

E-COMMERCE Mastery **DAY 02**



E-COMMERCE TERMINOLOGY Continued...



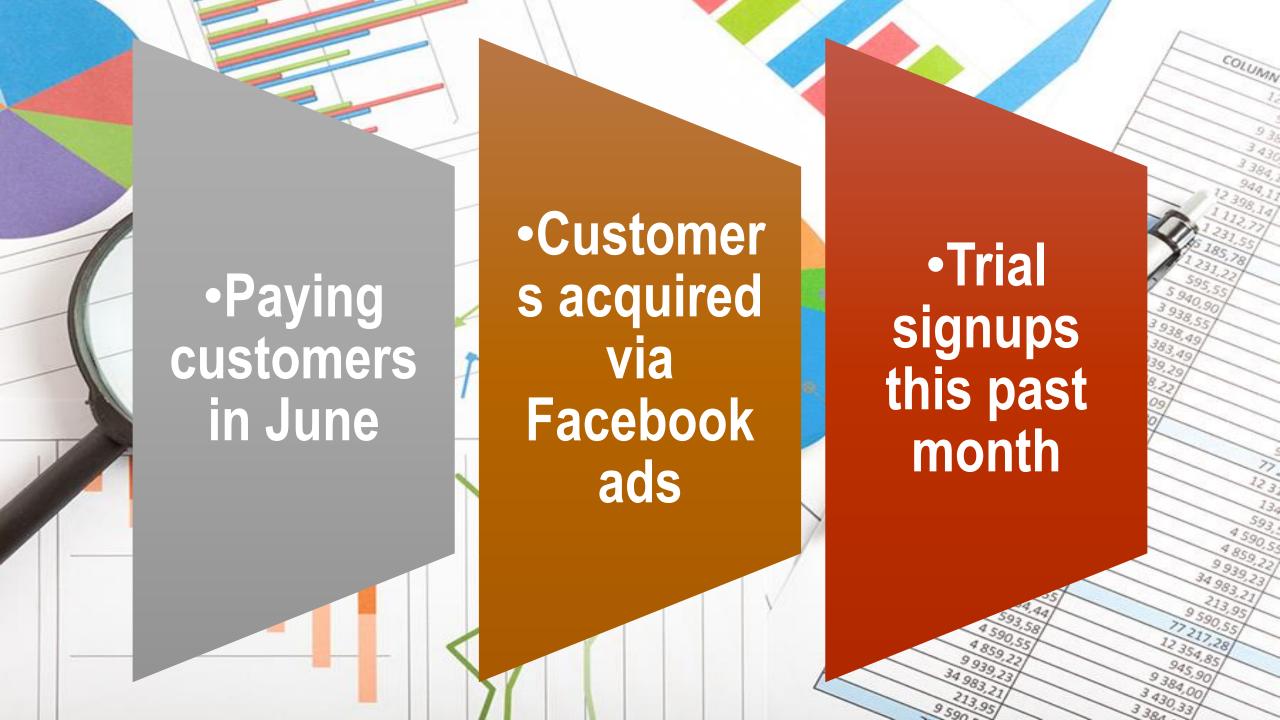
An analysis of customer behaviors, during a specified time frame, of a subset of your ecommerce customers that have been segmented from all your visitors based on shared characteristics.

In Ecommerce Circles, A Cohort Is A Group Of Customers Grouped Together By A Common Characteristic That They've Shared Over A Specific Period Of Time.





FOR EXAMPLE IT COULD BE A GROUP OF CUSTOMERS WHO SHOPPED WITH YOU IN THE LAST 12 MONTHS.



COHORT ANALYSIS AND ITS ROLE IN ECOMMERCE



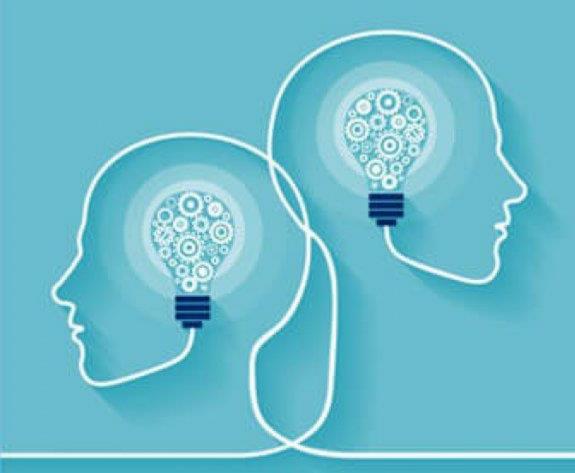








Cohort analysis can give you an insight into whether or not you really need a loyalty program.



Cohort analysis can give you a clear picture of your purchase funnel.

Cohort analysis is crucial to the success of your online store. It allows you to have an overall understanding of your customers and their individual behaviour.



When you transform an online store visitor into a paying customer.





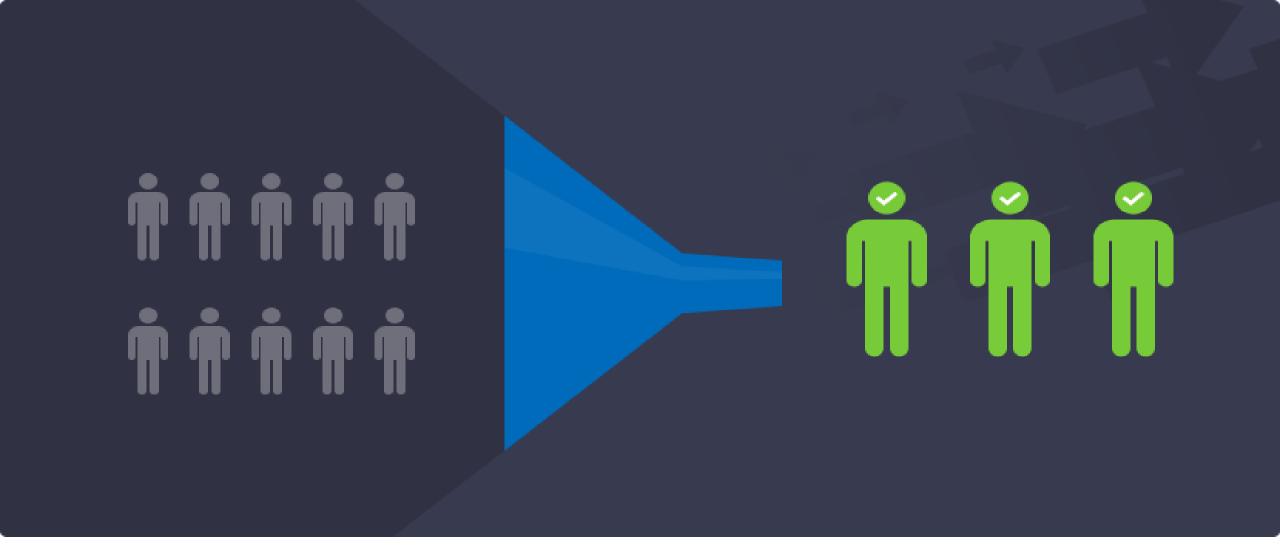
the events that your customers follow to conversion.

