Digitalise your Business
Digital strategies for micro, small and medium-sized businesses

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Authors and aknowledgements

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Introduction

About this guide

The Digitalise Your Business (DYB) guide discusses the basic requirements and main steps for getting any existing or future business online. After this introductory chapter explaining some key concepts, this guide is composed of three core modules describing the main steps for a business to have an online presence, sell its products or services through the Internet and adapt its processes to the digital needs. More specifically:

Module 1 discusses the main ways of establishing a digital presence. It first reviews some fundamental elements necessary for a business to be noticed online, including the creation of social network platform accounts and a website. Then it offers an overview on the use of digital marketing and online branding.

Module 2 provides guidelines for understanding when and how to sell goods and services online. It describes the main strategies for a business to establish an e-commerce. In particular, three possibilities are analysed: selling through social network platforms, establishing a virtual store in an e-commerce marketplace or setting an e-commerce in the company's own website.

Module 3 defines some adaptations that businesses must apply in their operations when entering the digital space. It first describes how to deal with online orders and payments. Then, it discusses the shipping and delivery of physical goods ordered online. Finally, it develops on new challenges related to ethics, security and trust.

Then, the guide finalizes with a conclusion session summarizing the main stages of the digital transformation maturity and exposing some final considerations.

Along the text, this guide features boxes to further explain concepts and test the reader's knowledge, as such:

Examples:
real life illustrations of ideas, tools and instruments.

Tips:
small snippets of information to help readers put certain concepts into practice.

Activities:
exercises that help applying theoretical concepts in a business environment.

Tools:
instruments that can be used in real life to resolve a challenge.

Quizzes:
questions that test the reader's knowledge.

Action Plans:
templates used to implement things that readers have learnt in the guide.

Who is this guide for?

This guide is primarily designed for SIYB trainers and business development service providers wishing to support entrepreneurs in adapting to the digital reality and benefiting from the increasingly disseminated digital technologies. The DYB is also intended for persons interested in setting up a digital business, or already operating a business that could be digitalised. The reader is expected to have a minimum level of computer literacy and knowledge of basic concepts for using the Internet. Furthermore, possessing a computer is recommended to navigate the contents of the guide comfortably.

What will you learn?

After navigating this guide, the reader is expected to be able to:

▶ Assess the current level of digitalisation of their business
▶ Understand key concepts associated with selling goods and products online
▶ Select the suitable instruments to advertise and sell their products and services online
▶ Adapt business processes to the digital reality, including payment collection, products delivery, the guarantee of clients' privacy, fighting frauds and maintaining business security
▶ Expand their e-commerce

How does it link with the SIYB programme?

The SIYB programme consists of a set of four inter-related management training packages aimed at entrepreneurs at different levels of business maturity:

▶ The Generate Your Business Idea (GYB) package helps potential entrepreneurs to assess their entrepreneurial characteristics and to come up with a concrete and viable business idea.
▶ The Start Your Business (SYB) package takes starting entrepreneurs through the process of developing a business plan and evaluating its viability.
▶ The Improve Your Business (IYB) package consists of a set of modules to help already existing entrepreneurs to improve various aspects of their business, such as marketing, accounting or planning.
▶ The Expand Your Business (EYB) package is for growth-oriented entrepreneurs and helps them to come up with a strategy to expand their business.

The DYB is intended to provide practical guidance on the digitalisation of business processes and operations, including the use of e-commerce to sell products and/or services online. The DYB does not cover business management concepts approached by the SIYB packages; for optimal learning outcomes, the DYB should therefore be used as a complement to the core SIYB packages. For instance, the contents of the DYB can be mainstreamed into the GYB, SYB and IYB manuals or provided as a separate training module.

Example: adaptation and use of the DYB in the Philippines

In the context of the project "Bringing Back Jobs Safely under the COVID-19 Crisis in the Philippines" funded by the Japanese Ministry of Foreign Affairs, the country is piloting in 2022 the recently developed Digitilise your Business (DYB) guide. The activities foreseen comprise the promotion of Training of Trainers on SIYB and digital entrepreneurship for more than 200 trainer candidates who are in turn expected to train more than 20,000 non-metropolitan MSMEs in the country to go digital. For that, the project has carried out a mapping of digital business development service (BDS) providers in the country and has adapted the DYB guide to the Philippines context. Then, two steps followed. First, relevant content from the DYB have been included in the Generate your Business (GYB), Start your Business (SYB), and Improve your Business (IYB) modules. Second, a training outline and a power point presentation were prepared for a 9-hour training of entrepreneurs based on the DYB materials adapted for the Philippines. During the trainings, the importance and advantages of the DYB guide are discussed with participants, and MSMEs are encouraged to use digital tools in transacting business.

