sure everyone understands that all changes are positive, never anyone's "fault." Negativity leads to employee resentment.

Every successful business needs structure. The sooner you get started, the better. **eBiz**

By Scott Sanfilippo
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Each morning before I open my office door, I brace for the clutter. I'll admit that my office should be condemned, but it's my "system" and it works! Outside my messy space, though, organization counts.

In business I have always focused on organization – even when there were just four of us. Building a structure and tweaking it is extremely important in preparing your business for growth. Too many companies mushroomed only to collapse like a house of cards because people had no direction, no supervision

E-mail Deconstruction

E-mail marketing is a powerful tool that allows you to keep in touch with your customers, drive repeat business and reinforce your brand. But it's more than simply typing up a quick letter. There's technique, best practice guidelines, regulatory compliance, look, feel and other aspects that go into sending a successful, well-received e-mail.

There are many e-mail options. With managed solutions, an e-mail marketing specialist takes the reins designing, writing and sending your campaigns for you. Other companies require you to do all the work while they simply maintain your lists and send your e-mail. Finally, Do-It-Yourself (DIY) solutions provide pre-designed templates to send semi-personalized messages.

Plan, plan, plan! That's how you develop your paid search, affiliate, comparison shopping engine, or website redesign strategy.

Let's review do's, don'ts, common mistakes and best practices to help optimize your e-mail campaigns this holiday season.

❶ From Address: Tells who you are. HotMess@gmail.com? That's what you'll get from this e-mail campaign. Sending from info@pretzelbloggers.com, mail@pretzelbloggers.com, or even sales@pretzelbloggers.com lets the recipient know who the sender is.

❷ Send Time: Research shows most people check their e-mail during business, many first thing in the morning, before and after lunch and before they leave the office for the day. The best time to e-mail is often debated. My expertise agrees with industry experts that, for retail purposes, sending between Tuesday and Thursdays, mid-morning to early afternoon are ideal times.

❸ Subject: This is your one shot to get them to open. Fail and your campaign is doomed. Remember, 50 characters are all that stands between you and a successful campaign, make those 50 letters colorful, appealing and enticing.

Misrepresentation: It is against the CAN-SPAM Act to misrepresent the content of the advertisement by tricking people to open under false pretenses. As you can see, Pretzelbloggers is not giving away free cash.

Spam Word: Occasionally, "free" in the subject line is a good idea. Too often it will get caught in spam filters.

Capitalization & Punctuation: Spam filters target them as junk mail.

❹ Template Design: A custom designed template is always better than a generic one. You can see this template is a "plug and place." There are predetermined boxes and sizes and you simply fill in the blanks. The template box lines are obvious, the images don't fit to size and overall the template gives off a very unprofessional appearance.

❺ Logo: Include your logo or header. People can identify your brand as soon as they open.

❻ Navigation Bar: Remember— when including navigation links – too many is not always a good thing. Including too many can be a distraction to your reader. Deciding what you want them to notice is a sensitive balance.

❼ Images: Make them clean, clear and concise. If the image isn't important to your message, don't include it. Remember, images are great ways to cheat spam filters – include phrases like 'free shipping,' 'buy now' and '10% off' in your image.

❽ Personalization: Personalization allows you to speak directly to your client. Done badly, it can look cheesy.

From: Hotmess@gmail.com ① ②
Sent: Friday, October 17, 2008 6:13 PM
To: Sherry O Haver
Subject: FREE Cash Now!!! ③

Pretzelbloggers.com Newsletter

This message was sent to you by pretzelbloggers. To ensure delivery to your inbox, please add newsletter@pretzelbloggers.com to your address book. If you are having trouble viewing the email below, please make sure that your email client has allowed for image display.

④ ⑤ **Pretzelbloggers**
TASTY TWISTED TREATS

⑥

Original Pretzels	Bavarian Pretzels	Spicy Pretzels	Candy Top Pretzels	Cheesy Pretzels	Pretzel Gift Boxes	Pretzel Baskets	Create A Basket	Pretzel of the Month Club

⑦

10% OFF Pretzel Baskets

Four Cheese Wonder: $17.95
Shipped in one dozen quantities
View Now

⑧ **BE A SMART SHOPPER.**

Dear Smart Shopper,
The holidays are upon us! Check our out huge variety of pretzels, dips, sauces and more. CLICK HERE to start shopping!! BUY NOW and save 10% OFF your pretzel basket order!! Holiday party saeson is almost here! Our pretzels and dips are a tasty treat that's sure to please!

SAVE 10%!! BUY NOW!!

Sesame Coated Twist: $14.95
Shipped in one dozen quantities
View Now

⑨

White Chocolate Top: $3.75 lb.
Includes insulated travel pack!
View Now

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Shavertown, PA 18708

⑪ Unsubscribe >

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⑨ **Text**: Including text in every e-mail is important. If the reader opens, doesn't enable the images and sees nothing, they'll be quick to close. Include text to convey the message your images are portraying.

While text is important, so is following CAN-SPAM Act regulations (including capitalization, punctuation, and avoiding key spam words like Free, Sale, Buy Now, and Click Here), ensuring to use spell check and proper grammar. A misspelled work can ruin your reputation.