IT'S CALLED A FUNNEL BECAUSE A PERCENTAGE OF VISITORS LEAVE YOUR WEBSITE AT EACH EVENT ALONG THE JOURNEY.

AT CONVERSION, THERE ARE FEWER POTENTIAL CUSTOMERS THAN THERE WERE AT THE START.

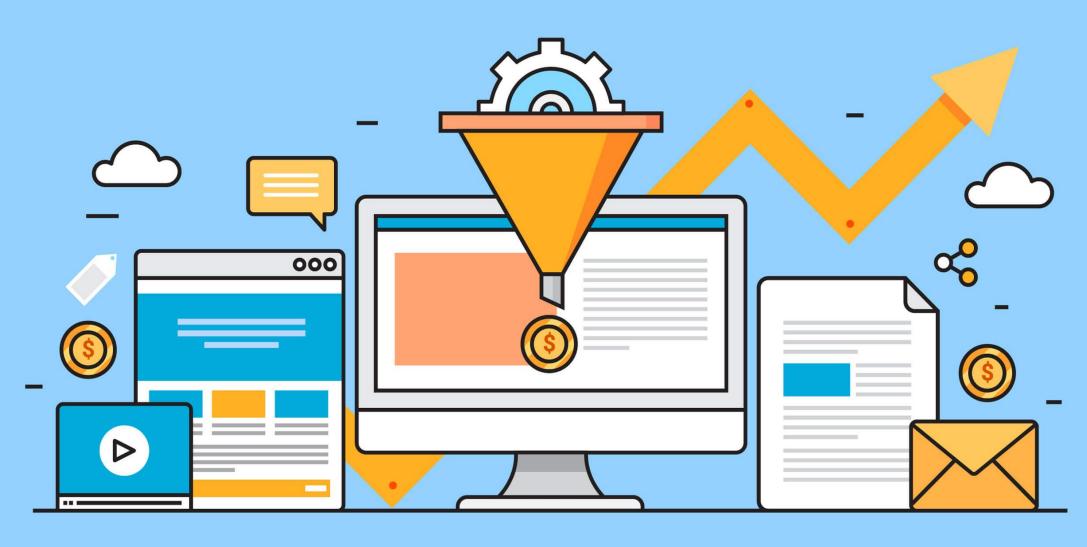


CONVERSION RATE



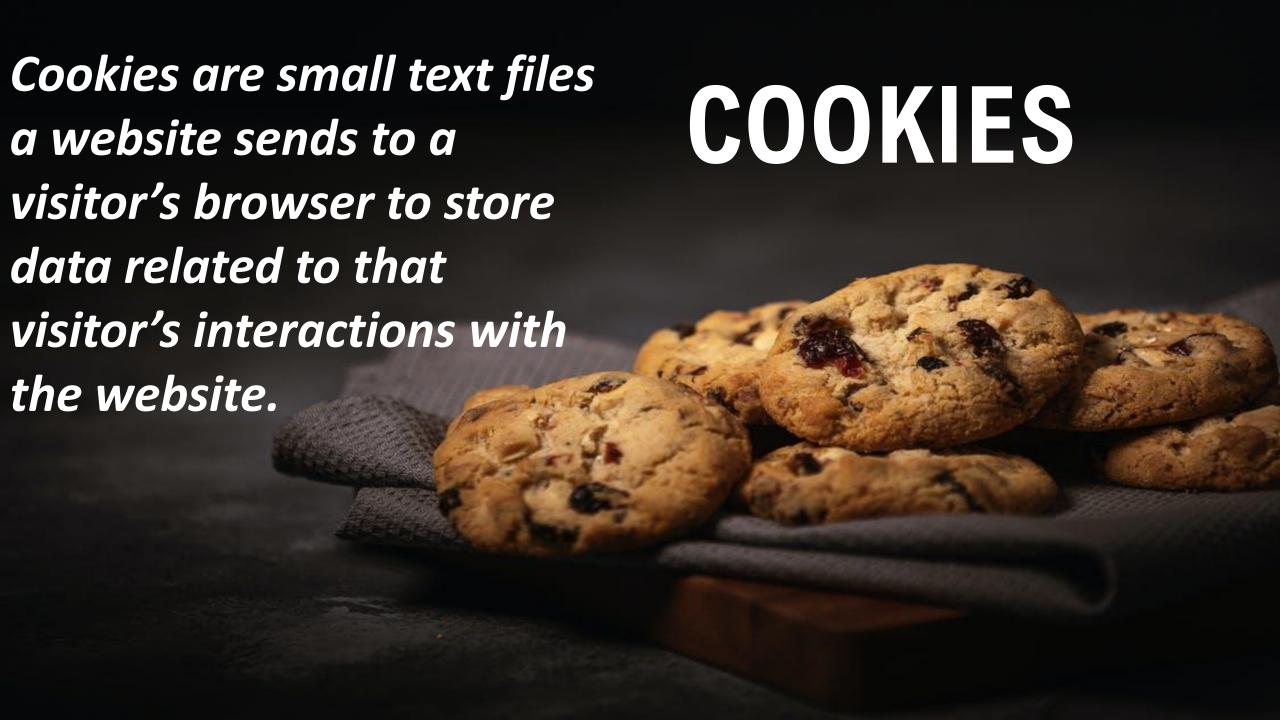
Conversion Rate Looks At The Percentage Of Online Store Visitors Who Become Paying Customers.

