

THE BEGINNER'S GUIDE TO

Starting an Online Store



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Introduction

So, you're looking to start selling online? That's great! eCommerce is a growing industry, and there's plenty of space for newcomers. To all you established retailers, as well as Amazon sellers, crafters, and entrepreneurs, we say, "Welcome!"



These days, eCommerce is more popular than ever. Last year, a reported **8.1% of all retail transactions occurred online** (if you exclude automobile and fuel sales, the number **jumps to 11.7%**). All in all, eCommerce sales in 2016 amounted to **\$394.9B**. That's a 15.1% increase from the prior year!

Clearly, now is a good time to dip your toes into the water.

But, how should you begin? Like all business endeavors, starting an online store is difficult, expensive, and time-consuming. And with the added complexities of web development, search engine optimization, shipping, and web design, eCommerce can seem overwhelming.

Fortunately, with the right tools, beginning an online store doesn't have to be so intimidating.

In this guide we will cover all of the basic steps to setting up an online store, from finding a niche to marketing your newly-launched site. And, we'll do so without any of the jargon and developer-speak that makes these matters so difficult to understand.

Our goal here is simple: to provide clear, understandable guidance so you can get your business launched in less time, with fewer headaches.

Some of these topics will likely be familiar to you, while other sections will be completely new. I strongly recommend that you use the **Table of Contents** to guide your reading.

Plan Your Strategy

It may be tempting to dive head first into your new project without doing any preliminary research. After all, with modern eCommerce technology, it just doesn't take that long to start selling a few products. But, if you intend to build your site into a full-fledged business, you'll need to do your homework.

Before you fully commit to a product or even an idea, you should run a few trials to make sure there's a market for you. In this section, I'm presenting a few practical steps for testing the waters before you jump in.



Find a Niche

I spend a lot of time on Quora, Reddit's eCommerce pages, and various other eCommerce forums, and I often see merchants asking the same questions over and over again. In particular, sellers want to know how they can compete with Amazon. There are **quite a few good answers** to this question, but perhaps the best among them is this: **develop a niche and stick to your market.**

Finding a niche will take some work. You'll need to consider the demographic you plan on targeting as well as the current market for any potential products.

Chances are good that you already have a few ideas regarding what you'd like to sell online. Take a few minutes right now and write down those ideas. Let yourself brainstorm a little. When you have a good-sized list (at *least* 25 ideas), you're ready for the next step.

Run several Google, Bing, and Yahoo searches on each topic. Find out how many sellers you'll be competing with. Fewer results mean that you've found a specific niche without a lot of competition. Be careful, though, not to pick a topic with too few results (you want customers to find you, after all!). Once you've found a good balance of competitive and specific, take an in-depth look at your competition's web pages. Determine, in detail, what they're doing well, and consider what they could be doing better.

That gap between *what they're doing now* and *what they could be doing* is your niche.

When Searching for a Niche, Ask Yourself:

- ▶ Is there room for me in this market?
- ▶ What makes my competition successful?
- ▶ What value can I add to this market?
- ▶ What makes my products/store unique?

Consider Marketplace Selling

One of the best ways to test out your niche is by creating a seller's account on an online marketplace like Amazon, eBay, and Etsy.

Marketplace selling is far from risk-free. However, it requires a much smaller investment than building your own online store. So, while there are fees and limitations involved with marketplace selling, it can be a good place to test the waters, get customer feedback, and refine your product and customer service *before* you begin building your own store.

Better still, once you do build your store, you can **integrate it with your marketplace accounts** to seamlessly track your inventory. Most of the popular eCommerce platforms available offer built-in integrations with Amazon and eBay.

In fact, it will be a decided benefit to your future online store if you have already established a marketplace account. According to a study by [Stitch Labs](#), merchants who sell on just one marketplace in addition to their online store experience a 38% increase in revenue. Those who sell across two marketplaces, in addition to their own platform, rake in 120% more than those with just an online store!

If you're interested in selling on marketplaces, you should take a look at some of the guides offered by [Amazon](#) and [eBay](#) themselves. You should also dig through Practical [Ecommerce](#) and [Entrepreneur's](#) articles for more specific advice on marketplace selling.



After a Bit of Trial and Error



Now that you've put your idea and your product through the paces, you should have a better understanding of what works and what doesn't. As you move forward with your plan, don't forget about the research and testing that guided your original idea. It may come in handy in the future as you implement new products and strategies.

Set the Stage

At this point, you may be tempted to set your plans into motion and get started on your online store. But, before you even begin looking into eCommerce platforms and web hosts, you'll need to get a few affairs in order.

Here's a brief guide to the legal and logistical matters you should take care of before anything else:

Register a Trade Name, DBA, or Trademark

Make sure you register your business with the government before you begin selling. This will be especially important when you go to file your taxes.

Each state has different requirements for businesses under its jurisdiction. The basic rule is this: if you plan on naming your business anything other than your first and last name, you'll need to register a trade name.

Take a look at your state's requirements before you decide on a name.

For advice on registering your business and other legal issues, visit the [U.S. Small Business Administration's website](#).



Register a Domain Name

The next step is to register your domain name.

Domain names don't just end in .com. You can also set up a .co, .net, or .biz domain name.



Your domain name should be relatively short and easy to remember. In an ideal world, your domain would be the name of your store. If you're planning on adding a shop to a pre-existing website, you won't need to register a new domain name. Tacking on "/shop" to the end of your existing domain should work just fine.

It's a good idea to register a few other versions of your domain name with potential misspellings to prevent competitors from taking advantage of your customers' typos. You can direct those domain names to your main URL.

Fortunately, domain names are fairly cheap. You can typically purchase a domain for less than \$20 per year.

You can buy a domain name from a wide range of web hosts. Among the most common are [GoDaddy](#), [Yahoo Small Business](#), [Bluehost](#), and [1&1 Internet](#). You can also purchase a domain name through your eCommerce platform (if you choose a hosted solution), but this will take a bit more time.

My advice: if you have an idea for your domain name, go claim it now and worry about transferring it to your eCommerce platform later.