⑩ **Physical Address**: To be CAN-SPAM compliant every e-mail must include the physical address of the company sending the message.

⑪ **Opt Out**: Every e-mail must have an opt out link. This link must be a one-click opt-out. Don't take a chance on this - FTC regulations can fine you up to $11,000 per offense.

E-mail marketing remains a powerful tool in e-commerce, but it's a sophisticated world out there. E-mail only works if someone reads what you're writing. Profile your target customers. What would make them open your e-mail instead of dumping it? Review the best practices above and combine it with your insights for e-mail marketing success. **eBiz**

By Michelle Johnson
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'Tis the Season:
Seasonal Selling is a Year-Round Business

> *"...there is always somebody out there looking for what you have!"*
>
> —*Cynthia Ryan, ChildrensCostumesExpress.com*

Tamir Nadborny

In October, it's costumes. In November, it's turkeys. In June, it's grills. In December, well, you know.

Seasonal products may only be hot at only certain times of the year, but running a seasonal e-commerce business is a year-round task.

Halloween is approaching, but online costume shops have been busy since January. Tamir Nadborny of CostumeKingdom.com and StarWarsKingdom.com prepares for next year's Halloween early.

"For us it begins in January. There really is no off-time," he said.

"It's year-round prep," says Cynthia Ryan of ChildrensCostumesExpress.com. "I need to know what movie characters are hot because I don't want to get stuck with a dud." She usually starts ordering in January.

"It's not rocket science, but it's an art form," Nadborny says. "You have to know the hot sellers and stock them. The earlier you order, the earlier you can figure out what the trends are and get more allocation. That way, when everyone wants the hot costume, you have it," Nadborny said. "We order very early in the year because the manufacturers need lead time to project their sales so they can deliver all the goods."

Ryan says that last year Transformers and Hannah Montana wigs were huge.

"I could have sold a thousand of them if I had them in stock." she said.

Nadborny banked on consistent Star Wars appeal and opened a niche costume shop.

"Star Wars is consistent year after year. And this year with the release of the animated series they are introducing a lot of new characters. The manufacturers required new licenses to update the older ones around movie releases. It gives a fresh look to a brand that has been out there 30 years. We definitely stock a ton of Star Wars items."

Ryan says when Sesame Street's Abbey Cadabby party invitations began to sell out at her local Target she realized it would be a costume trend this year. "There are princess parties year-round," said Ryan.

Dressing up is not just for Halloween after all. "When there are summer movie releases, there is always a rush for those costumes, like with Iron Man or the Hulk," said Ryan.

"Thanksgiving, Christmas, Mardi Gras, Easter and then it's Halloween again," said Nadborny. "There are Renaissance Fairs and kids love to wear costumes year-round. Volume gets heavy in the middle of September and goes more haywire everyday."

Robert Marshall owns ChristmasMouse. com and plans early. Way early. He does his e-commerce tweaking right after the New Year.

"Our ordering is 75% complete in January," he said. "We like to do something with Solid Cactus to improve our site in January

and February, and then in March we add new items," he said

Seasonal Marketing

Nadborny says e-mail marketing has been effective for his costume stores.

"You constantly have to keep in touch with customers through e-mail. We do aggressive off-season promotions and restructure our website. We promote other holidays that provide a chance for business," he said.

"I don't spend much on advertising in the off-months," says Ryan. "If I do something earlier, it's usually with a focus on one costume," she said. "I gear toward party themes during the off-times. I look in the stores to see what invitations they are pushing."

After the Season

Halloween costumes change yearly. So what do stores do after the celebrations and costume parties pass? Have sales, of course!

"I try not to go crazy with discounts because people still buy them for Christmas gifts. If shoppers can't find a costume in a store after Halloween," says Ryan, "they hit the web and they find it."

"The end of season is one of the most aggressive in our field," says Nadborny. "Come November, we slash probably about

60-70%. We got an order yesterday for $350 worth of clearances."

Marshall's retails shops are year-round

Christmas stores stocking about 30,000 items—and trends in Christmas items are pretty consistent. Two popular exceptions: icicle lights and fiber optic trees.

Ryan leaves other seasonal stores with some advice:

"Try not to think of it as a seasonal item- there is always somebody out there looking for what you have!"   **eBiz**

By Donna Talarico
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What's in a name?

Your domain name is the most powerful piece of branding your store has on the Web!

A strong, recognizable domain name for your business can bring even more organic traffic to your site. A poor domain name can prevent surfers from ever finding your site.

Show the Engines Who You Are!

Include keywords or phrases in your domain name to increase high natural search engine rankings. What makes you unique from the competition? What's important to your industry or exemplifies your approach? Then evaluate your choices.

Google's AdWords Keyword Tool (*https://adwords.google.com/select/KeywordToolExternal*) is a great, streamlined resource for investigating search volume. If I'm starting a blog about my favorite pretzels, I could type in phrases like "pretzel blogger", "pretzel blogs", and maybe even just "pretzels" on the off-chance that the name is available.

As you can see, the phrase "pretzels" has an average search volume of about 165,000 queries each month. The bad news is that our other terms don't generate any search volume at all - they're not even on the list.