CONVERSION RATE OPTIMIZATION



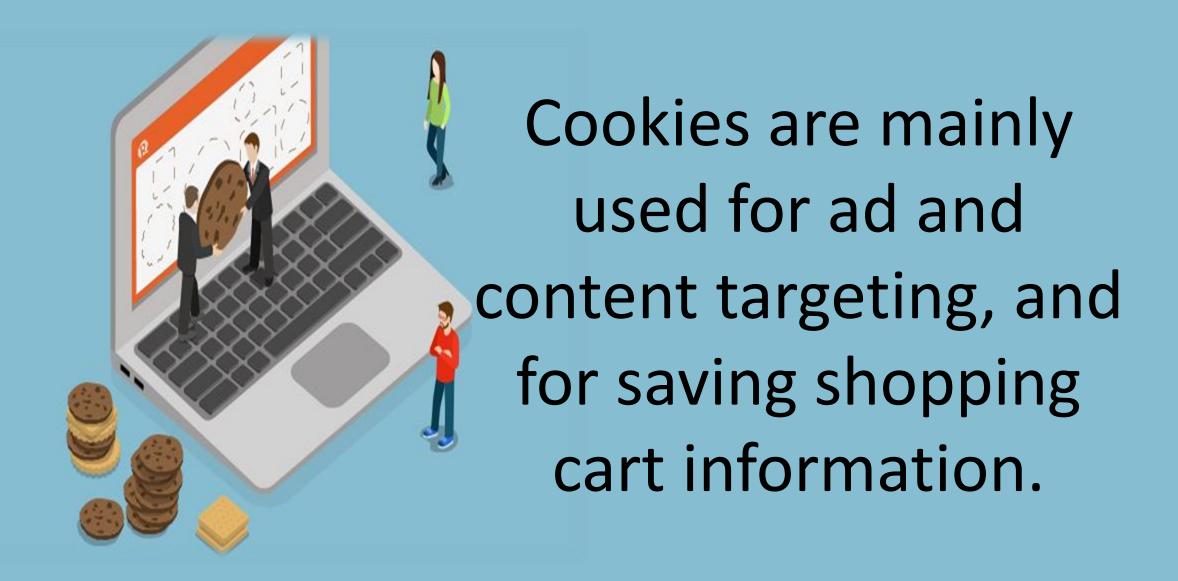


CRO is a marketing effort to drive conversions by improving an ecommerce website's layout, content and design, landing pages, and sponsored search ads.





These text files are sent back to the server each time the visitor accesses the website.





CROSS-SELLING

When a seller offers additional products that complement, enhance, or relate to a product being sold is crossselling.



For Example, Mobile
Phone Coverage
Plans With A Mobile
Phone.

CUSTOMER LIFETIME VALUE (CLV)

Customer lifetime value is the predicted revenue that a customer can generate for your business during all their interactions with your online store.



DISCOUNT CODE (OR COUPON, OR PROMO CODE)

A code, usually a short series of numbers and/or letters, that online shoppers enter at checkout for special offers or discounts.



DISCOUNT RATE

Discount rate is the fee that an online merchant pays to its third-party payment processor for processing credit card payments typically a small percentage of each payment processed.





DROPSHIPPING

Drop shipping is the process of an online store working with wholesale suppliers for the delivery of products by passing them shipping information about each customer order.



Promotion of your products and services to a targeted audience through email. Email marketing gets one of the highest ROIs when compared to other marketing channels.

EVENT-TRIGGERED EMAIL

Event-triggered emails are sent to subscribers based on specific events, such as a special offer tied to a subscriber's birthday or wedding anniversary. Also known as transactional or automated emails.



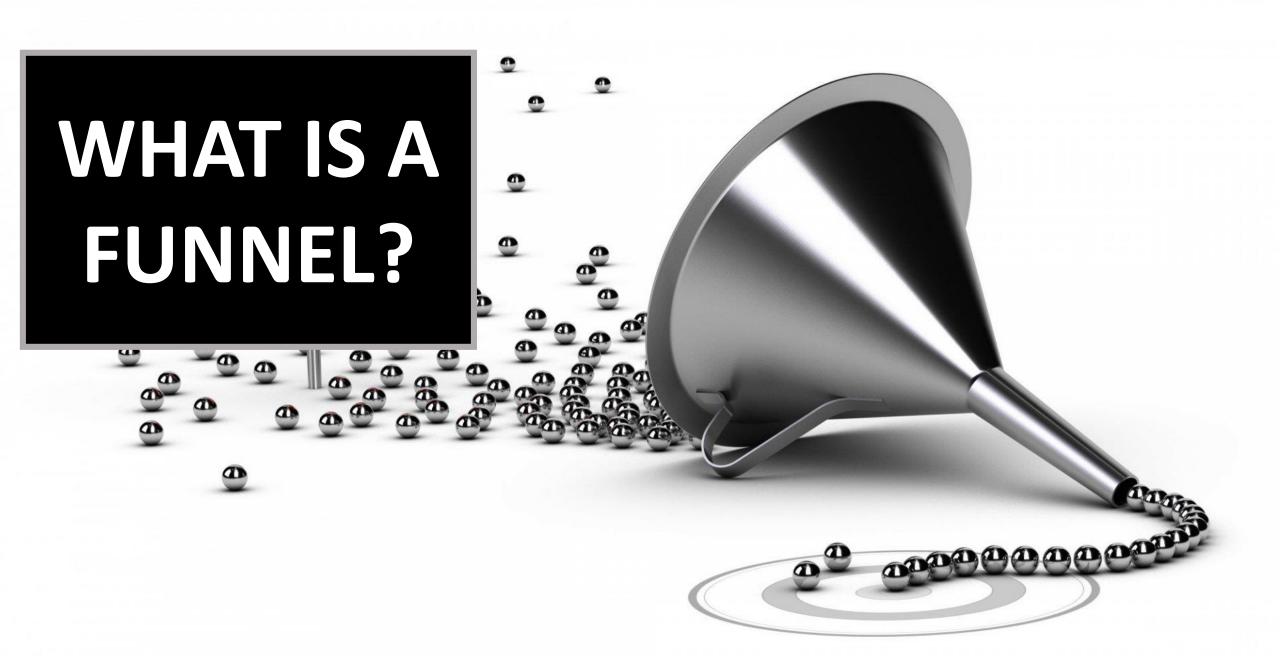


Fulfillment is the receipt, processing, packaging, and shipping of orders made through your online store.

