



## Choosing an ecommerce platform with the lowest total cost of ownership

Having a competitive ecommerce site is a must in today's economy. According to the U.S. Census Bureau, consumers spent 36.2 billion dollars online in Q4 of 2007, a 36.7 percent increase over the same quarter just two years ago.

The growth in online spending makes it that much more critical to choose the right platform for an online store. There are numerous platforms available at varying price points, but the total cost of ownership comes down to a shopping cart's features, scalability, security, reliability, and support.

### I. Ecommerce Trends in 2008

As more and more consumers flock online to find bargains, more merchants are turning online to meet their needs. The landscape is getting competitive and ensuring that your shopping cart software has the tools to keep up determines if a business has the infrastructure to compete and grow.

#### **A. What ecommerce trends have we seen in 2007 that will continue through 2008?**

- Social and word-of-mouth marketing. 68 percent of all online shoppers look for customer reviews on websites. The average internet shopper tells 12 members, friends relatives and coworkers about their internet shopping experience, and this figure will only increase as more and more people bring their conversations online in public spaces. Having features such as customer reviews, email a friend capabilities, and integrations with third party social networks can be key to capitalizing on word of mouth marketing.
- Customers expect to see clean, easy to navigate websites. Following in suit with companies like Apple, online stores are cleaning up their interfaces in order to improve the user experience. Homepages are increasingly less cluttered. Companies large and small are launching websites that are also more personable with more detailed company and staff information. Design flexibility becomes key in expressing a company's identity and mission.
- Detailed and easy to use product pages improve conversion rates. If a customer does not have the information he or she needs to make an informed decision, he or she will probably turn to another online store to

meet that need. Color swatch functionality, flexibility with product options, and the ability to use custom html, multiple product photos, and even video become key.

- 2007 saw faster checkouts and less mandatory registration upon checkout. Three and four page checkout pages and the lack of a guest option upon checkout are detrimental to the user experience and can result in many lost sales.

## **B. What trends in online marketing play into an ecommerce platform?**

- Targeted email campaigns are crucial in achieving strong results. ISPs no longer judge emails by links, html usage, and images contained within an email. Major ISPs determine if emails should be marked as spam by measuring how frequently users open and mark those emails as spam. The ability to customize emails according to customer purchases becomes pivotal in creating successful email marketing campaigns.
- The Google algorithm changed in October 2007, and the other search engines are slowly following in suit. Google targeted paid links on various blogs and other sites, and then quickly targeted Pay-Per-Post bloggers who were paid to offer reviews. There is no SEO magic bullet anymore. For this reason, having a shopping cart with a CSS-driven, search engine friendly architecture becomes more crucial in staying on top of search engine result pages.
- As recession looms, online advertising budgets are shrinking. The ability to create custom html landing pages for search engine marketing campaigns will better improve conversion rates and improve ROI on ad buys.
- Online social networks such as Facebook, Myspace, and Twitter continue to grow. Social shopping sites such as StyleHive and Kaboodle are increasingly gaining more exposure. Creating personal and business profiles for these sites can be pivotal in targeting influencers around the globe.
- In a tight market, companies will be monitoring site statistics more than ever. The ability to monitor sales and the source of those sales becomes critical.

## **C. What measures should be taken to ensure reliable hosting?**

Cyber Monday, the Monday after Thanksgiving, is often the busiest online shopping day of the year. On Cyber Monday last year, over one-third of Yahoo Small Business customers could not process orders due to slowed server issues. This cost business owners millions of dollars. What sort of hosting factors determine your sites reliability and speed?

- Multiple backbones to the internet. Internet connections go down. This is seen at both the desktop and enterprise level. A reliable ecommerce host

- will have multiple connections to the web from each server to ensure that if one goes down, another will be able to pick up the slack.
- A checkout that is unique to each individual store. Using the same URL for every store's checkout on the same platform is like using one checkout for a shopping mall. Sites will slow significantly during high traffic periods.
  - Nightly backups. Writing SQL queries and changing code do not always go as anticipated. Having a copy of your data can save countless crucial hours fixing a store.
  - Offsite backups. Accidents and natural disasters happen, even to hosting environments. If something happens to the hosting environment where your store resides, you should not have to be left empty handed.

#### **D. How can you be sure your customers' information is secure on your site?**

256 million dollars.

That's what it cost TJ Maxx to deal with a server breach in January 2007. The initial estimate was \$25 million, but costs such as fixing the computer systems and dealing with lawsuits, investigations, and other claims associated with the breach increased costs tenfold.