Note: Go ahead and purchase a domain name from GoDaddy. However, we do not recommend that you use GoDaddy's website builder or online store builder.

Set up Payment Processing



If you're planning to accept card payments (and as an eCommerce business, you don't really have a much of a choice these days), you'll need to set up a payment processing account.

Processing card transactions often requires you to review complicated fee structures and intimidating contracts. It's difficult for even experienced business owners to know when they're getting a good deal from a payment processor. The matter is so complex that we've written an entire eBook on the matter: [The Beginner's Guide to Payment Processing](#). This free guide explains fees and contract terms in more detail than I have the space for here. But I'll give you a general idea of what payment processing entails below.

Decide Between a Merchant Account and a Payment Service Provider (PSP)

A merchant account is an account that you, the merchant, set up with a processing bank. This account allows you to receive payment from credit and debit card transactions. You'll need to apply for a merchant account, and it may take a few days to get it up and running, but you'll have an opportunity to negotiate contract terms to get the lowest rates possible. (Again, we explain more on this in our [free payment processing eBook!](#)) In general, merchant accounts are better for mid- and high-volume businesses.

You also have to set up a payment gateway with your merchant account provider. The gateway is a software service that allows you to securely collect payment card details from your customers over the Internet and transfer the data to the payment processor.

Merchant accounts are not your only options, however. Instead of setting up a merchant account, you can use a third-party processor, also known as a payment service provider (PSP). PayPal is an example of a PSP. These providers allow you to enter into an indirect agreement with a processing bank. PSP accounts are easier to set up than merchant accounts, and the pricing is typically simpler, with no monthly fees in most cases. These accounts tend to come with a free gateway service attached.

On the other hand, the processing rates with a PSP are higher than those offered through merchant accounts, and you give up your ability to negotiate pricing. This could be bad for a business with a larger transaction volume, which stands to gain a lot from lower rates, but may end up benefiting low-volume and sporadic merchants who don't need the level of support and reliability that come with a merchant account (and who would like to avoid monthly fees).

Integration

Some shopping carts might encourage you to use a PSP account for easy payment processing integration. Many will only work with certain PSPs and certain payment gateways. Therefore it is important to consider the compatibility of all the services involved in your web store as you make service selections.

Research your Options

There are lots of merchant accounts and PSPs out there competing for your attention. As independent, unbiased business service reviewers, we at Merchant Maverick know that better than anyone. We've dedicated years to reviewing those merchant accounts and PSPs to find out which ones are worthy of your trust.

As you begin researching your options, I recommend starting with **our preferred providers**. From there, you can decide which service best fits your business's size and needs, without worrying that you're being scammed.

Now What?

Now that all the preliminary work is taken care of, you're finally ready to choose an eCommerce platform and begin to design your store. You've got the technical details already lined up, and now you're ready for the fun stuff.

Choosing a Shopping Cart

Using modern software, anyone can build a web store, regardless of previous web experience. But with so many store builders out there, it can be difficult to find one that meets all your needs.

The following list includes some of our favorite options (in terms of features, pricing, customizability, ease of use, and customer service) for the following groups of sellers:

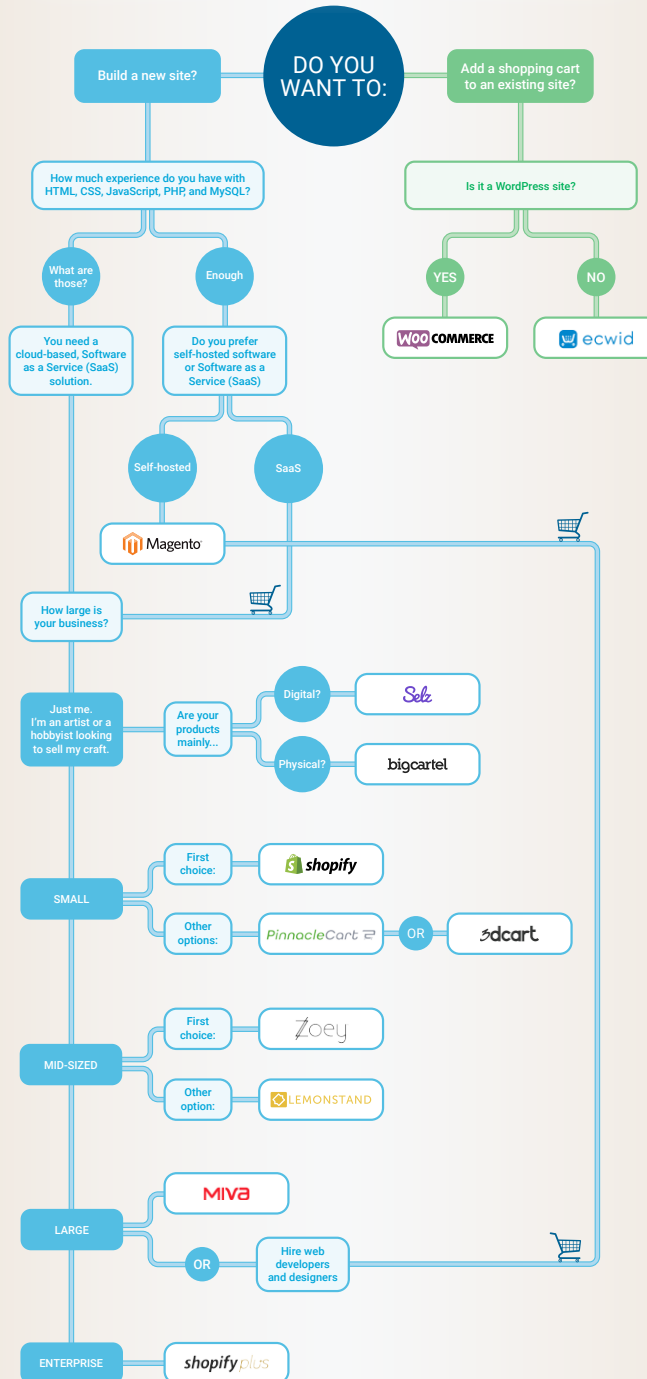
- A.** Merchants who already have a website set up
- B.** Merchants without a website or web experience
- C.** Merchants without a website but who have lots of web experience



To jumpstart your selection process, take a look at the infographic on the next page.