GATEWAY (OR PAYMENT GATEWAY)

An ecommerce service provider that communicates with your merchant account provider to authorize and process credit card payments.







An Online Marketing Funnel Is Strategic Way Of Tracking How Your Marketing Guides Potential Customers Through The Buying Process.

Digital Marketing Funnel



The Digital Marketing Funnel

(how companies attract and retain customers via the web)

Exposure

Inbound: organic search, social media, content, community, press, blogosphere, forums, referring links, email, direct, word-of-mouth, etc.

Ads: search, display, affiliate, video, social, etc.

Discovery

The first few visits to the website are often focused on consuming content and learning more about the company and products/services.

Consideration

At some point, a visitor becomes a potential customer as they consider whether the product offered is a match for their needs.

Conversion

The completion of an action on the site converts visitors to customers.

Customer Relationship

Customer service, fulfillment, communication, and happines with the product all play into the post-conversion experience

Retention

If customers have great experiences, they often return/stay.

Digital Marketing Funnel (Tools)





Growth hacking is a marketing approach that blends analytics, traditional marketing, and product engineering to sell products, advertise services, and gain exposure rapidly.

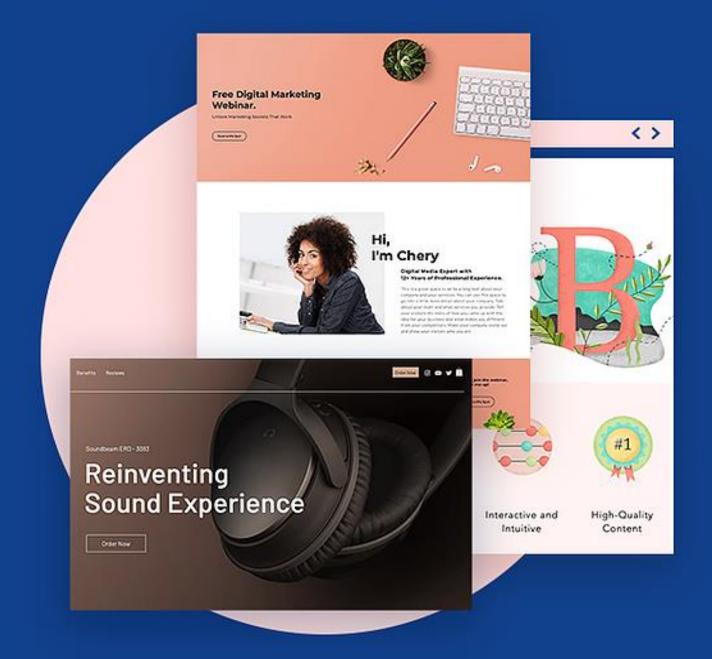


Inventory is a retailer's or ecommerce store's products on hand, waiting to be sold.

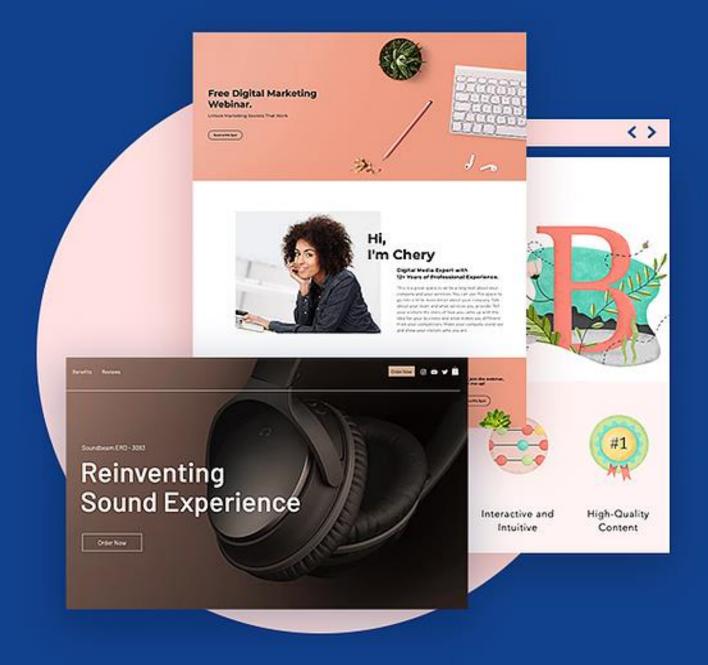
KEYWORD STUFFING

Keyword stuffing is an SEO technique that overloads a webpage with as many keywords as possible, often without context, to manipulate a site's search engine ranking.

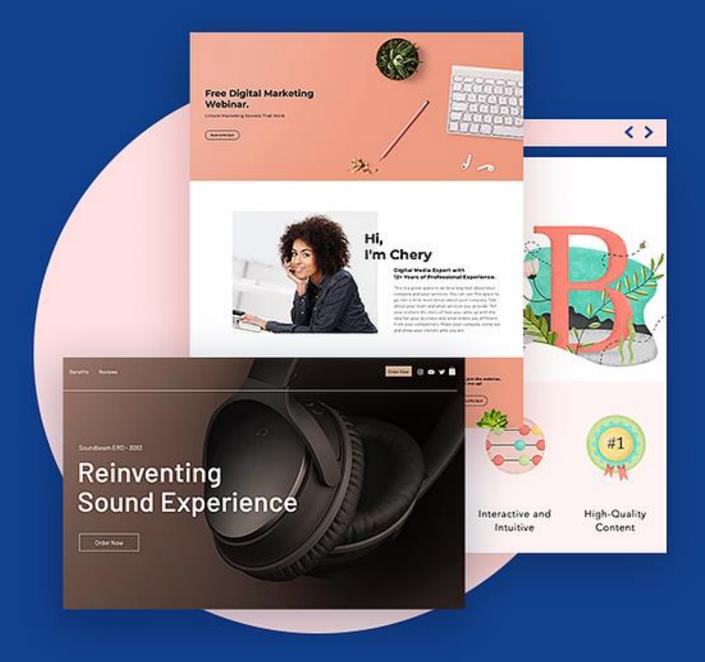
LANDING PAGE



A landing page is a single webpage on a site where a visitor arrives after clicking a link, often from an email.



