**Training Fiche**

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| **Title** | Introduction to E-Business for Microenterprises: E-Commerce and Online Sales |
| **Keywords** | Business; E-Commerce; Online Store; Online Sales; Platform; Shopping Cart; Product Listing; Payment Gateway; Shipping; Market Segments; Terms and Conditions; Data Analysis; Customer Relationship Management |
| **Language** | English |
| **Objective and Goals**  |
| **At the end of this module, you will be able to:****E-COMMERCE*** Understand the basics of e-commerce, including key concepts, terms and principles
* Navigate the e-commerce landscape, form analysing opportunities to tips for a strategy

**ONLINE STORE*** Choose the ideal e-commerce platform for your business, also considering the differences between B2B and B2C operations
* Make informed decisions about specific activities for an online store

**ONLINE SALES*** Operationalise your business from strategy and first decisions to online sales operations
* Implement targeted strategies, such as CRM and data analytics, to optimise sales and conversions, effectively adapt to changing market, and expand your online presence
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| **Learning Outcomes** |
| * Identify key terms and concepts essential for a comprehensive understanding of e-commerce, such as platform, shopping cart, listing, payment gateways, shipping solutions, market segments, terms and conditions, data analysis, CRM
* Analyse the advantages of e-commerce, including global market reach, flexibility, cost-efficiency, data analytics, personalisation, and enhanced user experience
* Outline crucial steps for setting up an online store and scaling up online sales, encompassing market and audience understanding, platform selection, design, and strategic implementation
* Understand the importance of transitioning from setup to operationalisation through the implementation of a visibility strategy, including leveraging social media, online marketing, and establishing a strong online presence
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| **Contents arranged in 3 levels** |
| **UNIT 1: Introduction to E-Commerce****1.1 Understanding the Fundamentals of E-Commerce***“E-commerce can be defined generally as* ***the sale*** *or purchase* ***of goods or services****, whether between businesses, households, individuals or private organisations,* ***through electronic transactions*** *conducted via the internet or other computer-mediated (online communication) networks”*Source: [Eurostat, Glossary: E-commerce (2023)](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:E-commerce)**What is the e-commerce?****E-commerce**, short for electronic commerce and also known as **online commerce**, refers to the process of buying or selling tangible products and services through online marketplaces. This **dynamic process** comprises commercial transactions **with no need for physical contact**. It operates across various market segments and using diverse smart devices: PCs, tablets, smartphones, etc.Multiple parties are engaged in **an exchange of**:* **Data**
* **Currency**
* **Product(s) or service(s)**

**1.2 Navigating the E-Commerce Landscape**To navigate the e-commerce landscape effectively, let’s introduce the **key terms and concepts** for a comprehensive understanding of this dynamic process:* **E-commerce Platform**

The **infrastructure for displaying goods** for sale **via an online shop**. It is a **website** **or** an **app** and can be either by the seller itself (its **own website or app**) or a **third-party digital marketplace** (*eBay, Amazon, etc.).* The latter include social media marketplaces such as Facebook’s Marketplace, which allows the buying and selling directly on the social media.* **Shopping Cart**

A **virtual cart** on an online marketplace, often graphically placing ***in the top right-hand corner***, where adding products and services to purchase. It represents the customers’ selection for their online shopping and can be reviewed, modified and confirmed during the check-out phase.* **Product / Service Listing**

The **catalogue of products / services available**, entered one by one and grouped by categories, sections, etc. It includes the most important information per product such as image(s), features description, price, tags and other elements, often with the possibility to search by filters. Reviews are often added to the seller’s description giving the end user’s point of view.* **Payment Gateway**

A **technology service for enabling online payments** with an exchange of payment information between the customer, the merchant and the financial intermediary.It involves encryption and authentication measures for the protection of sensitive financial information and the security of online transactions.* **Shipping Solutions**

The set of **logistical services** involved in the delivery and eventual return of products or services to customers.These services include conditions, timing, costs, packaging, tracking and any options for shipping carriers (e.g., yourself or a third-party partner).* **Market Segments**

Distinct groups into which **different operational approaches** are categorised.These represent different types of e-commerce depending on the identity of the seller and the target audience, as follows:* Business-to-Consumer (B2C)
* Business-to-Business (B2B)
* Business-to-Government (B2G)
* Consumer-to-Consumer (C2C)
* Consumer-to-Business (C2B)
* … etc.
* **Terms and Conditions**