Shopping Cart Flowchart

So, you want to sell online?



Plug-In Options for Pre-Established Websites

Perhaps you already have a website established. Maybe you're running a blog, and you're looking for a way to monetize it. If so, the best approach is to simply add a "Shop" section to your site. Although a lot of website builders have eCommerce features built-in, these features are far from comprehensive. In order to add a full-fledged shop onto your existing website, you'll need to incorporate serious shopping cart plugins.

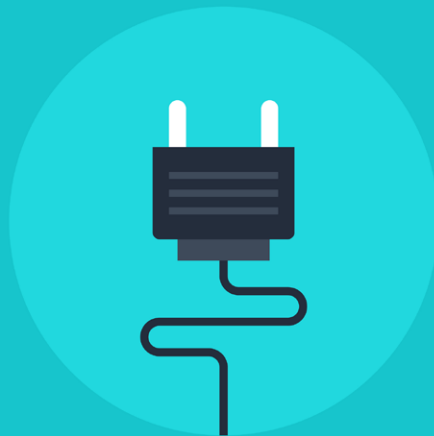
Here are my two favorite options:

Ecwid

Ecwid is a cloud-based eCommerce plugin that is both cheap and easy to use. In order to set up a store, you just load products, product images, and shipping and tax information into your Ecwid admin. Then you can copy and paste a few lines of code into your website, and voila! You have a web store.

WooCommerce

WooCommerce is a free, open-source plug-in designed for merchants who already have a WordPress site set up (and have a little more web experience under their belts). Because WooCommerce is open source, it's more flexible and customizable than Ecwid. However, it's also a bit more difficult to use. You'll have to maintain your site and site security on your own. If that doesn't seem too intimidating, WooCommerce may be the way to go.



SaaS Solutions for Merchants Without Experience

SaaS (Software as a Service) refers to subscription-based, fully hosted platforms. In other words, you pay a monthly fee to your vendor, and they provide an easy-to-use platform, web hosting, security, and customer service. Considering the amount of money merchants often spend on web developers and designers, SaaS solutions can be quite cost-effective.

Here are my top recommendations for SaaS eCommerce platforms:

Big Cartel

Big Cartel is the ideal cart for smaller businesses that don't have plans to grow; it's incredibly cheap and easy-to-use, but the software is a bit limited when it comes to features and the number of products you can list on your site. Big Cartel is especially popular among artists, hobbyists, and crafters.

Shopify

If you've looked into SaaS solutions at all, you've almost certainly run across Shopify—one of the best platforms for SMBs. Shopify's pricing is reasonable, its ease of use is phenomenal, and its themes look great out of the box. And while Shopify plans don't come with all the bells and whistles, they have enough functionality to support most merchants.

Zoey Commerce

Zoey is for merchants who have outgrown Shopify's platform, but aren't yet ready to pursue enterprise options. Zoey provides lots of features without ever sacrificing usability. My favorite feature is the drag-and-drop editor that lets you change every aspect of your site without touching a line of code. The trouble? Zoey is significantly more expensive than alternative solutions.

Open Source Solutions for Merchants with Web Experience

If you aren't quite so new to web development, or if you can afford to hire your own developer, you might consider an open source solution.

Open source platforms are free to download, and you'll be able to access every line of code used to build the software. Using that code, you can customize your site to fit your business's needs.

Open source solutions are typically backed by a community of developers. You can ask questions on community forums, purchase a few of the thousands of add-ons available, or hire a developer who's already trained in the platform to help you build your site.

If you have the skills necessary to use the software, open source is the cheapest and most flexible way to go. But if you don't have the know-how, open source can end up being more trouble than it's worth.

Here are a couple of my favorite open source options:

Magento Community Edition

Magento is one of the most popular open source solutions. It comes with a robust feature set out-of-the-box, and the admin is relatively easy to use. The software is frequently updated, and its user community is constantly adding new extensions and integrations to the Magento Marketplace. As long as you have the technical skills necessary, Magento is an excellent choice.

PrestaShop

PrestaShop has a particularly strong focus on international selling. Using PrestaShop, you can accept multiple currencies, and you can set your storefront to translate to 70 different languages. As with all open source platforms, support is primarily self-help. Nevertheless, if you're willing to figure it out on your own, PrestaShop is a good way to go.

Making the Decision

If any of these eCommerce solutions have piqued your interest, I encourage you to continue your research. Take a look at our [in-depth reviews on the Merchant Maverick website](#). Check to see if the shopping cart you're considering comes with all the features you need, and make sure they provide customer service options to match your skill level.

One more important thing: **always demo the product before you make a decision.** Testing out the software firsthand can reveal a lot more information than you'd get from a simple features list. You'll end up saving a lot of time and money in the long run if you put the effort into making your decision now.



Setting up Your Site

Now that you have an eCommerce platform picked out, it's time to get started setting up your site. When setting up your site, you should consider the following goals:

You should aim to:

- ▶ Attract the right traffic.
- ▶ Provide quality content that is engaging and informative.
- ▶ Keep customers on your site long enough to make a purchase.
- ▶ Develop a smooth sales funnel.
- ▶ Follow up with customers to encourage repeat purchases.

In order to achieve those goals and make conversions, you'll have to optimize your site in two ways. You want to **optimize your site for visitors** and **optimize your site for search engines**. Fortunately, there's a lot of overlap between the two.

In this section, I'll go into a few key tips you can execute right away, even before your store goes live.

Site Organization

Messy web stores scare away online shoppers. Sloppy web design raises doubts about site security, and poor organization is frustrating for visitors. If customers can't easily find the products they're searching for, they are quick to bounce to a better-organized site.

Here are a few ways you can make your site neater and retain your web traffic:

Make it Mobile Friendly

These days, **51% of all online traffic** comes from mobile devices. With numbers like that, it's crucial that your site works well on all screens. Make sure you select a template or theme with "mobile responsive design." Then your customers won't be put off by misplaced headers, glitchy buttons, and confusing margins.