Such pages can exist to prompt a visitor to complete a call to action, such as signing up as an email subscriber or becoming a member of a special customer group.





A fee that some online auction websites charge sellers to list products or services.



MARGIN (OR PROFIT MARGIN)



MERCHANT ACCOUNT PROVIDER



Merchant account provider is an online account service provider that lets ecommerce businesses accept debit and credit payments, and temporarily holds the money until it's transferred to the business's bank account.



MOBILE COMMERCE (M-COMMERCE)

The use of wireless electronic mobile devices such as cellphones, smartphones, and tablets to buy and sell products and services online.





The use of third-party vendors to support business needs to reduce overhead costs.

PARTIAL SHIPMENT

Partial shipment is when you send only part of an order to a customer and fulfill the order in multiple deliveries.



PATH LENGTH

how long, in interactions, it takes visitors to your ecommerce site to become customers.

PAYMENT CARD INDUSTRY (PCI) COMPLIANCE

PCI is a set of requirements to ensure you protect your customers' credit card information when stored, processed, or transmitted.





PAYMENT SERVICE PROVIDER





An ecommerce service that lets online stores accept and process multiple payment methods, such as credit cards, direct debits, bank transfers, and real-time online banking.







PAY PER CLICK - PPC



An advertising model in which the business pays only when someone clicks an ad and is directed to the retail website.





POS is software that lets an online store accept transactions, manage inventory, add products, process payments, and send receipts digitally. For physical stores, this can also be a piece of machinery that has a register, till, and card reader.



A transaction wherein a customer authorizes an online store to automatically charge a credit card for regular delivery of products or services.

SEARCH ENGINE OPTIMIZATION (SEO)



SEO is a strategy, process, and tactic to improve an online store's website content to make it easier for search engine bots to index the site and to drive up its search ranking.

SHIPPING



SHOPPING CART

A virtual representation of a shopping cart that lists the items that a customer has identified for purchase on your website.





TIME LAG

Google Analytics measures time lag to summarize how long, in days, it takes your website visitors to become customers.



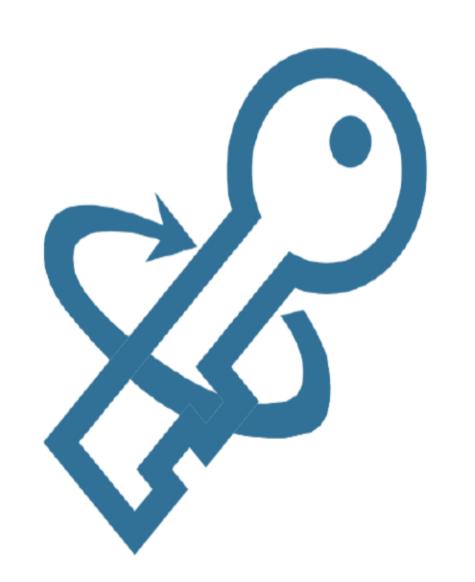


An external service that helps merchants accept and process online payments even without a merchant account, such as PayPal.

TRANSACTION



A transaction is simply a record of the actions taken for each order.



TURNKEY

Turnkey refers to software sold as complete and ready to operate.





FIVE VALUE DELIVERY METHODS FOR ECOMMERCE INNOVATION

If your business model is the car, then your value delivery method is the engine.





1. D2C - DIRECT TO CONSUMER

















4. DROPSHIPPIN G







5. SUBSCRIPTION SERVICE











Niche stores may have less customers than large, department-style stores, but that's precisely the point. With less customers, you can more accurately optimize your sales strategies, especially when your customers have a lot in common.





PRICING — from premium, luxury items to affordable, dollar-store brands



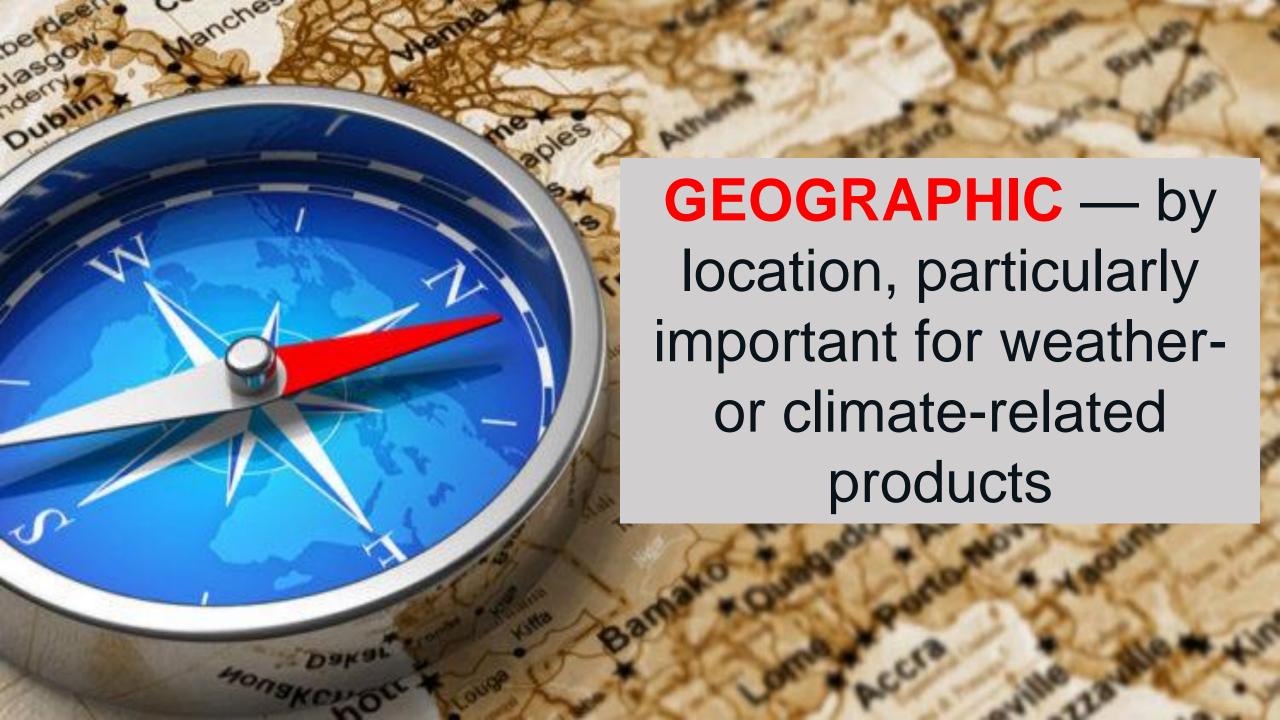
DEMOGRAPHIC — by personal characteristics like age, gender, income, etc.