Usually abbreviated as T&C, they refer to the **set of rules, regulations, and contractual agreements** for the terms of service or product provision, as well as the rights and responsibilities of all parties involved.This set establishes expectations, obligations, and limitations for both the supplier and the customer.Covering key elements such as contract details, payment and pricing, delivery and return, liability and disclaimer, privacy policy, cancellation policy, intellectual property, and applicable law, T&C represent **the legal foundation of the transaction**, aiming to ensure clarity and legal binding.* **Data Collection System and Customer Relationship Management (CRM)**

Data and stats are essential for monitoring, tracking and analysing the results and, consequently, for making data-driven decisions.Within this framework, data analytics uses tools, software and procedures to **gather customer data, behaviour analysis and purchase history**. It serves for improving marketing and customer service. Collection of any data must be done in compliance with data protection policies and procedures.This **approach involving customer engagement, communication and data analysis** refers to the CRM.**1.3 Identifying Opportunities for E-Commerce**E-commerce (selling online) offers numerous **advantages and opportunities for enterprises**, representing their potential for entry, growth and success in the digital landscape – a **new opportunity for business**. These include:* **Global Market Reach:** Unlike physical shops, where customers are limited to their local area, through online commerce companies can **sell products to customers all over the world**. E-commerce therefore allows companies to expand their business and market, **overcoming physical and geographical limitations and reaching global audience**.
* **Flexibility and Accessibility**: As before, physical shops generally remain open with limited hours. E-commerce, on the other hand, allows customers to purchase products and services wherever they are, through numerous devices and, above all, at any time. As a result, sellers (companies) are able to **generate sales and profits 24/7**, taking advantage of customers’ different schedules and time zones.
* **Cost-Efficiency**: The costs for a digital presence, i.e. for starting and running an e-commerce, are usually lower than those for a physical shop. If not lower, the costs of an e-commerce are **more scalable and lower in terms of opportunity cost**.
* **Vocation for Data Analytics:** E-commerce provides companies with a wealth of data about various aspect (e.g., consumer behaviour) that, once collected, analysed and processed through the apposite tools, enables **data-driven decisions** to steer business strategies towards sustained growth and competitiveness.
* **Personalisation and Targeted Marketing**: Based on the above, consumer data enables companies to create **marketing campaigns and activities** (e.g. adv, pop-ups, etc.) tailored to a specific target group of consumers based on their preferences and behaviours. This has positive implications**, from customer engagement to customer loyalty**.
* **Adaptability and Management of Goods and Services**: Again, the data collected provides useful information for **possible diversification** of the offer, **to adapt** it **to new trends and customer demands**. E-commerce facilitates adaptability, ensuring that companies remain relevant and competitive.
* **User Experience Enhancement**: E-commerce amplifies the concept of user experience in customer relationship, employing **activities like intuitive website design and customer service**. This enhances the overall experience, **facilitating** quicker and more efficient progression to the **customer retention stage.**

**1.4 Developing Your Strategies**These are the **main steps** to successfully enter the world of e-commerce and develop your own strategies:**SETTING UP YOUR ONLINE STORE** – see unit 21. Understanding Your Market Segment and Target Audience
2. Selecting the Appropriate E-Commerce Platform
3. Designing a User-Friendly Online Store
4. Uploading the Right Products or Services in the Right Way
5. Implementing Secure Payment and Shipping Solutions
6. Gathering Data and Reviews

**SCALING UP YOUR ONLINE SALES** – see unit 31. Leveraging Social Media and Online Marketing for Visibility
2. Implementing Data Analytics and Customer Relationship Management
3. Expanding Your Online Presence
4. Adapting to Dynamic Market Trends
5. Monitoring and Managing Your Strategy

**UNIT 2: Setting Up Your Online Store****2.1 B2B vs B2C**Before embarking on any e-commerce activity, a company must **select** its **target market segment and**, consequently, its **target audience**. Regarding the market segment, these are the **essential models** from which a microenterprise – in our case – must choose for an effective online store setup:**Business-to-Business (B2B)*** Concerns transactions between two businesses
* Targets other businesses as final customers
* Typically involves customised wholesale orders with previous negotiations

**Business-to-Consumer (B2C)*** Concerns transactions between businesses and individual consumers
* Targets individual consumers as final customers
* Typically involves single or smaller transactions and direct sales