Our best-performing choice - Pretzels.com - is parked. These "parked domains" are registered but land on pages without useful content. Most fill their sites with

ads to cash in on direct traffic coming into the site in error. Finding a high-traffic keyword to incorporate into your domain is a quick and efficient way to gain traffic. For instance, SoftPretzelRecipes.com would be a good choice if it ties into the theme of your site.

If you're stumped on domain name suggestions, check out SnapItNow.com for a comprehensive list of variations on the keywords you want to pursue.

Name Checking

Just because a domain is available now doesn't mean that someone didn't previously ruin its reputation with the search engines. The Internet (as the kids say) never forgets and a new store can suffer from a previously banned or

> *"A strong, recognizable domain name for your business can bring even more organic traffic to your site. A poor domain name can prevent surfers from ever finding your site."*

blacklisted domain. Perform proactive domain detective work.

The WayBack Machine (*http://www.archive.org*) can show you old versions of a website, indexed by date. Check to see if they're link farms or pages with spam-filled, malicious code. Search engine indexes penalize the latter. The process of getting re-indexed can be long and painful, so avoid these domains wherever possible.

Redirected Domains - The 411 on 301s

If an available domain name resembles your site, don't leave it for someone else! Pointing multiple domains at your website is a wise tactic for attracting more direct traffic. Registering alternate top-level domains - TLDs are the suffixes in a URL, the .com, .net, .org or .biz in the site's address - can salvage repeat shoppers who don't remember if your site was PretzelBlogger.net or PretzelBlogger.biz.

Registering alternate domains is smart brand protection. If you leave PretzelBlogger.org unregistered and a competitor provides terrible customer service, their bad business practices will damage you.

A domain costs less than $10, so cover any plausible top-level variations for your domain and use your new keyword research skills to discover high-traffic misspellings of your domain name. Look for domains that will pass value (traffic) onto your store's site. As for the domain with the lousy history, redirecting the bad domain at your already vetted good domain means you get all the traffic and none of the bad history.

Once you have those domains registered, set up a 301 redirect to point them to your e-commerce store. It might be tempting to turn some of your domains into dummy sites that link into your store, but engines frown on that strategy. Make sure every variation of your domain (yes, even PretzelBlogger.com vs. www.PretzelBlogger.com - Google counts the version without the 'www' prefix as a separate entity) points to the true, canonical version of your site.

Summing up

Successful branding, a strong Paid Search campaign, qualified links and a healthy social media presence can help even the most obscure domain find incoming traffic. Picking the right domain name from the start, however, can reinforce your brand and bring in an increased amount of direct and repeat traffic. Smart domain selection makes your e-commerce website more effective and requires just a little research! **eBiz**

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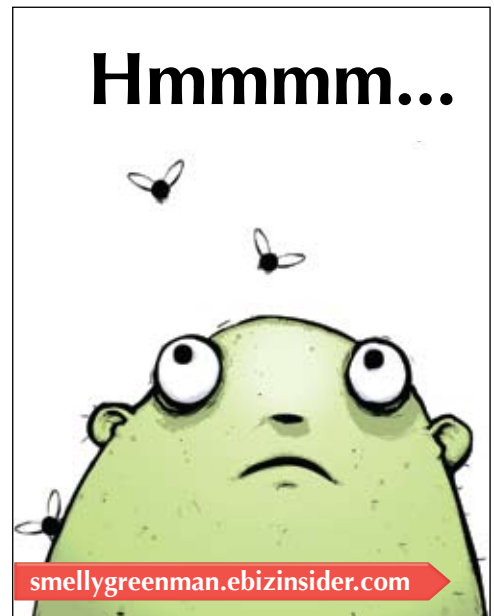
Insurance For Your E-Commerce Business

Seven Important Risk-Related Issues to Consider

When an e-commerce business begins to grow, new risks mount and site owners should examine insurance options. Finding an insurance agent who understands the challenges of online business has been tough for many e-business owners. Only recently have insurance options become available.

Online businesses differ from their brick-and-mortar counterparts in ways that present unique challenges for insurance companies.

"An e-commerce business owner has the challenge of facing all the traditional risks that any business faces, plus those unique to e-commerce," said Nancy Callahan, a vice president with AIG Insurance, which offers e-commerce coverage.

Callahan says the traditional risks include protection for your property, your employees and those who do business with you. Generally speaking, those risks fall into property and casualty insurance — the property coverage protects the physical assets and the casualty coverage protects the company if someone gets hurt or suffers financial loss in the course of doing business with you.

"What is challenging both for businesses and insurers is how to take those overall concepts of 'harm to assets' and 'harm to others' into the virtual world," she said.

A typical small e-commerce business might operate in the following manner: The business owner runs the site from his/her desktop in Paducah, Kentucky, the "store" is on a server in Chicago and a third-party fulfillment company houses the products in Phoenix.

"The [online] exposures are different than traditional brick-and-mortar businesses," said Mark Hutchins, a vice president with Euclid Managers, LLC, a Kansas City-based specialty insurer that offers plans for e-commerce businesses. "Some of the exposures are certainly the same, but there is a newly-evolved focus of risk that is primarily attributable to the medium in which e-commerce operates."