*How can business owners be sure that they too do not become a statistic and poster child for why merchants should host credit card data responsibly?*

The major credit card companies have issued twelve requirements for hosting credit card data securely. These requirements range anywhere from updating anti-viral software and firewalls regularly, restricting access to data on a need-to-know basis, and securing audit trails. To see all of the twelve requirements, please read the [PCI Compliance Guide](#).

(<http://www.pcicomplianceguide.org/step3b.html>)

At an individual store level, these requirements are very cost prohibitive. Many ecommerce providers claim to be PCI compliant because their servers are scanned regularly. This is a dangerous claim, as many of the requirements go beyond scanning, and credit card companies will hold both the host and the merchant financially accountable for any breaches in the system. To find an ecommerce host that has been audited and meets the credit industry's standards, please see [Visa's list of PCI Certified vendors](#).

{[http://usa.visa.com/download/merchants/cisp\\_list\\_of\\_cisp\\_compliant\\_service\\_providers.pdf](http://usa.visa.com/download/merchants/cisp_list_of_cisp_compliant_service_providers.pdf)}

#### **E. How can integrations make your store more scalable and efficient?**

No two merchants have the same needs. Some have thousands of product skus, some have very few. Some have large sales staffs, and yet others run a one-person show. As merchants' needs increase and evolve, it is important to

be sure their ecommerce platform can grow with them. Rather than building thousands of features into a software and risking “feature creep”, integrations with third party software ensure that every business owner can be happy with their store.

What sort of integrations can become invaluable as a store grows?

- Accounting packages such as Quickbooks
- Inventory management software such as Stoneedge
- CRM software such as SalesForce
- Email marketing tools

## II. Choosing a Platform That is Right for You

The number of ecommerce options for business owners can be overwhelming. Between open source options, licensed solutions, and hosted solutions, it can be difficult to weigh the advantages of each type with the costs.

### A. Open Source Options

Open source solutions offer extreme flexibility. After all, if you can build it, you can use it. You are not restricted to the limitations of the code. An open source shopping cart compares to a custom built car. Developers can access to the source code without having to pay for it.

Although open source software is free, it does not come without expense. Much of the functionality that comes in licensed and hosted solutions will have to be built from scratch in an open source solution. There are no free upgrades and no support. Merchants using open source solutions will have to pay for PCI scans and provisions themselves, which are very costly and time consuming. In the words of Ecommerce Guide’s Kerry Watson, “When we consider the full costs of running an online open source e-commerce store, only a few, highly technical people can run a store that is truly free ( the value of their own labor notwithstanding). The rest of us need to be realistic about the true, full costs, because we will invest a good deal of cash into developing the online open source store of our dreams”. Watson put the costs of an open-source cart at thousands of dollars per year.

### B. Licensed Solutions

Licensed solutions offer many of the features of hosted solutions while still giving developers access to the code. The expense of a license solution simply depends on the number of features it includes and the support that comes with it.

Many store owners think they can purchase a licensed solution and not depend heavily on the use of a developer. However, purchasing a solution outright with the features offered in most hosted solutions is very costly. Anticipating development costs with licensed solutions can be very difficult. Upgrades can also be cumbersome, as custom code will break with every single upgrade.

Hosting is also not included and merchants are responsible for maintaining PCI standards themselves.

### **C. Hosted Solutions**

Hosted solutions do not come with the maintenance of open source and licensed alternatives. Although merchants do not own the code, they also do not have to pay developers, worry about upgrades, or take the measures to host securely and reliably. The infrastructure behind a fully functional ecommerce site is taken care of for them.

Developers sometimes claim that hosted solutions are a “one-size-fits-all” solution to ecommerce. However, a hosted solution with an API allows merchants to not only use the features available in a particular shopping cart, but the features in other programs that can be connected with that shopping cart. Considering the time and expense of building features from scratch, the expense of hosting data securely and reliably, and the upgrade hassles, a flexible hosted solution provides a lower total cost of ownership for small to medium sized online store owners.

## **III. Volusion Offers Features, Reliability, Security, and Flexibility at the Lowest Total Cost of Ownership**

Volusion took all of these factors into consideration to create the most well-rounded ecommerce solution for small to medium sized business owners. The various sections of the Volusion interface were taken directly from the needs of current Volusion customers.

### **A. Front End Interface**

Enhancing the user experience can be pivotal in converting visitors to buyers. However, the best user experience varies from industry to industry and company to company. That is why Volusion makes it easy to customize an online store both through its Administrative Area as well as in third party software such as Dreamweaver. The features, discount methods and look and feel of Volusion stores vary as much as the types of products they sell.