You should also make sure that your checkout works well on mobile. Try it out yourself and have a few friends who use both iOS and Android take your site for a spin.



Use Toolbar Navigation

There's a reason most websites have a toolbar at the top of every page; it makes navigation a lot easier. Easy navigation leads to more purchases and more revenue for you!

Recently, however, there's been a design trend towards simplification of those tool bars, ostensibly in order to clean up a site's aesthetic. I encourage you to **resist oversimplification**. Making your categories too broad can negate the entire purpose of a toolbar and hurt your SEO ranking. Rather, you should take advantage of drop-down selections. Organize your products well and list those categories and subcategories in your toolbar drop-downs. Your customers (and your Google score) will thank you for it.

Keep Things above the Fold

Always put your best foot forward. In web design, that means listing your most important information above the fold. In this context "above the fold" refers to the part of your web page visitors can see *before* they scroll. Placing your most important news, promotions, and products above the fold ensures that your customers see what you have to offer, even if they don't scroll an inch.



Provide Quality Product Descriptions and Images

One of the biggest challenges of online selling is convincing your customers to purchase products they can't touch and see in person. To overcome this challenge, you'll have to accurately describe and depict your products on your site. Listing quality product information can work wonders for your online store in a variety of ways.

Here are a few of the benefits:

Encourage Conversions

Accurate product descriptions and high-resolution images give shoppers a good sense of the quality and appearance of your products. This will increase customer confidence in both your merchandise and your site's legitimacy.

Reduce Return Rates

Returns are one of the great challenges of eCommerce. **A reported 30%** of all eCommerce purchases are returned to sellers. And one of the primary reasons customers return products is because the items look different in person than they do online. When you provide accurate and detailed information, you reduce returns related to customer confusion, saving time and money in the long run.

Boost your SEO

Search engines love keywords, and product descriptions are full of them! Writing long-form product descriptions can help get you on the map in terms of SEO. A word of caution: don't try too hard to fill your descriptions with keywords. Google can see right through that, and it'll actually hurt your rankings instead.

Ensuring Quality Descriptions and Images

It's clear that quality descriptions are worth creating, but how can you make sure that your descriptions and images are actually "quality"? Fortunately, producing compelling product information doesn't require much from you.

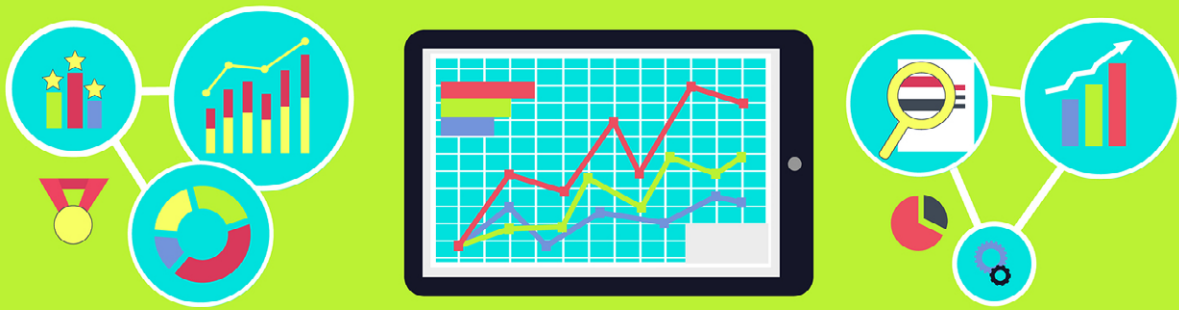
When listing products, keep the following tips in mind:

<p>DO</p> <p>take professional photos of your products. Upload as many photos as necessary to accurately and thoroughly depict your product. (But keep bandwidth limitations in mind!)</p>	<p>DO NOT</p> <p>use the stock photos provided by your supplier as your product images. Using stock images will hurt your search rankings.</p>
<p>DO</p> <p>write your own detailed descriptions. If you've developed a voice for your brand, here's the place to let it shine!</p>	<p>DO NOT</p> <p>copy and paste the product descriptions that your supplier uses.</p>



If your eCommerce platform comes with a Product Ratings and Reviews feature built-in, enable it! If not, consider integrating with a comment service like [YotPo](#) or [Disqus](#). Customer reviews go a long way in convincing potential buyers of the quality of your products.

Try Your Hand at Search Engine Optimization



Search Engine Optimization (SEO) is a never ending battle for every online store. With so many different factors affecting search engine performance, it can be difficult to know where to begin.

Fortunately, there are hundreds of blogs out there dedicated to improving your SEO. I recommend you take a look at what [Neil Patel](#) has to say. He's generally recognized as a leading expert in SEO, and he provides some good advice in the free materials on his site.

To start you off, I'll list a few surefire ways to improve your search engine rankings.

Use Memorable URLs

"SEO friendly URLs" use real English words, not conglomerations of letters and numbers.

Your URLs should use words that describe the content of each page. For example, your blog page might be "www.yoursite.com/blog." Each product page should be listed under a URL that contains the product's name: "www.yoursite.com/woodfired-ceramic-mug."

Fortunately, with a little time, you can create these URLs fairly easily. Most eCommerce platforms offer a custom URL feature that can simplify the process. Some even come with a built-in SEO friendly URL generator.

Make Sure Your Site is Mobile Responsive

I've said this before, and I'll say it again. Your site *really* needs to be mobile responsive.

If your site isn't mobile responsive, not only will you miss out on lots of mobile traffic, but you'll also miss out on desktop traffic. Mobile responsive websites rank consistently higher on Google.

Mobile responsive design just isn't an option anymore. It's a necessity.

Write Original Metadata

Metadata is a short description of a webpage's content. It is often displayed as a snippet below the title of your site in search results. Metadata helps search engines and potential customers decide if your site contains what they're looking for. You'll want to make sure that your metadata uses keywords that could match up with search terms used by potential customers.