Hutchins says insurance options have evolved to help e-commerce owners assess and manage those new risks.

Seven important issues emerge in regard to e-commerce business insurance:

High-risk areas particular to e-commerce

While both online and offline merchants must deal with risk, some directly linked to online endeavors include:

- Data security, in which the most commonly publicized areas of exposure involve unauthorized access to customer data and/or the dissemination of customer data by accident or through fraud. For online merchants, "it becomes an added obligation to protect that data. There are potential liabilities if that information is compromised or exposed," Callahan said.

- Business interruption caused by third-party providers. At times, business may be interrupted when customers are unable to access the website because of disruption or denial of service. Server problems during the Christmas-buying season can have a devastating impact. Business interruption can also occur because of disasters such as a fire at

secondary support locations — your main supplier or your warehouse.

What insurance agents want to see

As a general rule, the more information your insurance agent has available, the better understanding of your business he/she will attain. According to Hutchins, you should be prepared to provide your agent information about your background, experience and qualifications for the business you are running; the company's financial history and current status; a list of current assets and even a profit-and-loss statement.

"If it is a start-up business or less than three years old, I would bring in a business plan — the more detailed the better — so the insurance agent can generate a solid understanding of what you are doing today, how you do it and how you hope to evolve that in the next few years," he said. He advised including information on third-party vendors such as the server host, payment processor, fulfillment house — any company with whom you have signed a contract in order to operate and maintain your business. The details of those arrangements will be critical in making sure you get the best advice and the best coverage.

Recommended levels of liability coverage and deductibles

Ultimately, the amount of insurance purchased is relative to the amount of risk the business carries and how much exposure the owner is willing to tolerate. Since each business is different, it's impossible to have a hard-and-fast formula for coverage levels. However, Hutchins offers the following general guideline: "If you are a relatively small business with less than $5

million in equity, then, generally speaking, look to buy either $1 million or $2 million in liability limits."

In terms of actual losses paid, Hutchins said, "it has been our history, along with what we can evaluate from our peers, that there are very, very few cases of large dollar losses — even including legal expenses — that exceed $1 million or $2 million." Most liability coverage is offered on an annual aggregate basis.

Regarding recommended deductible amounts, Callahan said the answer rests on the question of how much loss a business can absorb. "If a company is able to withstand a $10,000 loss, then it sets the deductible above $10,000," she said. "If it can withstand $100,000 loss or $1 million loss, then it would adjust the deductible to reflect that, and the premium would go up or down commensurate with that."

Making sure your agent understands e-commerce

Start with basic questions that would be relevant in any insurance context: How long has he/she been in business? Does he/she have a good reputation in the community? Beyond that, Hutchins and Callahan suggested asking a potential agent:

- What experience do you have evaluating risk and placing insurance for e-businesses?
- What products can you offer that are designed specifically for online merchants?
- What can you tell me about the risks that are unique to e-commerce?

If you don't get answers that demonstrate an understanding of e-commerce, it's probably time to look for a different broker. It's possible you'll have more success if you talk with an independent insurance agent who can discuss a multitude of specialty options and is not limited to a single company's line of products.

"It is not necessarily a problem if brokers lack extensive e-commerce insurance experience, as long as they are willing to work with a knowledgeable wholesaler," Callahan said. However, "I would be

concerned if this is the first time they have handled this kind of insurance and they are trying to learn it on the fly. It can just take time."

Hacking: Who pays if it happens?

If data is compromised, there's no definitive answer as to who is responsible, said Callahan, as it depends upon the contracts in place between the e-commerce company and its partners: Server host, shopping cart provider, payment processor and other companies involved with the business. "A lot of it comes down to the contracts. Lawyers spend a lot of time trying to allocate responsibility in those commercial agreements," she said. "I think you have to start with the premise that the business will be held responsible unless that responsibility has been transferred to somebody else through contract and service agreements."

Prioritizing types of insurance

Insurance needs can vary for different types of online businesses. In general, some key options to consider are:

- **Commercial general liability (CGL) insurance** — A CGL policy provides broad general liability for businesses. This would cover someone outside the company who was "harmed" — someone who fell down and was injured at your warehouse, but may not extend coverage if someone's computer was exposed to a virus at your site or whose confidential information was mishandled (professional liability). Professional liability coverage may come as part of the aforementioned CGL policy or may need to be purchased separately.
- **Property insurance** — It can provide first-party coverage to cover loss of assets — virtual or real — owned by the company. Some business owners' package (BOP) policies include both CGL and property coverages.
- **Worker's compensation** — If you have employees, state laws frequently dictate what type of coverage must be in place in case of an on-the-job injury.
- **Directors' and officers' insurance** — Such a policy may be necessary if you have a board of directors whose individual liability should be limited.

- **Business loss insurance** — This may provide coverage if your site goes offline and real losses are sustained. Note that there are variables with such insurance. Case in point: If you didn't pay your server bill and your site went offline, you're probably not covered. If a hurricane wiped out your server's facility in Florida, business loss coverage might kick in, but it might also be impacted by the contract you signed with your server host.
- **Defamation/libel coverage and/ or coverage for infringement of copyright or trademark** — This is worth considering, particularly if you are a content-oriented site that produces stories (such as a news site) or aggregates content provided by others. If you have a lively forum and you're concerned that comments about private citizens or businesses could create a liability, such coverage might be a wise choice.