To view the vast variety of stores currently using this platform, please see the [Volusion Client Gallery](#).

Volusion merchants can offer their customers convenient options not seen in many large retail sites. Recently viewed items, related products, accessories, coupons, multiple color swatches of the same product, and breadcrumb trails are all included.

## **B. Marketing Tools**

### Email Marketing

It is more important than ever to make the most of your marketing budget in a slowed economy. Email marketing is a low cost, reliable, and proven means for reaching an audience. However, untargeted emails that do not convey your brand or benefit to your customers can end up getting you blocked by ISPs. That is why Volusion's software allows merchants to send 20 different, targeted email campaigns. These emails can be sent in simpler text form or in html to allow for more branding elements.

Volusion also integrates with major email marketing services for larger campaigns with more statistical data involved.

### Search Engine Optimization

Creating an aesthetically pleasing and easy-to-use shopping cart can be useless if customers cannot find you. Volusion's latest version of its software features more SEO friendly features than ever. The structure of the cart became more CSS based, created cleaner code that is easier for search engines to spider. Merchants also have flexibility to include text in various sections each page of their online store, including the home, category, and product pages. Such flexibility allows for more keywords to be included on a site, improving a merchant's chance of dominating search engine result pages for those keywords.

### Viral and Word of Mouth Marketing

According to a study done by MarketingSherpa, 58 percent of consumers test either "strongly" or "somewhat" preferred customer reviews. Websites that use customer reviews see a 20 percent average increase in sales over those that do not. Volusion's software includes this capability without any custom coding, as well as the ability for customers to spread the word about a particular product using "email a friend" capabilities.

So as to facilitate marketing through other channels, Volusion also offers affiliate marketing tools which can issue payouts to other websites on five different levels.

Volusion's API also integrates with MySpace and Facebook, allowing merchants to tap into these markets by listing their featured products on a company or personal profile. Such a profile allows merchants to connect with customers on a much more personable level.

### Stats Tracking

Tracking what works and what doesn't should be an everyday part of every business. Volusion allows all store owners to track search terms, ROI on search engine marketing and other advertising efforts, hitcounts, affiliate stats, returns, orders, and CRM tickets. Store owners also have the ability to write custom

queries to the database and create custom graphs for statistics not standard in Volusion's software. Analytics, Urchin, and Omniture can also be implemented as need be.

### **C. Administrative Capabilities**

Volusion's Admin Interface streamlines the day-to-day operations of running an online store. From importing inventory to printing shipping labels, Volusion's automation processes allow business owners to spend their time on the less mundane aspects of their jobs. Unlike many other shopping carts on the market, Volusion's admin interface can send and receive XML integrations, ensuring that any functionality not seen within the cart can be utilized in a third party application.

What sorts of processes are automated or facilitated using Volusion?

- A low inventory alarm automates an email to order more of a product
- Order and shipping confirmation emails
- Return management
- Packing slip, receipt, and invoice printing
- Emails to drop shippers in multiple warehouses
- Customers can change account information from front end of store

How can Volusion help companies with larger staffs?

- Administrative areas can be restricted to certain roles within company
- CRM tickets can be divided by department and prioritized
- Volusion integrates with Salesforce, Stone Edge, Endicia, and can send XML data sets to other specialized third part software systems.

### **D. Reliability**

Volusion spares no expense to ensure no site owner has to worry that his or her site will go down during a busy season. Every store is hosted with RackSpace and features multiple backbones to the internet, off-site tape rotation, advanced load balancing and nightly backups. Every store has its own unique checkout page. Unlike many other ecommerce providers, Volusion backs up every store offsite to ensure that your business is always secure.

### **E. Security**

Volusion is the most robust PCI Certified hosted solution on the market. Other carts can claim to be PCI compliant, but this can only be seen as a claim if they are not audited on each step of compliance. This certification means small business owners will not have to worry about the customer lawsuits, fines, and bad press associated with a data breach.

## **F. Support**

Volusion offers 24/7/365 domestic phone support. No matter how busy your store is or what time of night you call, someone will be available to solve your problem.

## **IV. Volusion Offers the Tools to Make Your Business a Success**

The less time an online business owner spends hassling with the tools it uses to sell, the more time he or she can spend acquiring, innovating, and marketing products. Volusion's shopping cart offers the most robust, reliable, and secure set of tools at the lowest cost of ownership in the ecommerce market.