PSYCHOGRAPHICS — similar to demographics, but with mindsets: moral principles, religious beliefs, attitudes, etc.





Niche groups may be smaller, but niche shoppers tend to share characteristics and shopping behaviors.





Why are niches important for e-commerce?





THE SHORT ANSWER IS: COMPETITION

There are a lot of ecommerce stores online today, and if you're a small or medium-sized company, you don't have the resources to fend off rivals for every single market group.







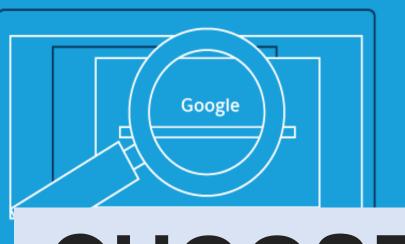




REFER TO THE DAY 2/100 DIGITAL MASTERY NOTES AND RECORDINGS

CHOOSING E-commerce Niche



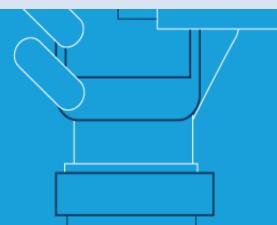


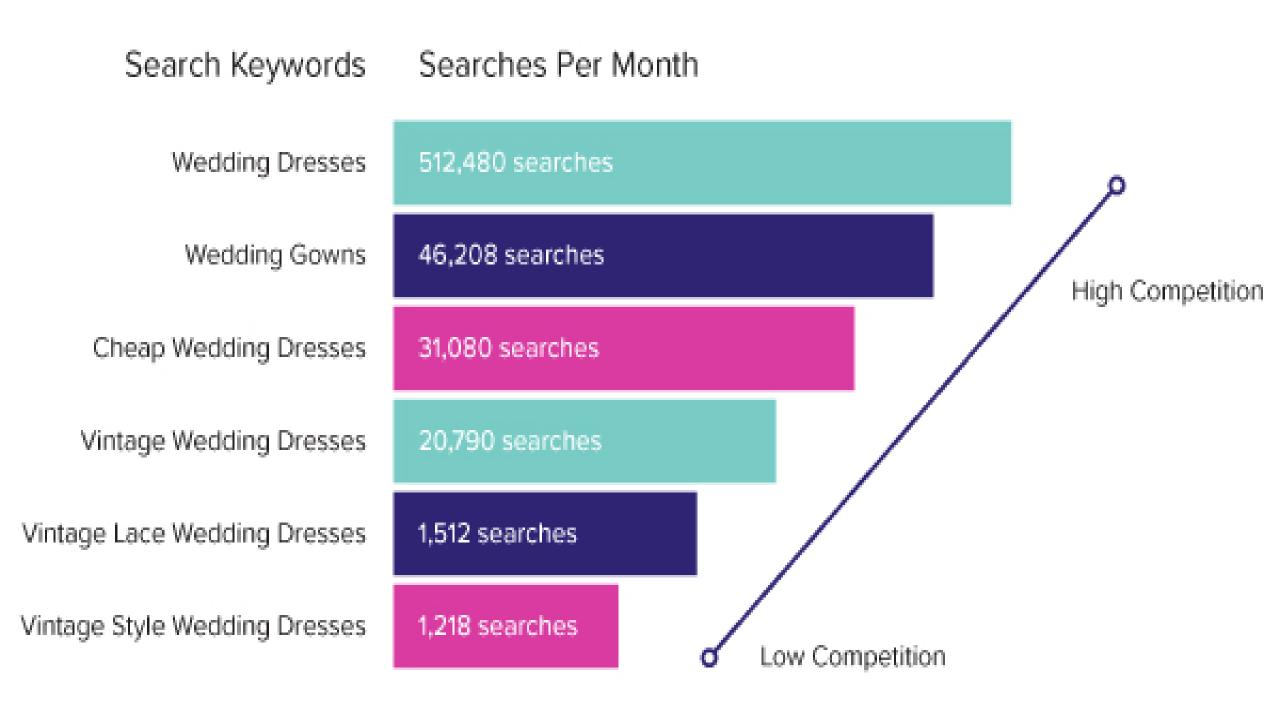


CHOOSE A NICHE WITH SEO IN MIND









THE DIFFERENCE BETWEEN GENERAL MARKETING



General Marketing

Niche Marketing

Customer Interest Targets many people with no specific interest in a product Targets a small group of people that are likely to buy a specific product or service

