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## E-Commerce Tutorial: What is E-commerce?

What is E-commerce?

Electronic commerce or ecommerce is a term for any type of business, or commercial transaction, that involves the transfer of information across the Internet. It covers a range of different types of businesses, from consumer based retail sites, through auction or music sites, to business exchanges trading goods and services between corporations. It is currently one of the most important aspects of the Internet to emerge.

**Ecommerce** allows consumers to electronically exchange goods and services with no barriers of time or distance. Electronic commerce has expanded rapidly over the past five years and is predicted to continue at this rate, or even accelerate. In the near future the boundaries between "conventional" and "electronic" commerce will become increasingly blurred as more and more businesses move sections of their operations onto the Internet.

Business to Business or B2B refers to electronic commerce between businesses rather than between a business and a consumer. B2B businesses often deal with hundreds or even thousands of other businesses, either as customers or suppliers. Carrying out these transactions electronically provides vast competitive advantages over traditional methods. When implemented properly, ecommerce is often faster, cheaper and more convenient than the traditional methods of bartering goods and services.

Electronic transactions have been around for quite some time in the form of Electronic Data Interchange or EDI. EDI requires each supplier and customer to set up a dedicated data link (between them), where e-commerce provides a cost-effective method for companies to set up multiple, ad-hoc links. Electronic commerce has also led to the development of electronic marketplaces where suppliers and potential customers are brought together to conduct mutually beneficial trade.

The road to creating a successful online store can be a difficult if unaware of e-commerce principles and what ecommerce is supposed to do for your online business. Researching and understanding the guidelines required to properly implement an e-business plan is a crucial part to becoming successful with online store building.

### What do you need to have an online store and what exactly is a shopping cart?

Shopping cart software is an operating system used to allow consumers to purchase goods and or services, track customers, and tie together all aspects of ecommerce into one cohesive whole.

While there are many types of software that you can use, customizable, turnkey solutions are proven to be a cost effective method to build, edit and maintain an online store. How do online shopping carts differ from those found in a grocery store? The image is one of an invisible shopping cart. You enter an online store, see a product that fulfills your demand and you place it into your virtual shopping basket. When you are through browsing, you click checkout and complete the transaction by providing payment information.

To start an online business it is best to find a niche product that consumers have difficulty finding in malls or department stores. Also take shipping into consideration. Pets.com found out the hard way: dog food is expensive to ship FedEx! Then you need an ecommerce enabled website. This can either be a new site developed from scratch, or an existing site to which you can add **ecommerce shopping cart** capabilities.

The next step, you need a means of accepting online payments. This usually entails obtaining a merchant account and accepting credit cards through an online payment gateway (some smaller sites stick with simpler methods of accepting payments such as PayPal).

Lastly, you need a marketing strategy for driving targeted traffic to your site and a means of enticing repeat customers. If you are new to ecommerce keep things simple- know your limitations.

Ecommerce can be a very rewarding venture, but you cannot make money overnight. It is important to do a lot of research, ask questions, work hard and make on business decisions on facts learned from researching ecommerce. Don't rely on "gut" feelings. We hope our online ecommerce tutorial has helped your business make a better decision in choosing an online shopping cart for your ecommerce store.