Create Long Tail Keywords

Traffic is great, but quality traffic is even better. Your goal should not be to attract every shopper to your website. Rather, you want to attract shoppers who intend to buy your products.

Using long tail keywords (i.e. multiple, specific keywords) will send higher quality traffic your way. If you're selling shoes, don't just enter "shoes" as your keyword. Make it more specific: "used vintage shoes." Or, if you sell women's clothing, try "spring floral dresses." These long tail keywords will rank you higher up on specific searches, making it more likely that your browsers will be buyers.

And There's a Whole Lot More

Search engine optimization is an entire industry, and we could dedicate multiple eBooks to covering just this one topic. Do your research, and find out what strategies your company can use. Make sure the techniques you choose are affordable and within your skill level. Then, give them a shot and keep an eye on Google Analytics. Stick with what works and ditch what doesn't.

Consider Integrating other Services

As you set up your site, you may find that your eCommerce platform works great in some areas and not as well in others.

In order to fill those gaps, you should consider adding on software extensions. These extensions come in two forms: they can be modules that add higher functionality, or they can be software that integrates your store with another third-party service.

Since modules are unique to each platform, we won't spend much time on them. I'll just say that modules for open source platforms are sold as one-time purchases, and modules for SaaS solutions are typically billed on a monthly basis.

On the other hand, software integrations are more uniform across platforms. That's because they connect to the industry's most commonly used third-party services.

Here are a few common integrations that you might consider using:

Email Marketing

MailChimp and **Constant Contact** are two of the most commonly used email marketing services. A monthly payment gives merchants access to a comprehensive email campaign engine. You can create an email series and send those emails automatically to specific customer groups.



Accounting Software

Integrating with an accounting software is one of the easiest ways to make your business run more smoothly. Accounting software can help you keep record of all your transactions, manage payroll, and simplify taxes. Accounting software makes crunching the numbers a whole lot easier. Our favorite accounting solutions are [Quickbooks Online](#) and [Xero](#). Fortunately, most eCommerce platforms integrate with both services.

Marketplaces

If you're planning to sell on a marketplace like Amazon or eBay, you'll need to sync your inventory with your online store. That way, you'll never sell a product you don't have in stock. Marketplace integrations are typically expensive. Shop around and read up on customer reviews of integrations before you purchase.

QUICK TIP:

Add-ons, while often necessary, can quickly get expensive. Make sure that you really, truly need the extensions you purchase and research each add-on before you buy.



Double Check your Security

If you've decided to go with a SaaS eCommerce solution, site security should be a fairly simple matter. Your vendor is responsible for maintaining their servers and guarding against attacks.

Your SaaS platform will likely also provide you with a free, shared 128-bit SSL certificate, which guarantees data encryption. However, those shared SSL certificates often mean that your checkout page's URL will contain the name of your platform provider (e.g. <https://checkout.bigcartel.com/yourshopURL>). If you want the checkout page to feature your brand (and only your brand), you'll have to spring for your own SSL certificate. These range from \$100/year to \$700/year.

On the other hand, if you're running an open-source site, you'll have a lot more to do. You are responsible for finding your own secure hosting and maintaining your site by adding any security patches as they arise. And you'll definitely have to purchase an SSL certificate.

Get Ready to Launch

With your site finally programmed and optimized, you can now sit back and take a break. You haven't launched yet, but you know that when you do, your site will be visitor-friendly and optimized for search engines. And that will do you a lot of good when you finally muster up the energy to go live.



Consider Your Marketing Strategy

Congratulations! At this point you've chosen a site, optimized, integrated, and launched! Your products are all organized into pretty rows, and your customers can easily browse your selection. Now, to let everyone know that you're open and ready for business.

Unfortunately, that's easier said than done. With the rising popularity of eCommerce, it is increasingly difficult to make your voice heard. "Build it and they will come" simply doesn't apply to web stores.

You'll have to make a real effort to get your shop seen; this will require time and a whole lot of trial and error.

Not to worry, there are a few tried and true methods that you can use to begin your marketing exploration. Below, I'll be presenting a few of the most commonly used eCommerce marketing techniques.



Social Media Marketing

If you've done any research at all into marketing, you've seen advice on social media marketing. So much, in fact, that you're probably already sick of it. But, social media marketing is a good place to begin.

Set up your store's Facebook, Twitter, and Instagram accounts and get moving. Here are a few tips for making the most of your social media marketing campaign:

Post Often

Don't just create a social media account and walk away. An empty social media site is not just useless; it's disreputable. Customers will look to your social media sites to check your company's credibility. If they find a blank page when they get there, there are very slim chances they'll complete a purchase.

Posting regularly will make your shop look like a real store run by real people. And, it'll remind your followers of your store's existence.

Post Useful Information

Be mindful of your customer base when you post on your social media accounts. No one wants to read a whole slew of promotional material.

Instead, you should make sure to mix in posts that are relevant, useful, or entertaining to your target audience. [SnapRetail](#) suggests a 60/30/10 rule for social media posting. 60% of your posts should be resources for your customers (i.e. relevant blog posts, news articles, and videos). 30% of your posts should support your brand (that's where you can really do your promoting), and 10% of your posts should share other people's content.

Posting varied content will keep your followers engaged and will reduce the ranks that hit the "unfollow" button.

Identify Influencers

Word of mouth is the oldest marketing strategy. And in recent years, word of mouth marketing has been evolving on social media platforms.

Instagram stars, YouTube celebrities, and Twitter personalities now market products through their sponsored posts, and startups are taking advantage of this new form of advertising.

In order to get your products featured on an influencer's page, you'll have to do a bit of research.

Here's what you can do:

Steps to Successfully Identifying and Contacting an Influencer

1. Consider your target demographics.
2. Look for an Instagrammer or blogger whose audience matches your own.
3. Avoid influencers who only review products or blatantly sell posts on their pages—these individuals will have lower quality traffic.
4. Find an influencer who isn't too popular but still has a strong following.
5. Check their site's traffic using Google Analytics.
6. Send an email to that individual offering to purchase a sponsored post.

OR

Send one of your product to that individual in the hopes that they'll like it so much, they'll post about it.