Conversion Rates Low conversion rate, but higher number of leads

High conversion rate, but lower number of leads

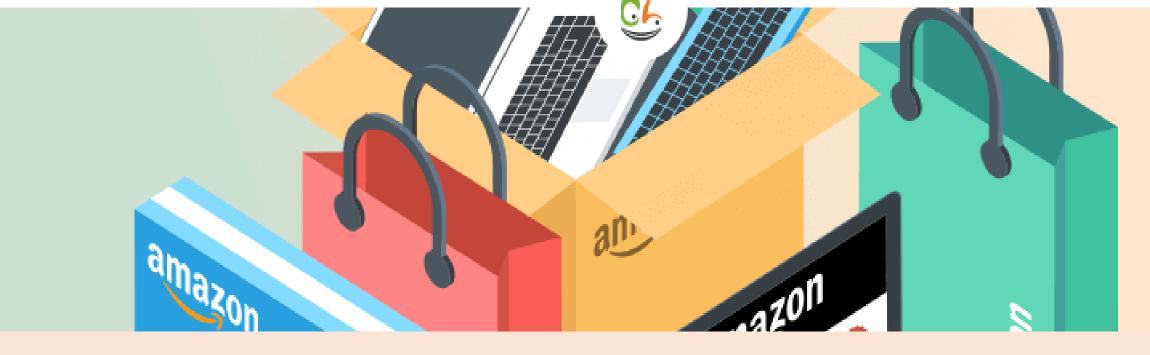
Keywords

Uses broad keywords in marketing assets Uses long-tail (less common but more specifically targeted) keywords in marketing assets



PROS OF SELLING NICHE





OPTIMIZED PRODUCT SELECTION





OPTIMIZED PRICING



MORE EFFECTIVE CONTENT





SENSE OF COMMUNITY





LOWER STORAGE FEES



LESS EXPENSIVE CAMPAIGNING





CONS OF SELLING NICHE PRODUCTS







LIMITING AT FIRST





How to Find Your Perfect Niche

One of the most important business decisions an ecommerce owner has to make is which niches to target.





It involves not only choosing niches you're personally passionate about, but also profitable niches whose market can support your company.

You have to consider factors like market demand, niche customer shopping habits, and the availability of products.



REFER TO THE DAY 2/100 DIGITAL MASTERY NOTES AND RECORDINGS



HOW TO SOURCE NICHE PRODUCTS



Of course, choosing your niche is only half the battle. You also need to take care of all the usual ecommerce responsibilities, like product sourcing and streamlining your supply chain.



No matter which niche you choose, chances are you'll have a variety of different product sourcing methods to choose from.



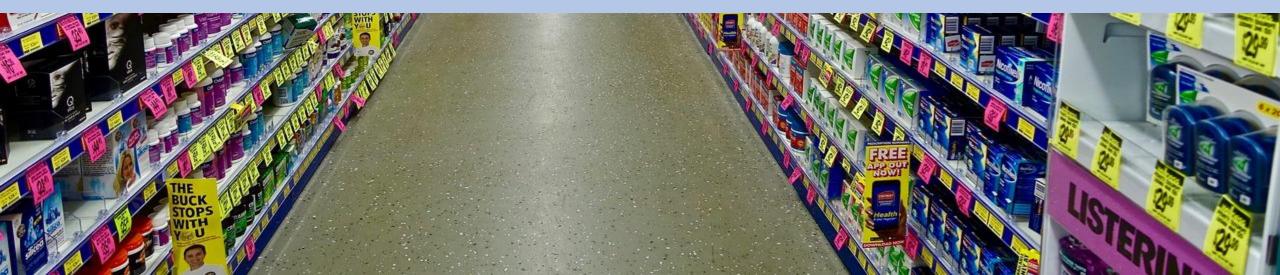


If you're new to ecommerce, here's a list of the most common product sourcing methods, with links to guides outlining their best practices.