Percentage of gross revenue allotted for insurance

There's no definitive benchmark since each business has different risk-management needs. The staff at Euclid Managers, LLC estimates 2 to 8 percent of gross revenues would be allocated to insurance needs — but that would vary widely based on the size of operation.

Hutchins and Callahan have the same advice for e-commerce merchants: Don't give up when you search for insurance options. Though the marketplace has been slow to respond to e-commerce needs, times are changing — insurance companies continue to launch new programs, which join the options provided by specialty carriers already catering to online businesses.

"[Insurance] agents are becoming more familiar with e-commerce," Callahan said. "There is now a growing network of wholesale insurance brokers who are specialists."   **eBiz**

Paid Search & Bounce Rates –
Did my traffic bounce or stick?

"Bounce rates" are critical to search marketing. A "bounce" is when a visitor reaches your site, views the entry page and leaves. A healthy bounce rate in a niche market is about 30%; if your products are aimed at a broader audience lean towards 50%. Google's free Analytics data is a great way to review benchmarking.

If your bounces are below 30% you are doing something very, very right. Above 50% means half of your traffic is leaving immediately and it's time for changes– be they color themes, navigation, pricing points, re-categorization, keyword changes and/or landing page modifications.

The opposite of a bouncing is called being "sticky." It measures how much of your traffic sticks around. If your stickiness is 75% - three quarters of your traffic is staying put and going at least one page deep.

In SEM, Pay-Per-Click (PPC) bounce rate can either make or break you. You are (1) paying for the traffic and (2) in total control of that traffic – make sure your keywords line up with your ads and your site. Better keywords mean a lower bounce rate and more relevant traffic. Search engines reward relevancy by increasing your campaign's quality score.

Several SEM metrics are important to increase conversion rates, improve Return on Ad Spend (ROAS) and capture more market share

You can measure a bounce on several different levels:

1. **Landing Page** – what is the bounce rate of that particular product, or category/section page?

2. **Keyword Level** – what happens to the traffic once it reaches your intended page?

3. **Ad Level** – does your creative/copy match the page where your visitors are landing?

4. **Position** – with sponsored results, positions 1 to 3 get lots of clicks but generally don't convert as well as lower paid search positions. Check your analytics to see which positions convert the best at and have the lowest bounce rate.

5. **Engine / Traffic Source** – sometimes the demographics of the advertising engine don't line up with your buyers' demographics. For example, college students are most likely to use Google while senior citizens are heavy MSN Search users.

Think of a bounce in terms of a customer entering your store, looking around and

leaving. Now, in the e-commerce world think of this as a visitor entering your site and not going more than one page deep, not engaging in live chat, checking shipping or even adding an item to the shopping cart.

Keep images, content, links and logos in check and above the fold. If you disrupt a buyer's intention you risk a hard bounce. When the customer has to look around for what they searched for within a few seconds, you risk a bounce.

Optimizing paid search campaigns for bounce rates can help you increase your conversion rate, decrease your cost and ultimately (hopefully) convert more and at a higher percentage.

Have a sticky day! eBiz

By Michael C. Jozaitis
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Ways to optimize for lower search bounce rates –

A/B test your ads - write at least two different creatives – price driven and branding based. Check the click-through & the bounce rate. Did the marketing image of your site line up with the actual product? Kill the ad with the higher bounce rate.

A/B test landing pages -If you're focusing on an unbranded keyword like "footballs" try a brand category page and a page of products sorted by price.   Test text-heavy pages vs. image-heavy pages.

Understand Customer Behavior and Quality of Search – a search for "football merchandise" has a remarkably different intention than "Large Giants Football T-shirt." The latter is a qualified search for a specific product. "Football merchandise" on the other hand is broader. Qualify your

keywords whenever possible. Try adding phrases like buy & sale to your keyword list - your bounce rates can significantly drop.

Deliver upon your promise – if your keyword is "NFL hats" send traffic only to an NFL hats page. If you match the intention with your offered item your bounce rates should most certainly drop.

Rinse & Repeat - when you know what the visiting traffic is doing, you can include that into your keywords and ad copy. Test bounce rates against different metrics. eBiz

By Michael C. Jozaitis
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Get Sticky!

It's a good way to catch flies... and a better way to catch your Pay-Per-Click customers. If you're looking to get your PPC traffic to stick around longer, Solid Cactus has the sticky to reduce your bounces!

We're in the Sticky Business! Contact Us Today to Reduce Your PPC Bounce Rates:
1.888.361.9814
ppc.solidcactus.com

Stylo Fine Pens

A little Company that Looks Very Big.

> "*We have essentially outsourced several important divisions of our little company to Solid Cactus. In turning over customer service, call center services and PPC marketing, our little company now looks very big.*"
>
> —Paul Roth, StyloFinePens.com

StyloFinePens.com is an example of how passion leads to ambition. After working with pens for years as a manager of a local pen shop, Paul Roth finally decided to take his passion to the next level and founded Stylo Fine Pens in 2006 making him owner and CEO of his own specialty writing instruments store. Seeing the obvious, nine months after opening the San Francisco-based store, StyloFinePens.com was finished. "The online component of the business really helped things sky rocket," Roth admits. "Now we're not dependent on any specific location."