With a little determination (and a lot of luck!), you'll get your products in front of a few hundred new eyes.

Email Marketing



Email marketing, while declining slightly in popularity, is **far from dead**. In fact, email marketing is one of the most consistently successful ways to promote your brand.

In order to use this form of marketing successfully, you have to have an email list. Do what you can to collect information from your current and potential customers.

You might even try using a couple of popup ads offering a discount in exchange for an email address. Just make sure to disable those popups on your mobile site; popups on mobile can hurt Google rankings.

Once you've compiled a good list of customers, you can begin your email marketing campaign. There are, of course, endless ways to run a campaign. Marketers can go on and on citing email marketing best practices, but I see the following words of advice most frequently across marketing sites:

Integrate with an Email Marketing Software

Many eCommerce platforms have email marketing features built-in, so integrating with a third-party email marketing service isn't absolutely necessary. However, I strongly recommend it. Email marketing software programs, like [MailChimp](#) and [Benchmark Email](#), provide more robust features than built-in tools, which allow you to better test the success of your campaign and tweak your methods.

Pay Attention to Subject Lines

The subject line of an email is your opportunity to create a good first impression. Make sure that your subject lines are succinct, accurate, and contain a bit of your brand's personality. Do your best to not sound like a robot.

Include a Call to Action

Every email you send should include a call to action: "Buy Now," "Take a Closer Look," and "Add to Cart" all work great. Make sure that each call to action includes a link that is easy to find and follow.

Conduct A/B Testing

A/B testing, which involves sending two slightly different emails to two separate customer groups, can help you determine which aspects of your strategy are working and which aren't. You can determine which email is more successful by monitoring each message's open rates and clickthrough rates. Find out what works best and run with it.

Content Marketing

Content marketing is advertising's latest buzzword. Essentially, it is the idea that if you create entertaining and engaging content, your brand will market itself. There are a few ways to use content marketing, including creating fun YouTube videos about your brand and/or writing eBooks related to your products.

The trouble with this type of marketing is that it often relies on your content going viral, which is statistically unlikely. However, you just might achieve moderate success with one of the less glamorous forms of content marketing:

Maintain a Blog

Starting and maintaining a blog on your site can do a world of good for your store and inspire stronger loyalty in your customers.

In fact, a blog can be one of the most effective evangelists for your brand. As long as your articles contain information that is relevant, useful, engaging, informative, and/or entertaining, your customers will want to read them. With a little encouragement (and some easily accessible social sharing buttons), those customers can be persuaded to pass your content around, extending the overall reach of your brand.

Perhaps most importantly, a blog can boost your site's SEO. You'll want to post frequently and on a regular schedule to best take advantage of a blog's impact on your rankings.

And There's So Much More

I've said it before, and I'll say it again: there is so much more to marketing. The suggestions above are just a few practical ways to get you started. You may find that some of these methods are successful and others fall flat. Such is the nature of marketing. Try a few of these methods, see what works, and keep researching new ways to improve.

Understanding Shipping Expenses

Next to taxes, shipping is one of the most complex aspects of online selling. There are so many factors to consider, including the weight and dimensions of your products, order totals, profit margins, and shipping zones. And you'll want each individual order to reach your customers cheaply and quickly. It's certainly a lot to juggle!

Unfortunately, with so many variables, there's no one-size-fits-all model for shipping. The most effective strategy for you will very much depend on your business model, your products, and your profit margins. It is likely that you'll end up using a combination of the shipping techniques suggested below. In fact, in order to save the most money, I recommend using several shipping techniques at once.

Here are your options for pricing shipping:



Offer Free Shipping

Shipping is never free, but customers often expect it to be. In **one study**, 90% of participants said that free shipping was the top factor that influenced them to shop online more often.

However, offering free shipping is often impractical for merchants. After all, it puts the entire expense of your customers' orders on your shoulders. The question becomes: how can you offer free shipping and balance the costs?

In many cases, instead of offering universal free shipping, it might be better to choose from one of the following common options:

Offer Free Shipping for Purchases over a Set Dollar Amount

Offering free shipping on all purchases over a certain amount (\$25, \$50, \$100, etc.) can benefit your store in several ways. First, it provides customers with the free shipping they've come to expect, and second, it encourages larger order totals. You'll be able to sell a few more of your cheaper products as "add-on items" to help customers reach that set amount, and your profit margins will be better protected.

Offer Free Shipping to Specific Customer Groups

You can also choose to offer free shipping to customers who have proven their loyalty in the past. You could, for example, send out a free shipping promo code to customers who have made two or more purchases at your webstore.



Set Flat Rate Shipping

Flat rate shipping works best for merchants who sell products that are roughly the same size and weight. For example, a merchant who exclusively sells shoes could easily benefit from flat rate shipping as shipping expenses would not vary dramatically between products.

In order to calculate your flat rate, you should consider the average cost of each shipment you send out. That average is your flat rate.

One article from [Cart 66](#) suggests an alternative method for flat rate shipping. According to this article, \$5 is the magic number when it comes to flat rate shipping. Any more than \$5 might discourage your customer from purchasing (especially if your product is relatively small). In the case that shipping costs more than \$5, it's possible to simply add the difference in price onto the product price. For example, if it costs \$8 to ship one of your products, you can add \$3 to your product price and charge \$5 for shipping. That way, your customer isn't scared off by higher shipping rates, and you still have the price of shipping covered.



Integrate with Carriers for Real-Time Shipping Rates

Some SaaS platforms ([Shopify](#) and [Pinnacle Cart](#), for example) integrate with shipping carriers like USPS, UPS, and FedEx to give your customers real-time, accurate shipping rates on individual products. Customers cover the entire cost of shipping their products.

In order to set up automatic shipping calculations, you'll need to do a bit of work upfront, entering the weight and dimensions of each individual product into the advanced product information pages in your admin. This can take a considerable amount of time, especially if you sell a few thousand products. Check to see if your platform offers any bulk import features to simplify the data entry process.

Once that's taken care of, you may integrate with the shipping carriers of your choice. Hopefully, your eCommerce platform will offer pre-developed modules for this.