Enterprise development training for women entrepreneurs including the use of the DYB guide in the Philippines

Essential concepts overview: digitisation, digitalisation and digital transformation

Digital technologies are changing the way people, firms and governments live, interact and work. The economy based on the use of digital technologies (the digital economy) represents a worldwide network of commercial transactions and social interactions. The replacement of non-digital processes and tools with digital ones transform both demand and supply sides of markets. It allows firms to do their business more efficiently and cost-effectively and opens new possibilities to execute tasks and engage in activities that weren't possible in the past. It also impacts patterns of consumption, often shifting demand from the physical to the digital world. Given the increasing importance of the digital economy, existing and new companies that do not capitalize on the opportunities of digital technologies risk facing a deterioration of their market share. Managing a business is never a straightforward mission. Entrepreneurs must address many

challenges every day, regardless of their location and the nature of their businesses, their clients and the markets they operate. There are numerous operational challenges businesses face, such as buying raw materials, arranging for cargo transportation and improving response to marketing campaigns. Furthermore, entrepreneurs have to take care of management issues, like tactical decisions, strategic expansion, dealing with the competition and taking several staff-related decisions, like whom to hire and how to manage staff and their compensations. Today, it is essential to add to this list the management and better incorporation of digital technologies in various stages of the company's production process.

It is becoming more and more evident that conventional businesses reaching customers only in physical structures (buildings, stores, kiosks and stalls, open markets to name a few) are less resilient and more susceptible to shocks. On the other hand, businesses incorporating digital technologies in some or most of their business processes are more expected to thrive. Hence, entrepreneurs nowadays have essentially two choices: either to adapt or to lose in competition with those who have adapted.

This point raises some questions, such as:

▶ How to incorporate digital technologies and where to start from?
▶ How to know which kind of digital technology is adequate and should be adopted by a given business?
▶ What does a business need to do to benefit from digital technologies?

As a good business owner, one would need to identify:

▶ A starting point to go digital.
▶ The need for any particular digital transformation.
▶ The extent of digitisation and digitalisation the business needs.

Example

Imagine a store relying solely on physical structures to promote and sell its products or services. What can the brand do to incorporate digital technologies into its business model? First, it can register a Google My Business account, with basic information relevant to the business, such as opening hours, telephone number and address. This provides visibility and updated information to customers. Second, it can set up profiles on social networks (e.g., Facebook and Instagram) to advertise its products or services and create accounts on messenger applications (e.g., Whatsapp or Telegram) to communicate directly with clients and disseminate offers. Finally, the business can start selling online through social networks, marketplaces or on the business website. For that, the store needs to adopt digital payment solutions and have well established shipping and delivery systems.

Indeed, there is much a business can do. But should one transit everything to the digital form? Or only parts of the business and particular business processes? To build a general understanding on a business's possibilities to go digital and set the grounds for providing more practical advice, this section offers a conceptual explanation on the steps involved in the process of digitally transforming a business.

What is digitisation?

Digitisation is the process of converting something to a digital form.[1]

What is the digitisation of a business? Essentially, it is the process in which a business converts some of its tools from an analogue to a digital form.

For instance, in accounting, a business takes paper ledgers and enters data into a computer-aided accounting system, stored either on a local computer or in the cloud. In sales, additionally to selling products in physical stores, businesses sell them online. In marketing, advertisements are placed on targeted web portals, social platforms, newspaper websites, among others. Hence, digital business tools are increasingly complementing or sometimes substituting analogue ones.

Noteworthy is the fact that not every conventional business function can be fully replaced by digital means. For instance, digital advertisements may be more effective if combined with marketing in local physical magazines. Likewise, online sales provide an additional channel to reach out customers and can be used as a complement to conventional means of commercializing goods and services.