That expansion came with its own problems. Stylo Fine Pens, as the name suggests, sells a limited range of generally high-end writing instruments. When the calls started coming in from the website, Paul realized he was losing out. "Every time the phone would ring, there would be a customer in front of us...the calls were just dropping. Every time we would serve someone in the store we would also get this kind of a pang that we were losing a sale." Call Center Services were an obvious option for StyloFinePens.com.

"Call Center completely changed our business and without a doubt was the very best business decision we've made," says Paul. "Now if the phone rings more than three times, we hear it drop-off and we know it drops to a friendly place." Adding Call Center Services was the first move in a triple play which Paul Roth says completely changed his business.

The second move was adding live chat. Solid Cactus partnered with LivePerson offering Managed Live Chat to Call Center clients. With Managed Live Chat, online visitors simply click an icon and a chat window appears with an agent waiting on the other end to answer any questions the customer may have.

Paul was part of the process from the beginning. Solid Cactus Managed Live Chat subscribers are encouraged to take part in the training of agents in order to ensure customers receive appropriate treatment and accurate information. Clients fill out an in-depth questionnaire depicting how they want their customers to be handled, as well as providing information on products they carry. In addition, clients are asked for text and copy that relate to products, and culture specifications for the brands they sell.

Live Chat agents find pride in selling specialty products such as Stylo's pens. "I wondered myself, 'how intricate could it be?'" Paul says. "But it is. People want to know why they should buy a $600 pen when they can buy one for $30. The staff really caught on to that."

Ironically, the final move piece in the transformation of StyloFinePens.com occurred to Paul Roth while reading an issue of *eBiz* (we're so proud!). "I struggled with PPC advertising like everyone else," he recalls. "Then I read about a guy who'd turned his business over to Solid Cactus and let them handle his search engine marketing." I decided they probably knew considerably more about pay-per-click than I did, so I let them handle it."

This is where *eBiz Insider* and our parent Solid Cactus look really good. "Three big things happened," says Paul. "First,

StyloFinePens.com is professional from top to bottom. No one can tell how big we really are..

our calls decreased. Second, our clicks decreased. Third and most important though, our sales stayed the same! That means we were able to cut our pay-per-click spending by two thirds. That's huge!"

Bottom line, Paul Roth will be the first to tell you that Stylo Fine Pens is a 1400 square foot dot in San Francisco. "But we have a sophisticated website," Paul says. "When customers call we have call center and we answer e-mail inquiries with live chat. We are professional from top to bottom. No one can tell how big—or small--we really are."   **eBiz**

By Ashley Motter
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TOOLBOX:
Before you hire…
Do You and Your Applicants Measure Up?

We all hope that when we hire someone they will turn out to be productive and honest, but the real world of business teaches us differently. You must have procedures and paperwork in place for those times when a good hire turns into bad news. As your business grows, you can protect yourself (and your employees) with these processes and policies.

The Application

Does your company use an attorney-approved application? Resumes are not always complete or even true. Attorney-approved applications require the applicant to sign a document stating that everything contained on their application is true and accurate. Further, if there are falsehoods, employment can be terminated immediately with the proper evidence.

A.) Include language conveying company policy for revealing felony and misdemeanor convictions and pending cases.

B.) Include a release for references and other background checks.

C.) If your state is an "At Will" State it is always recommended to have the At Will explanation in your application statement be sure that each applicant signs off on it.

In reviewing applications, what are some obvious red flags?

- Applicant signature at the end?
- Applicant chooses not to allow previous employers to be contacted.
- Applicant leaves criminal questions blank.
- Applicant fails to explain why he or she left past employment.
- Applicant does not explain employment gaps or the reason for leaving the previous job is questionable.
- Excessive cross-outs and changes.
- Applicant fails to give complete information.

The Interview

When conducting the interview, don't be afraid to ask some tough questions and monitor applicant response. Some examples include:

- Suppose your supervisor asked you to get information that you know is confidential and he/she should not be trying to access. What would you do?
- We require background checks on everyone we offer a position with our company. Do you have any concerns with that?
- We're going to be contacting your past employers for references.
- Ask questions about any unexplained employment gaps.

Checking References

Does your company check references? If the answer is no, start *now*.

Any sound hiring procedure includes checking applicant references. Many times this part of the hiring process is de-emphasized or forgotten altogether. Make it a distinct step in your hiring sequence. Be sure to ask for at least 2 professional and 2 personal references. Family members don't count.

Many states are on the employer's side and have loosened regulations regarding references. In many cases you can learn more about a prospect's past than the typical, "Start date and end date" response. Consult an employment attorney in your state to find out what you can and cannot ask of a fellow employer as well as what you may or may not disclose to other employers.

Background Check

Background Checking can be outsourced, but you must disclose this information to the applicant on the application and during the interview before conducting a check. Keep in mind not every position needs to be screened at the same level (or at all) depending on your industry or position. Be sure to have a policy in place for this process.