After some downloading and installing, your site should be ready to display accurate shipping calculations to your customers.

One Disadvantage

The biggest disadvantage of charging your customers full price for shipping is increased bounce rates. In [one study](#), 28% of participants said that the main reason they had abandoned a cart was due to shipping rates that were higher than anticipated. You'll have to weigh the risks and benefits as you make your decision.

Leveraging Last Mile Delivery

In order to reduce fees associated with private shipping couriers, you might consider using a public shipping service for the final delivery of your shipment. This sort of shipping model (shipping initially with UPS or FedEx and using USPS for final delivery) is called hybrid shipping. Transferring your product from a private carrier to USPS might take an extra day, but that additional day can cut down on fees from neighborhood deliveries. Not every carrier offers hybrid shipping. You'll have to call in personally to find out if it's available for you.

Consider Using a Shipping Software

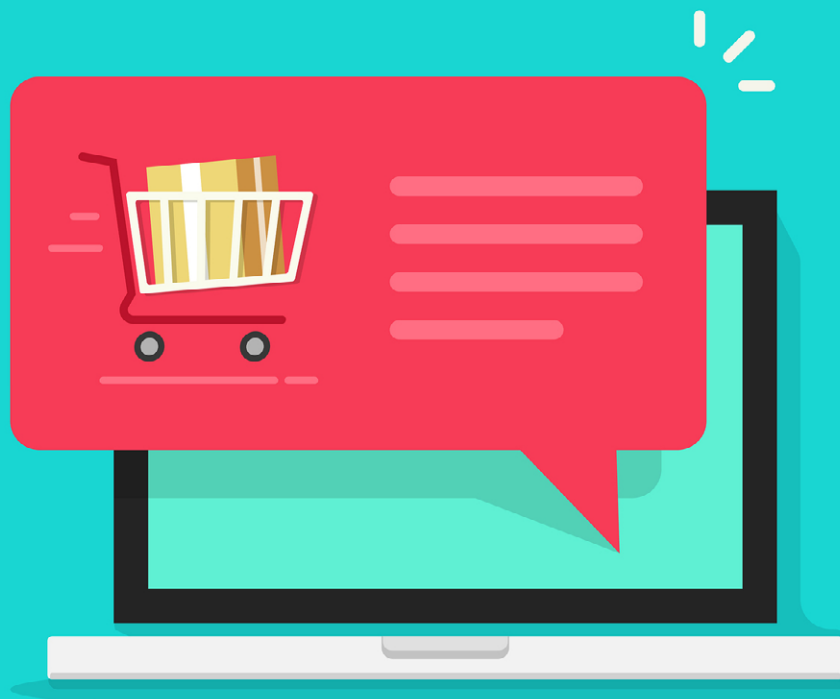
As you can see, there's a lot to take into account when figuring shipping for your products and locations, and it can be overwhelming. Fortunately, there are software programs out there to make things a little easier. You might consider looking into a few of the most popular fulfillment systems: ShippingEasy, Ordoro, and ShipStation. These programs help you compare shipping rates and automatically generate shipping labels and packing slips.

You may also be considering using drop shipping for your business. Lots of merchants and marketers tout the virtues of drop shipping, but I'm not particularly keen on it. We won't go into detail here about the potential problems associated with this method of shipping, but you can read my [article 7 Reasons to Rethink Drop Shipping](#) to learn more.

Mix It Up

As I mentioned above, it's very likely that the perfect shipping solution for your online store will involve a combination of shipping strategies. You might, for example, charge weight-based shipping rates on your larger products and use a flat rate for shipping your smaller accessories. On top of all of that, you could offer free shipping for orders over \$200.

The ideal strategy really depends on your specific business needs and the capabilities of your eCommerce software. Run the numbers on a few methods before you settle on any of them.



Tackling Taxes

Taxes are every merchant's nightmare. And unfortunately, sales tax for eCommerce businesses is much more complex than for brick-and-mortar businesses. I won't get too deep into the world of taxes—there are other books for that—but I will bring up some basics you'll need to know when you begin selling online across state lines.



Nexus

Nexus, a term that refers to the states in which you have sales tax responsibility, is one of the most important tax concepts for eCommerce retailers to understand.

You establish nexus in any state in which you have a physical presence. According to tax law, you have a physical presence in the states in which:

- ▶ You live
- ▶ You operate your business
- ▶ Your employees live
- ▶ You warehouse your products
- ▶ You sell at any trade shows or craft shows

You must pay sales tax to the states in which you have established nexus whenever you make a transaction in that state.

TO CLARIFY:

You are only required to collect sales tax when your customers are based in states in which you have established nexus. You do not have to collect any sales tax when you ship to states in which you do not have nexus.

For example, if you're a shoe seller based in Houston and shipping out of a warehouse in Sacramento, you have established nexus in both Texas and California. You must collect sales taxes from any customers in these two states. You will pay the taxes you collect from your Texan customers to Texas and taxes you collect from Californians to California. You do not have to collect sales tax from any customers outside of these states.

Origin-Based Sales Tax and Destination-Based Sales Tax

Unfortunately, sales tax collection is not uniform across the country. Sales tax rates are different in every state and county, and the way you calculate those rates varies depending on your home state's laws. The sales tax rate that you collect from customers *within your home state* is based on one of the following:

- A.** The location of your business (origin-based)
- B.** The locations of your customers (destination-based)

If you're doing business in an origin-based sales tax state, you're in luck! You'll collect the same sales tax rate from everyone within your state—the rate that your state and county charges.

On the other hand, if your state charges destination-based taxes, you'll have to collect taxes differently from every customer who purchases your goods, depending on the tax rates in their county. And *that* is a lot more work.

States (not your home state) in which you have nexus typically charge destination-based taxes which you pay directly to that state.

If all this makes your head spin, take a look at [this article](#) from TaxJar. It explains nexus and state tax laws in more detail than I have space for here.