This selection must take into account objectives and offerings of the individual company. The correct segment enables effective and efficient allocation of efforts and resources. Within the segment, audience targeting must then be carried out, selecting the buyer persona to whom the offer and consumer engagement activities should be addressed.**2.2 E-Commerce Platform: How to Choose the Best One**Choosing an e-commerce platform is an important process that must be based on the **characteristics and needs of your business**. This process involves exploring the following **selection criteria**:* **Needs**: Assess your company’s unique needs and requirements
* **Compatibility**: Match the features and functionality of the platform to your business needs and requirements
* **Ease of use**: Choose a platform that aligns with the current and potential knowledge and skills of your team
* **Cost(s)**: Estimate and evaluate the start-up and running infrastructure costs and the opportunity cost
* **Scalability**: Ensure the platform adds value to the business and, vice versa, the business adds value to the platform, so that both grow

After assessing the previous criteria, there are essentially **two alternative routes**: **1. Building Your Own Online Store*** **Website Building Platforms**: Platforms such as *Shopify* are ideal for companies with no skills and knowledge in website. These platforms allow you to build **your** **online store via their tools and pre-sets**
* **Customised Website**: Unlike pre-set built websites, these are infrastructurally more complex but **more flexible and with more functions and features**. They are the option of companies with **greater in-house expertise or** who **outsource** the work to web design agencies

**2. Selling on a Third-Party Platform*** **Online Marketplaces**: Platforms like *Etsy*, *eBay* and *Amazon* offer visibility through access to a **ready but competitive audience**. They provide **infrastructure support** for managing payments, shipping, order tracking, returns, and product listing templates
* **Social Media Marketplaces**: Platforms like *Facebook Marketplace* are suitable for businesses that focus on **social media as direct selling channel** or have **limited inventory**

**2.3 Designing Your Online Store**Once you have opted for the right e-commerce platform, start designing your online store. To make your store fit well with your business idea, **use customised elements to reflect your brand identity** (**Branding Consistency**).Other **key features** of a well-designed online store are:* **Accessible and Intuitive Interface**: Create an user-friendly design for effective navigation
* **Mobile-Friendly**: As online commerce is going mobile (m-commerce), adapt and optimise content and payments for various devices, especially mobile ones
* **Quality Orientation**: Present your services and products with HQ images and detailed captions
* **Search Functionality**: Implement a search tool to easily navigate the store and locate services and products
* **UX Tools**: Include tools and features such as a customer review form and ad hoc products recommendations

**2.4 Product and Services Listing and Captions**In a well-designed online store, the next step for an effective e-commerce strategy involves an **effective product** (i.e., products or services) **listing with the addition of optimised image and description**.Whether you sell tangible products or digital products / services and after choosing which products to sell, the **three basic elements** to add those products to your online store are:**1. Title and Description*** When crafting product listing, utilise **concise title** and a **comprehensive description** that goes beyond listing features, emphasising how the product brings benefits to customers (**Benefits Over Features**)
* Highlight unique advantages over competitors (**Unique Selling Proposition**)
* **Anticipate consumer expectations** and questions, understanding your target audience
* Craft a consumer-oriented **call-to-action** to engage and convert, prompting them to envision using your products
* Incorporate **keywords fo**r search engine optimization (**SEO**)

**2. Photos or Visual Elements**Within the media section of your product page, upload various visual elements such as **photos, videos, photo an video series, or cut and 3d models**. They enhance the **tangible presentation of your product** through additional visual details.Maintain authenticity by ensuring that visual elements accurately and professionally represent the product (**Consistency**).Opt for clear, HQ and captivating elements to showcase your product well (**High-Quality Product Display**).**3. Price**When deciding on the selling price of your product, **consider** the **per-product cost**, **overall logistics cost**, and factors influencing **discounts and margins**.Here are **three** **advices**:* Display clear prices for all product compositions, such as single product vs duo-pack (**Pricing Transparency**)
* **Avoid underestimating your product**; a lower price does not necessarily lead to increased sales. Consumers often use the price as a quick gauge for quality, influencing their decisions accordingly
* Generate a sense of urgency in consumers through time-sensitive promotions (**Limited-Time Offers**)

Directly from the *Shopify* dashboard for product listing, let’s observe **an example of title, description, image and price**.Title: Born to be Mild Thai Chillihot sauce photo bottle 2cost per itemProduct description example**Source**: *Shopify,* [*How to Start an Online Store in 2023 (Step-by-Step Guide)*](https://www.shopify.com/blog/start-online-store)**2.5 Payment and Shipping Solutions**Once the products are listed, it is time to ensure **smooth transactions and deliveries.**On the payment side, it is necessary to integrate **reliable payment gateways** for secure transactions, and also ensuring **different payment options** to meet customers’ needs and preferences - as many as possible - including:* **Debit, Credit and Pre-Paid Cards**