Furthermore, some parts of businesses' processes cannot be digitised. For instance, the manufacturing and transportation of products. One can, however, enhance a product's manufacturing process by introducing tools and processes that help manage and make it more efficient. For example, by installing a camera to help counting the number of goods produced per hour or using digital technologies to optimize the product's design.

Some business tools or processes that cannot be instead digitised can be digitalised or enhanced using digital technology. The concept of digitalisation is reviewed in the next subsection.

What is digitalisation?

Digitalisation is the use of digital technologies to transform a business model and provide new revenues and value-production opportunities; it is the process of moving to a digital business. [2]

While digitisation is about converting analogue tools into the digital form, digitalisation refers to transformations in the business model and in business processes. By doing so, it generates new revenues and business opportunities. Digitalisation is not about creating digital tools, but rather about using existing digital instruments to expand and create business opportunities.

Drivers of the digitalisation process

Drivers are the overarching reasons why businesses either strive, or are forced, to digitalise their business processes. Often, digitalisation is an organic process that occurs naturally when businesses feel that it is time to change. In other cases, it may happen that external factors force businesses to digitalise. An example of the latter would be government regulatory changes, such as requiring electronic tax report submission.

Broadly speaking, some motivations for digitalising business models and processes may be:

1. **To improve products**: any factors that have to do with the enhancement of the business offerings, including making products cheaper, better and more efficient or increasing the range and the variety of the goods or services supplied.

2. **To improve business processes**: these include the adjustment of specific tools, such as tools for marketing or sales.

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1   https://www.merriam-webster.com/dictionary/digitisation
2   (Gartner, 2021)

3. **To automate business tools**: anything that has to do with automating work that one used to do manually, e.g., stock counting, emailing order statuses to clients, or shipping products.

4. **To improve communication**: between team members (e.g., using specific applications, such as Slack to communicate), with customers (e.g., through chatbots or social network platforms), with partners (e.g., using specific applications, such as Skype, to communicate with suppliers) or with government (e.g., e-filing taxes).

Benefits of the digitalisation process

Below are some of the main benefits that digitalisation can bring to a business

1. **Improved efficiency**: the digitalisation of business processes enables the company to perform better, faster and more efficiently.

2. **Better response to the rising customers' expectations**: customers increasingly prefer to procure goods and services from businesses offering their products or services online as an alternative to spending time transporting to access physical stores or offices.

3. **Increased agility of response to customer's needs**: it enables the businesses to offer immediate satisfaction to customers' requests, so clients don't have to look for a quicker competitor.

4. **Enhanced quality**: this refers to every element of the business affecting the client's satisfaction and perception of the brand, including marketing, sales, order fulfilment, delivery and communication.

5. **Facilitated scalability**: unlike physical resources (e.g., office space, stores or lands), it is a lot easier to create another social media account, add a hundred pages to a website or increase the storage space than scaling a physical warehouse or a product packing line. Scalability in the digital world is not completely free, but it requires fewer efforts, resources and money.

6. **Better capacity to make decisions based on data**: electronic tools allow businesses to benefit from an improved ability to analyse data, make conclusions, forecasts and follow trends, thus driving informed tactical and strategic business decisions.

7. **Increased understanding about customers**: with digital technologies it is possible to collect fine-grained data about clients buying online. These days, even small businesses can afford a customer relations management system, which is a focal point for any customer-related data storing. This may help analysing and providing insights based on a history of business relations (contracts, agreements, important emails, etc.) with each customer. Using clients' profiles and information from order history or past interactions with them, sales staff can offer personalised discounts and other incentives to consu

Tip: Increased understanding about customers

Cross-selling and **up-selling** are some examples of how knowing and understanding clients could help increasing sales.

Cross-selling is a sales technique of offering to customers items that are complementary to products they already bought or intend to buy. E.g., selling a box of paper to a customer who has just bought a printer.

Up-selling is a sales technique of convincing customers to buy a more advanced or expensive product than the one they originally came to buy. E.g., a customer wants to buy an entry-level printer but is offered to buy a laser printer instead.

Nowadays retailers can use algorithms to optimize and personalize webpages and sales recommendations for customers. Such algorithms favour the application of cross-selling and up-selling techniques.

What is digital transformation?