WHOLESALE









RETAIL ARBITRAGE







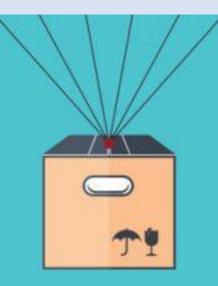








DROPSHIPPING







SECOND-HAND, THRIFT, OR USED GOODS

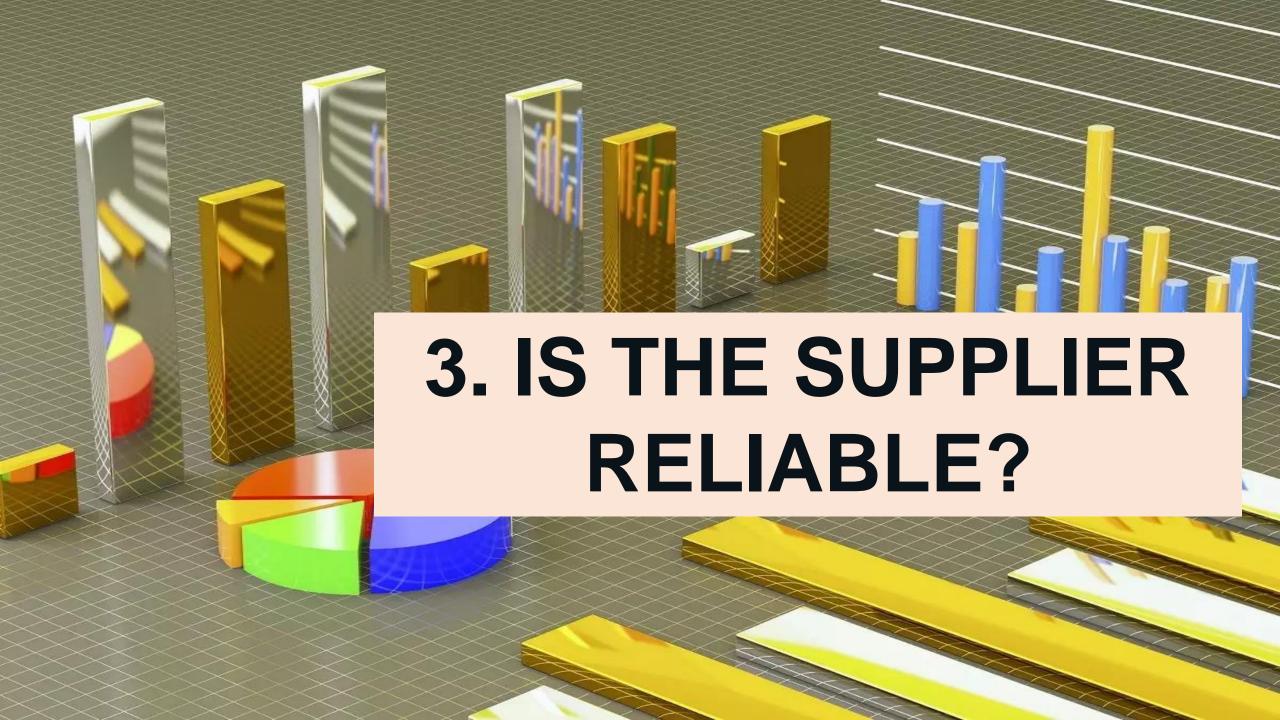




PRODUCT SOURCING CHECKLIST: 5 QUESTIONS FOR NEW PRODUCTS

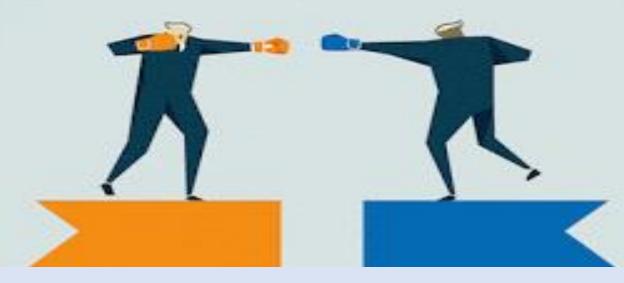






4. IS THERE COMPETITION?





Why should shoppers buy from you instead of the competition?



E-COMMERCE NICHES



1. FASHION

Handbags

Belt Buckles

Belts

Collar Tips

Fascinators & Headpieces



Over-The-Counter Diabetic Aids

Ear Care Products

Feminine Care & Hygiene Products

3. JEWELRY

Engagement Rings Engagement & Wedding Ring Sets

Wedding & Anniversary Bands

Bridal & Wedding Party
Jewelry

Fashion Anklets

4. MEN'S CLOTHING

Men's Casual Shirts Men's Dress Shirts

Men's T-Shirts

Men's Athletic Apparel Men's Blazers & Sport Coats



6. WRISTWATCHES

Antique Pocket Watches Modern Pocket Watches

Pocket Watch Tools & Parts

Pocket Watches

Key Ring Watches

7. ELECTRONICS

Binoculars & Monoculars

Binocular Cases & Accessories

Telescopes

Telescope
Parts &
Accessories

Binoculars & Telescopes

8. GAMES

Prepaid Gaming Cards

Replacement Parts & Tools

Strategy Guides & Cheats

Video Game Accessories Video Game Memorabilia Video Game Merchandise

9. KIDS AND BABY

Baby Gear

Baby Activity
Centers

Baby Gyms & Playmats

Baby Jumpers

Baby Swings

10. BEDDING

Bed Pillows

Bed Skirts

Blankets & Throws

Bed Netting & Canopies

Comforters & Bedding Sets

11. FURNITURE

Armoires & Wardrobes

Bar Carts & Serving Carts

Bar Stools

Bean Bags & Inflatable Furniture

Beds & Mattresses

12. HOME DECOR

afghans & Throw Blankets

Decor Baskets

Home Decor Bookends

Decor Bottles

Decor Boxes, Jars & Tins

13. HOME IMPROVEMENET

Building & Hardware Supplies

Electrical & Solar Supplies

Home Heating, Cooling & Air Filtering Equipment

Home Security Equipment

Home Plumbing & Fixture

14. HOUSEHOLD AND CLEANING SUPPLIES

Carpet Shampooers

Carpet Steamers

Carpet & Floor Sweepers

Cleaning Supplies

Cleaning
Towels &
Cloths

15. PET SUPPLIES

Backyard Poultry Supplies

Bird Supplies

Cat Supplies

Dog Supplies

Fish & Aquariums

16. TOOLS

Home Air Compressors Home & Garden Air Tools

Flashlights

Generators

Home & Garden Hand
Tools

17. YARD AND GARDEN

Bird & Wildlife Accessories

Garden Decor Items Garden Fencing Supplies

Garden
Structures &
Shade Equipment

Gardening Supplies

18. BOXING AND MARTIAL ARTS

Boxing Gloves

Martial Arts
Gloves

Martial Arts
Weapons

Protective Gear

Training
Equipment &
Supplies

19. CYCLING

Bicycle Accessories Bicycle
Components
& Parts

Bicycle Electronics

Bicycle Frames Bicycle
Maintenance
& Tools

20. FISHING

Baits, Lures & Flies

Books & Videos

Clothing,
Shoes &
Accessories

Fishing Equipment

Fishing Trips

21. FITNESS AND RUNNING

Cardio Equipment

Clothing & Accessories

Fitness & Running

Fitness DVDs

Fitness
Equipment &
Gear

22. WOMEN'S CLOTHING

Women's
Coats &
Jackets

Women's Dresses

Women's Hosiery & Socks

Women's Intimates & Sleepwear

Women's Jeans

23. **GOLF**

Golf Accessories Golf Clothing,
Shoes &
Accessories

Golf Club
Components

Golf Clubs & Equipment

Golf Training
Aids

24. HUNTING

Blinds & Tree stands

Books & Videos

Bow Hunting

Clothing, Shoes & Accessories

Decoys

25. INDOOR GAMES

Air Hockey

Billiards

Foosball

Indoor Roller Skating

Ping Pong

26. OUTDOOR GAMES

Air Guns & Slingshots

Airsoft

Archery

Camping & Hiking

Climbing & Caving

27. TEAM SPORTS

Baseball & Softball

Basketball

Bowling

Cheerleading

Cricket

28. TENNIS

Tennis Apparel Tennis racket

Tennis shoes

Tennis skirt

Tennis bracelet

29. WATER SPORTS

Fins,
Footwear &
Gloves

Kayaking,
Canoeing &
Rafting

Kitesurfing

SCUBA & Snorkeling

Stand Up
Paddle
boarding

30. YOGA AND PILATES

Mat Carriers & Bags

Mats & Non-Slip Towels Pilates Accessories

Pilates Rings

Pilates Tables

31. ACTION FIGURES

Animals & Dinosaurs

Anime & Manga

Comic Book Heroes

Designer & Urban Vinyl

Fantasy