**Example**: Payments circuits such as *Visa, Mastercard** **Payment Platforms and Redirects**

**Example**: *PayPal** **Mobile Wallets and E-Wallets**

**Example**: One-click payment tools like *Apple Pay, Google Pay* and *Skrill** **Buy Now, Pay Later (BNLP)**

**Example**: Instalment payment system like *Klarna** **Cash on Delivery (COD)**

**Example**: Payment system on product delivery* **Innovative Checkout Options**

**Example**: Order online and pay in-store* **Gift Cards and Vouchers**

**Example**: Coupon and voucher redemption system to replace or supplement the currency* **Direct Bank Transfer**

**Example**: Traditional option for those who prefer it* **Innovative Payments**

**Example**: Payment with cryptocurrencies such as Bitcoin for those who prefer to pay with innovative methodsOn the other side (shipping solutions) there are essentially **two alternative (or complementary) solutions** to fulfil orders:1. **Your Internal Logistic**
2. **Third-Party Logistic Partner(s)**

In both scenarios, careful consideration of the following **shipping options / variables**, is important **to shaping your logistics offering** from a customer service perspective:* **Packaging Options**: **Material** choices based on product **protection and marketing** associated with its presentation
* **Shipping Costs**: Introduction of **various plans** based time, distance, size, and subscription vs one-time purchase
* **Shipping Time**: Presentation of a **timeline** based on product availability, warehouse location, distances, and activities involved in the outbound logistics process
* **Shipping Track System**: Preparation of a system for **monitoring shipments** from order processing to delivery
* **Shipping Policies**: Introduction of **return and refund options** for enhanced customer service
* **Shipping Availability**: Potential inclusion of **expanded zones** tailored to your target market and audience

**2.6 Data Collection System and Review**In every aspect of your online store, from customer interactions to logistic, **having a robust data collection system** is essential. This system captures **valuable information** such as: contact information, email, search and purchase stats, time spent on product descriptions, shipment details, etc.It is crucial to implement this while adhering to data protection regulations – **ensuring GDPR compliance** - and with the ultimate goal of utilising the **collected data** as valuable resources for data analysis and, consequently, **for insightful data-driven decisions**.**From data to direct information…**Besides the data collected from consumers, as mentioned earlier, it is recommended to actively gather **direct information through testimonials and reviews**. Therefore, incorporate into your strategy and as a service of your online store a **dedicated review section**, and consider **sending emails to request feedback** as a follow-up from the customer for each purchased item.**UNIT 3: Scaling Up Your Online Sales****3.1 Implementing a Visibility Strategy**From setting up an online store to maximising sales… what happens **after launching** your online store?Now **it is the turn to operationalise the business**, by attracting potential customers and with the aim to carry out successful online sales operations.Transitioning from the setup phase to operationalisation means came across and overcome **the following bridge**:* The **implementation of a visibility strategy**

In terms of e-commerce and online, a visibility strategy is outlined in the following **key activities**:* **Leveraging Social Media**: Harness the power of social media platforms for enhanced visibility. Strategic use of channels like Facebook, Instagram, and also WhatsApp can broaden your audience reach (and management)
* **Online Marketing Tactics**: Explore effective online marketing tactics to boost visibility. From SEO strategies to targeted advertisements, tailor your approach to your business and customers’ needs
* **Attracting Potential Customers**: Implement strategies to attract potential customers. Whether through promotions, engaging content, or influencer collaborations, draw attention to your products or services
* **Establishing Online Presence**: Strengthen your online presence through consistent branding and messaging. Create and maintain a cohesive brand identity that matches and resonates with your target audience

**As a corollary** to the visibility strategy that generates contacts and potential customers, consider implementing **additional strategies** that guide the customers in their **customer journey** – from the contact phase to loyalty, through the purchase of goods and services, and consequently, profit for the business.**3.2 The Function of Data Analytics and CRM**These **additional strategies** within the customer journey refer to:**1. Data Analytics*** Harness insights from customer behaviour, preferences and trends
* Optimise website performance based on data-driven analysis
* Fine-tune marketing strategies for maximum impact