Digital transformation is the process of using digital technologies to create new — or modify existing — business processes and customer experiences to meet the evolving market needs. Digital transformation transcends traditional roles of sales, marketing and customer service. It begins and ends with how the business thinks about and engages with customers.[3]

To put it simply, digitisation is the first step of the digital transformation process. It implies the conversion of part of a company's tools to the digital form. Then, a business may gradually expand its digital practices, meaning that it is digitalising business processes. Eventually, the business may be re-built to the core and transformed into a fully digital business. This is the so-called digital transformation. Figure 1 characterises each of these steps and Table 1 illustrates with real life examples how business processes are adapted in each stage of the digital transformation process.

Figure 1: Key stages of a digital journey
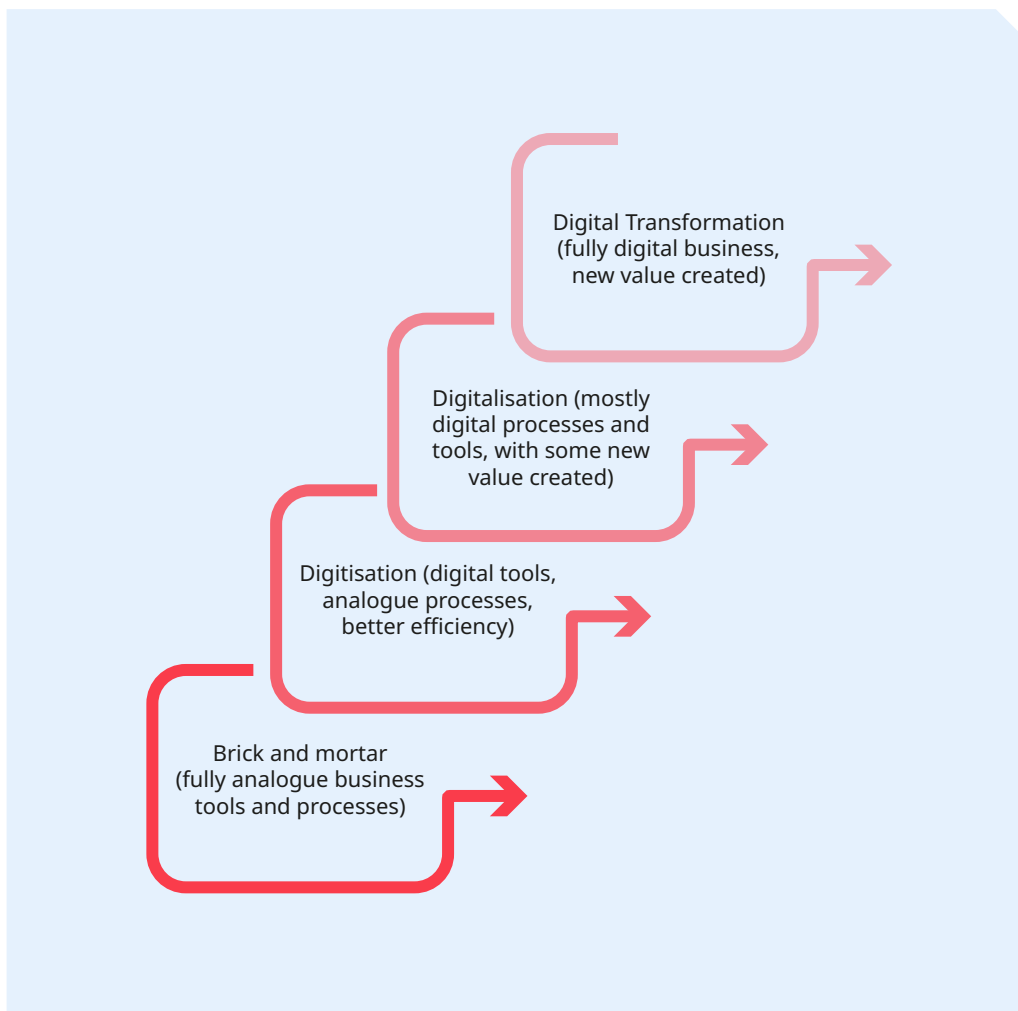
Table 1: The evolution of business processes from brick-and-mortar to digital transformation