Use a Tax Software

A lot of the software solutions that I've recommended in this eBook are completely optional. For example, you don't necessarily *need* a shipping software or a separate email marketing service. However, **you do need tax calculation software.**

Fortunately, many SaaS eCommerce solutions have a tax calculation function built-in. You won't have to pay any extra to use these features.

However, you may find that the available tax calculation features just aren't up to snuff. Tax laws are complicated, and if the built-in features can't handle your special tax circumstances, you might need something a little more robust.

In that case, I recommend integrating with a third-party software that specializes in taxes. [Avalara's Avatax](#) and [TaxJar](#) are popular solutions. Both help you accurately charge sales tax depending on the tax laws of your state, and they can even automatically generate tax reports you can use when it comes time to file.

Although specialized tax software won't take away all hassle from your sales tax calculations, it will certainly help.

Keep on Top of Taxes

Taxes are difficult no matter how you go about them. But, if you research your state sales tax laws beforehand and you have software to help you through, they won't be quite so scary. Just keep your records up to date and make sure you're ready for tax deadlines when they come.



Box It Up and Ship It Out

Are you ready to begin? Now that you've got a solid understanding of the steps involved in opening an online store, I encourage you to make the leap. Go out there, test your products, choose an eCommerce platform, and get optimizing, marketing, and selling!

And if you need more help choosing the right software to make that happen, take a look at [our reviews](#). We've researched and tested hundreds of payment processors, eCommerce platforms, and add-on software to help you know which are worth your time and which aren't worth the money.

As you move forward, I also urge you to continue your research. There's a lot more to eCommerce than I was able to include in this Beginner's Guide. Dive deeper into subjects you don't understand, stay on top of the industry's ever-shifting best practices, and become an expert in online selling.

You're already off to a great start.



eCommerce Glossary

Add-ons / Extensions / Integrations / Modules

Widgets and software that can be installed to add features to a software system. While some add-ons are free, most are available for purchase.

Admin / Backend

These terms refer to the work panel that you, the site owner, can access to make changes to your site and process orders.

Autoresponder

An email that sends automatically upon the completion of specified actions. You can set up autoresponder emails for order confirmations, shipping notifications, and customer satisfaction follow-ups.

Cloud-Based Software

The term “cloud-based” refers to the fact that your information is not stored on your computer. Rather, it’s stored in your host’s web servers. If you have an email account, you’re already using a form of web-based storage.

Content Delivery Network (CDN)

A system of servers located around the world. These servers allow you to bring your content closer to your site visitors, so your site loads faster.

Drop Shipping

A selling technique in which the online merchant does not store or ship any of their own products. Instead, a merchant enters into an agreement with wholesalers and manufacturers in which the suppliers agree to pick, pack, and ship products on behalf of the merchant. After the merchant receives a new order on their website, they simply notify the supplier, and the item is shipped directly to the customer. The merchant never touches the product.

HTML and CSS

Two coding languages used to build the look and feel of a website.

HTTPS

HTTPS stands for Hypertext Transfer Protocol Secure. It is the small tag line before a secure website's URL which ensures that data sent between the visitor's browser and the website is encrypted. HTTPS URL address bars are green.

Locally-Installed Software

A locally-installed platform is the opposite of a cloud-based platform. Users download the software to their computers and then find a web-host to push their information to the Internet.

Multivendor Platform

A software system that allows you to build your own marketplace. Essentially, you set up your own eBay or Etsy-type environment that enables individual vendors to sell their products on your site.

Omnichannel Solution

An all-inclusive selling system for online and brick-and-mortar stores. Omnichannel solutions provide tools for all aspect of selling and usually include modules for shopping carts, point of sale systems (POS), order management systems (OMS), customer relation management systems (CRM), call center capabilities, inventory management systems, and warehouse/ fulfillment center management systems.

Open Source

Software built on code that is freely available to the public. Open source systems do not cost anything to download and use. Typically these programs come with self-help support options only. Open source software is typically supported by a wide user base.

Payment Gateway

An integration that allows you to connect your eCommerce platform to your payment processor.

Payment Processor

A merchant account or a Payment Service Provider (PSP) that lets you accept payment from credit card transactions.

PCI DSS or PCI Compliance

Short for Payment Card Industry Data Security Standard or Payment Card Industry Compliant. eCommerce platforms that boast PCI compliance meet the payment card industry's security standards.

Point of Sale (POS)

In our context, POS stands for Point of Sale. In essence, the point of sale is the location at which a customer carries out a transaction. A POS system is a software system that keeps track of product inventory and transactions. Using hardware peripherals like barcode scanners, credit card readers, receipt printers, kitchen printers, and scales, POS systems can do even more.

Product Attributes / Product Options

If you're selling the same product in varying colors, sizes, styles, etc, you'll need "product attribute support." Those different options (and combinations of options) are all product attributes.

SaaS (Software as a Service)

SaaS is software that is offered on a subscription model. Customers pay monthly or yearly for access to the software. SaaS solutions often include hosting as well as customer service.

SSL Certificate

An SSL (Secure Sockets Layer) certificate is a security measure that encrypts the data that is transferred between a web browser and a web server. SSL certificates demonstrate to customers that your site is secure by enabling a HTTPS URL, displaying the secure padlock in your customer's search bar and turning the URL bar green. They are available as 128-bit shared SSL certificates and 256-bit certificates. You can read more about SSL certificates [here](#).

Storefront / Front End

Terms for the web pages your customers see when they visit your site (as opposed to Admin / Back End).

Template / Theme

Interchangeable terms to refer to the precoded design template upon which your site is built.

Visual Editor

Another word for a drag-and-drop editor. You can make changes to your site by clicking and rearranging elements on your storefront. You will see all of your changes in real time.

WYSIWYG Editor

WYSIWYG stands for What You See Is What You Get. A WYSIWYG editor lets you make changes to your content without messing with code like HTML or CSS. WYSIWYG editors typically resemble Word Docs embedded into your admin.

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Liz is a recent college graduate living in Washington state. As of late, she can often be found haunting eCommerce forums and waiting on hold with customer service representatives. When she's free, Liz loves to rock climb, watch Spanish dramas, and read poorly-written young adult novels.



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