**Example**: Utilising Google Analytics to track customer behaviour on the website, identifying peak visit times and popular product pages for targeted promotions**2. Customer Relationship Management (CRM)*** Build and strengthen relationships with customers at every touchpoint
* Implement personalised communication campaigns
* Utilise customer data for effective problem resolution and improved satisfaction

**Example**: Setting up automated follow-up emails for customers who abandoned their shopping carts, providing them with incentives to complete their purchase and enhancing conversion rates**3.3 Adapting to Dynamic Market Conditions**In monitoring and managing your e-commerce strategy, you must be **ready to adapt to the changing and evolving dynamics** of the market. Here are **three tips** to *‘****stay on top of things****’*: **1. Stay Agile**Regularly assess market trends, consumer preferences, and competition**Example**: Swiftly adjusting product offerings or promotional strategies based on real-time market data, ensuring relevance and competitiveness**2. Anticipate Changes**Proactively identify potential shifts in the market landscape**Example**: Monitoring emerging trends and consumer sentiments to predict shifts, allowing timely adjustments to marketing and product strategies**3. Flexibility in Operations**Design strategies that can flexibly adapt to unforeseen market changes**Example**: Having contingency plans for supply chain disruptions or sudden shifts in consumer behaviour, ensuring resilience and adaptability |
| **Self-evaluation (5 multiple choice queries and answers)** |
| **1. What is e-commerce, as defined by Eurostat?**1. An exchange of goods and services between businesses
2. **The sale or purchase of products through electronic transactions conducted online**
3. The process of negotiating contracts between private organisations
4. A digital marketplace for social media interactions

**2. Which of the following represents a logistical service in e-commerce?**1. E-commerce Platform
2. Shopping Cart
3. Payment Gateways
4. **Shipping Solutions**

**3. What does B2B stand for in the context of e-commerce?**1. Business-to-Consumer
2. **Business-to-Business**
3. Buyer-to-Buyer
4. Business-to-Buyer

**4. What is a crucial factor when designing an online store for effective navigation?**1. **Accessibility and Intuitive Interface**
2. Complex interface to engage users
3. Limited adaptability for various devices
4. Exclusive focus on desktop users

**5. How does data analytics contribute to e-commerce strategy?**1. By processing payments securely
2. **By tracking customer behaviour, preferences, and trends for data-driven decisions**
3. By managing shipping and logistics efficiently
4. By creating visually appealing product listings
 |
| **Define the EQF (EU Qualification Framework) level of our training (3-5)** |
| Level 3**X** Level 4Level 5 |
| **Cross-reference: DigComp 2.2 + EntreComp** |
| [ ]  **Information and data literacy**[x]  **Communication and collaboration**[ ]  **Digital content creation**[ ]  **Safety**[ ]  **Problem solving****Competence(s):*** Interacting through digital technologies
 | [x]  **Ideas & opportunities**[ ]  **Resources**[ ]  **Into action****Competence(s):*** Spotting opportunities
 |
| **Glossary (max 5 terms)** | **Cryptocurrencies**: Digital or virtual currencies that use cryptography for security and operate on decentralised networks, such as Bitcoin, for making online transactions**User Experience (UX):** Encompasses all aspects of a user’s interaction with a company, its services, and its products. It focuses on enhancing the overall experience and satisfaction a user gains from using a particular product or service**User Interface (UI):** The point of interaction between a user and a digital device or software, including elements like buttons, icons, screens, and other visual components that facilitate user interaction.**General Data Protection Regulation (GDPR):** A comprehensive European Union regulation designed to protect the privacy and personal data of individuals. It establishes guidelines for the collection, processing, and storage of personal information by businesses and organisations**Search Engine Optimisation (SEO):** The practice of optimising digital content, including website pages and online materials, to improve its visibility on search engines like Google. The goal is to increase organic (non-paid) traffic to a website by ranking higher in search engine results pages |
| **Resources (videos, reference link)** | From Shopify dashboard: an example of title, description, image and price – [How to Start an Online Store in 2023 (Step-by-Step Guide](https://www.shopify.com/blog/start-online-store) |
| **Provided By** | IDP European Consultants |
| **Bibliography**  | <https://www.bgateway.com/resources/e-commerce-and-selling-online-the-fundamentals><https://www.investopedia.com/terms/e/ecommerce.asp><https://www.shopify.com/blog/what-is-ecommerce><https://www.shopify.com/blog/start-online-store#5> |
| **Related PPT** | MICRO 2 WP3 Training on E-Commerce - IDP - EN version.pptx |
| **Related Materials** | N/A |