	Brick-and-Mortar	Digitisation	Digitalisation	Digital Transformation
Accounting	Use paper-based ledgers	Keep records in Excel	Use online accounting/ bookkeeping service (e.g., Intuit)	Cloud-based risk management tools based on the Accounts Receivable data
Sales	Running a physical store	Creating an online website to extend a physical store onto the Internet	Integrating physical (store-based) and online (website-based) sales channels into a customer relation-ship management (CRM) software to manage clients	Combining sales and marketing analytics to design products offerings unique for a customer
Inventory Management	Physically count items on shelves in a store every week	Keep Excel-based records of warehouse items in store	Using inventory management software to maintain ware-house stocks	Design an Enterprise Resource Planning (ERP) system to maintain adequate stocks for Just-In-Time (J-I-T) production
Marketing	Advertise in a local newspaper	Advertise on a local classified ads website	Integrating online and offline advertising channels on an ad management platform	Adjust advertising budgets based on regional market analytics
Production	Manufacture products relying on subtractive manufacturing	Create a Computer Aided Design (CAD) containing a 3D model of an object (this can be done in AutoCAD by a designer or by scanning an object with a 3D scanning)[4]	Use an AutoCAD-designed blueprint to produce through 3D printing (additive manufac-turing) and save materials[5]	Send CADs across the world and then locally produce products on demand (instant and customized production on a global scale)

Summary of the Introduction

Several digital business tools and services can be adopted by enterprises in a beneficial way, helping them to grow and taking them to the next level. This chapter has provided an overview of what the reader will find in the following chapters of the guide and established the main concepts and steps involved in the process of digitally transforming a business.

After reading this introduction, entrepreneurs are expected to have understood the practical meaning of digitising and digitalising businesses' tools and processes. However, for businesses to effectively benefit from digital technologies and specially from e-commerce, they need to be prepared for it. The next chapter discusses the basic elements necessary for establishing an online presence, including the creation of social networks and a website, and explains key strategies of digital marketing and online branding.

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4   AutoCAD is a CAD program used for 2-D and 3-D design and drafting
5   3D printing is an additive manufacturing technology, in the sense that it builds products by adding rather than subtracting material, which avoids the waste of materials.

Activity

The exercise below is an assessment tool to check the level of digital maturity of a business. Please signal yes or no for each of the business characteristics listed. "Yes" refers to what has been adopted by the business (if the said business is an existing one) or to what is considered important for the business to start.

Business characteristics	Yes	No
Provision of basic contact information (e.g., email, phone, address) online (e.g., on Google My Business, on the business's website, on a marketplace)		
Use of free messenger applications to communicate with clients and promote products/services (e.g., Whatsapp, Telegram)		
Use of free business social network profiles to promote products/services (e.g., Facebook, Instagram)		
Use of paid messenger applications to communicate with clients and promote products/services (e.g., Whatsapp Business)		
Use of paid digital marketing tools to promote products/services (e.g., AdWords)		
Use of social network platforms or messenger applications to sell products/services (e.g., Whatsapp, Instagram, Facebook, Youtube)		
Use of a marketplace to list and sell products/services (e.g., Amazon, eBay, Uber Eats)		
Use of a website to list and/or sell products/services		
Use of search engine optimization (SEO) techniques to optimize the website's visibility		
Offer of digital payment solutions when selling products/services online (e.g., Apple Pay, PayPal)		
Clear communication of shipping time and costs on the website/market-place		
Use of any means of delivery of products/services (own fleet, post office, third parties, delivery applications, etc.)		
Use of an integrated inventory system software		
Use of a customer relationships management (CRM) system to manage customer relationships and track their purchases		
	Number o 'Yes' answers:	Number of 'No' answers:

Number of 'Yes' answers:
0-5: your business is at the beginning of the digital transformation journey.
5-10: your business is at an intermediate stage of the digital transformation journey.
10-14: your business is an expert in adopting digital technologies and e-commerce strategies.

Module 1
Building an online presence

Every business is different. There are micro businesses where the entrepreneur is the sole workforce, doing everything from accounting to logistics. There are small businesses where each worker has their portion of responsibilities. Then, there also are medium-sized businesses with well-defined business structures, chains of command and lots of staff and specialists employed. Regardless of the size and complexity of a business, it may not have had yet a need or a desire to go digital.