Employment Policies

Do you have documented policies and procedures that show zero tolerance for Company theft, dishonesty, and misconduct?

Some important policies to have in place are your specific positions on:

- Confidential Information and Company Property
- Theft
- Use of Third Party Confidential Information
- Work Ethics Policy
- Whistle-blower Policy - offer an award for employees that identify co-worker's engaging in illegal or dishonest conduct while on the clock.

In a perfect world, every employee turns out to be as great as they look on paper. In the real world, smart e-commerce operators protect themselves. If you have the above policies implemented, you're in good shape! If you don't, then adding these processes should be at the top of your "must-do" list. **eBiz**

By Ed Stanchak
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SEO Nutrition 101:
Am I Over-Optimizing?

A perfect dozen warm, triple chocolate peanut-butter fudge brownies sit in front of you, beckoning. You know you should eat just one, but it's so tempting to indulge in a little extra, right?

Wrong. No brownie tastes quite as scrumptious as that first one, and your waistline will notice.

It is similar for search marketing. Search engine "spiders" crawl a site and rank it for keyword phrases. Common, tried-and-true SEO techniques include adding search engine optimized content to your site, creating effective, unique meta tags, and reaching out to quality sites and propelling them to link to your site from theirs. But what happens when you do all of the above, and your site drops in the rankings?! Your site may very well be suffering from Search Engine Over-Optimization.

Post the following phrase on your computer: No more over-optimizing your SEO campaign! Below are ways to ensure your site meets SEO expectations and doesn't suffer from search engine indigestion.

Keyword Stuffing

No, keyword stuffing is not Mom's special dish at Thanksgiving-- nor is it an ingredient to SEO success. Ever visit a site and notice a pile of keyword phrases listed on the page? Doesn't exactly make you want to stay on that page too long, right? It's the same way for search engine spiders

- it causes them to ask, "Hey, is this site owner trying to deceive me?"

The penalty comes when search engine spiders drop you in the rankings or even remove you altogether. Some operators make keywords the same color as the background so visitors won't see them. Search engines will see them and penalize you.

The common phrase "Less is More" applies to not only our favorite foods, but Search Engine Optimization (SEO) as well.

Meta Tags Madness

Meta tags are no longer the magic solution. They're not as widely recognized as they once were by search engines; however optimizing them correctly can help your SEO campaign. Before you simply add 50 meta keywords to your homepage, read this:
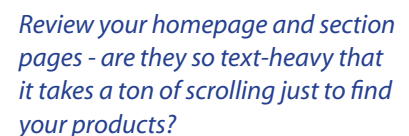
- **Meta-Title**: The meta-title is the copy in the blue bar at the top of your

Internet browser. This is one of the first parts of your site search engine spiders see, so be sure a competitive keyword phrase is included in it. Be brief - 60-120 characters (including spaces) is sufficient.

- **Meta-Keywords**: Meta-keywords tell a search engine the products/services on a page. Include only keywords related to the specific page you're working on and cap it at five! Your homepage can have about 10.

- **Meta-Description**: Many search engines use a site's Meta-description as the short summary under a site's search result listing on a search engine results page. Like the other meta fields, be specific with each section page. Write two to three sentences about page content and include the keyword phrase you're optimizing for two times throughout the Meta-description.

Oodles of Content

Search engine optimized content is integral to a successful SEO campaign. But there is such a thing as too much content.

Review your homepage and section pages - are they so text-heavy that it takes a ton of scrolling just to find your products?

Your homepage and section page should contain about two paragraphs of content with your keyword phrase included about three times. Create a "Resources" or "Articles" section on your site and include

full SEO-friendly content pages. Write informative articles on topics related to your industry that your site visitors will actually want to read. Practice moderation - if you find yourself with hundreds of articles, it's time to put down the keyboard….

Link Building = Partnership Building

If you're interested in SEO, you know the importance of links. As search engines get smarter, they're taking more into account than just the number of links pointing to your site. Rather than beg for more links, develop a list of 20 sites that would make great partners. Review their traffic and how respected they are in their industry. Contact the site owner directly (yes! Use the phone!) and outline a mutually beneficial plan. These days it's the quality of the sites linking to you, not the quantity!

A Skim SEO Campaign,
No Whip, Thanks

SEO is a long term strategy, and your rankings will not shoot up in the results overnight. Stick to our SEO tips and resist the urge to over-indulge. Now go eat one of those triple-chocolate peanut-butter fudge brownies. You've earned it. **eBiz**

By Alicia Magda
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Implementing Proper Procedures to
Protect Every Penny

Whether you're a one-person shop or Fortune 100 company, safeguarding your financial controls is critical to your success. By implementing policies, procedures and internal controls, it is possible to know where every dollar goes. We all hear the headlines on the news that a key person in an organization has been caught stealing or of writing checks to him/herself. Having the proper cash controls in place can help alleviate the twin demons of employee theft and devastating business loss. Depending on the size of your business, hiring an internal accountant can help alleviate some of this work.

Proper cash controls and segregation of duties start with your bank accounts and company credit cards. To ensure this is done properly:

- Place a specified person in charge of the bank accounts and company issued credit cards.

- Set up authorized signers on the bank accounts and keep the signing list up to date.

- If an employee has been terminated or resigned and has check signing ability, notify the bank immediately and revoke access so the former employee cannot cash checks. Cancel their credit card access, too.

- Complete daily bank reconciliations on your bank accounts. This will help you catch any improper transactions immediately.

Once these procedures are implemented in regards to your banking, concentrate on these three areas:

1. Cash Disbursements

a. All incoming invoices must receive the proper stamp of approval before any payment is issued.

b. Ensure invoices entered into your accounting system are accurate. This can eliminate paying $1,000 to a vendor instead of $100.

c. Review vendor account statements as they come in and have accounting staff verify all invoice dates and amounts.

d. When paying by check, ensure the proper authorization and signatures are used. If paying via credit card, review the charges on your credit card statement and compare to approved invoices which were paid.

e. Review all employee credit card usage and reconcile all card statements with receipts and expense reports.

f. All outgoing wire transfers must have the proper approval from one of the signers on the bank account. As a backup, someone other than the signer should prepare the wire to the bank.

2. Cash Receipts

a. Designate a specific employee to receive and process the mail prior to distribution.

b. Ensure all checks received are made payable to the designated business name.

c. Do a regular audit on cash receipts and deposit slips and compare to your bank statement to ensure all deposits are made to the business.

3. Payroll

a. Preview payroll reports prior to submitting to your payroll company to catch errors. For example, if a new hire is to be on salary, be sure the salary is calculated properly and in sync with your pay periods whether they are weekly, bi-weekly, etc.

b. Compare hourly time cards with entered hours. If you are manually keying in hours into a payroll system, ensure accuracy by reviewing data entry. Your employees might not tell you if they worked for 12 hours and you paid them for 21 due to a number swap. On the other hand if you paid a 21-hour employee for 12, they'll probably let you know!

c. Audit completed payroll reports by reviewing individual names listed on payroll.

d. If you distribute payroll checks, do an audit by department on a rotating basis to ensure employees receiving a check are actual employees of the company and not fictitious.

Depending on the size of your company, some of the above advice might seem unnecessary. However, the sooner you practice the behavior of sophisticated companies, the sooner you'll be able to successfully grow and join them.

Following the steps above can potentially save your company thousands of dollars in cash outlay that was unnecessary. Securing your cash and the company's wallet are keys to ensuring future growth. **eBiz**

By Patty Sleboda

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Tech Corner:
Dummies' Guide to Domain Names

By now, you've hopefully read Jeff Stolarcyk's article on choosing and researching domain names. If you haven't, please head over to page 12 and read that article first.

Now that you've got your list of possible domain names, let's look at the technical background behind domain names. Managing your domain names is critical to staying on top of your business.

Management and the Domain Name System (DNS)

I'll use a tool like SRSPlus.com to manage domains all in one place, as well as modify and update Domain Name System (DNS) records. DNS is like a nickname system for servers on the Internet. Each domain name is assigned a specific numerical set. Rather than having to remember these numbers, DNS translates words (like yourdomain.com) to the appropriate numbers automatically. If you're using Yahoo! Small Business, you can register domains at http://domains.yahoo.com.

Once you're done, you can use the built-in control panels to point your domain name to your website. When you register the domain you are registering the TLD (Top-Level-Domain), for example pretzelbloggers.com. You then gain control of sub domains, like store.pretzelbloggers.com or twisted.pretzelbloggers.com.

The WHOIS System

WHOIS is the protocol used to obtain data about domain names. WHOIS provides contact information, expiration date and DNS Name Server information (often used to explain where the domain's site is hosted). This information is public data, so there are a variety of services out there to "Protect" your WHOIS data by filling it in with masked data. This prevents spammers from combing the WHOIS database for e-mail addresses.

Your Domain Name is going to Expire!

If you've registered your domain name, you'll eventually receive a letter in the mail from Domain Registry of America, Domain Registration Company, or some other misleading name. These letters are worded in such a way as to trick domain owners into thinking that they were the registrar of the domain and include various phrases and logos that appear to look official. Highly inflated prices are charged to 'renew' the domain. But read the fine print and you'll see that you're actually transferring control to this company. You'll then end up paying higher amounts annually, and losing the majority of control from your site. You also may experience downtime during the transfer process. **eBiz**

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Managing the DNS

There are several DNS record entries which should concern you. They are SOA Records, A-Records, CName records and MX records. I won't get into the technical details about these, but simply what they do.

SOA-Records – These are "Start of Authority" records. The SOA is managed on your registrar and defines your name server and contact information.

A-Records – These are "address" records. They point a domain (or subdomain for that matter) to a specific IP address on the Internet.

MX Records – Mail eXchange records define where e-mail is routed when sent to the base domain.

C-Name Records – Canonical Name records are used to point your domain name to another server besides your primary one. This requires the remote server owner to grant your "cname" permission. Don't use these unless you receive specific instructions on how to set these up.

You've spent time and effort to establish your domain presence. Be sure you account for the other tasks involved in domain management.

eBiz Insider

Join the Discussion at
http://forum.ebizinsider.com

the magazine for e-commerce professionals.