This chapter considers some starting conditions and strategies for any existing or future business to embark on the digital journey by building an online presence. While most strategies may be similar for micro, small and medium-sized businesses, in practice the larger the size of the business, the greater the range of strategies that it can and should adopt.

The first section of the chapter provides information on why and how to stay visible in social media platforms. The second section highlights the benefits and provides advice on how to use messenger applications to communicate with clients. The third section offers important instructions for those firms willing to create their own websites. Finally, the last section focuses on strategies of digital marketing and online branding.

1.1　Staying visible in social media platforms

Online platforms are services that provide interfaces for users (firms or individuals) to interact via the Internet. Facebook is an online platform, but so are Wikipedia and Amazon.

Social media are popular networking online platforms. Facebook, Instagram, Snapchat, Whatsapp, LinkedIn, WeChat and TikTok are some typicall examples. They foster engagement, entertainment, connections, socialisation, and ultimately, enable the commercialization of goods and services.

With the introduction of social network or social media platforms a few years ago, the Internet received a new dimension that had not been as important before: the social dimension. People understood that interaction can and should occur online as well, and businesses have gladly embraced this idea. Social media platforms have enriched businesses with the ability to enhance their digital presence and connect directly with customers.

Digital presence has become a necessity, where social media plays an increasingly important role as a channel connecting businesses and individuals. It also helps businesses to better target clients through social media marketing. Finally, social media becomes the storefront of the business through promoting brand awareness, increasing business visibility and helping to build relations with clients. Essentially, social media is perhaps the most basic instrument to promote a brand and expand the outreach of a company.

With a variety of purposes, different types of content and instruments used, social media are likely to be accessed by current and potential clients. The ability to harness the power of social media is a hit or miss situation for the future of any business. Some of the most prominent types of social media platforms[6] and how they can be best used for businesses are described below.

6　https://www.webfx.com/blog/social-media/types-of-social-media/

Table 2: types of social media platforms and their use for businesses

	Use for businesses
Social networks	Using social networks for business typically revolves around building and expanding relationships with customers, connecting and staying in touch with people, promoting brand awareness, showcasing the catalogue, sharing marketing promotions and seasonal deals, etc. Recently, customer support tools such as widgets, chatbots and interactive tools are growing in popularity. **Examples:** *Facebook, Twitter* and *LinkedIn.*
Media sharing networks	These networks are predominantly for sharing visual media, such as videos and photos and are tools for advertising, marketing and promoting the brand. **Examples:** *YouTube, TikTok, Instagram, Pinterest, Vime*
Social blogging networks	Social blogging helps sharing information about a business, building trust and engaging customers. Unlike the media sharing networks, social blogging is much more labour-intensive and time-consuming, requiring a regular posting of messages, texts and articles to retain the attention of the audience. **Examples:** *WordPress, LiveJournal, Medium*
Discussion networks	These networks are good for gaining insights about events and trends, learning and sharing best practices and doing market research. These are not ideal for business promotion, but still can help in diversifying the business' offerings or strengthening its social media foundation. **Examples:** *Reddit, Quora*
Review networks	These are specialized networks to monitor the quality of products and services. Reviews are left by customers to fix problems or declare satisfaction. These reviews may enhance a brand's reputation. They work mainly as a marketing vehicle, given that other users base part of their purchasing decision on other users' experience. **Examples:** *Yelp, Glassdoor, Tripadvisor*

Business strategies for social media

For micro and small businesses, the basic start would be to have an account in a social media platform popular in the region where target clients are located and typical for the industry of the firm. For solo entrepreneurs providing services (e.g., accounting, legal, architecture, etc.), the best social media would be one where profile pages showcase credible evidence of professional achievements, such as Facebook or LinkedIn. For businesses selling goods, the best platforms are social media that are built around sharing photos, so that the firm can showcase its products, like Instagram or Pinterest.

Being present on the social media landscape is perhaps more important for small businesses than for micro businesses. Ideally, small businesses should set up an account in every major social media platform popular in region where the target consumers are located and typical for their industry. Setting up accounts does not necessarily mean actively maintaining these accounts. It may be just for the sake of claiming the business name and adding some basic business information to it. Running several social media accounts is the pillar of a small business' online presence. The diversity of sources of information is critical and the business may capitalize on the diversity of experiences, being them good or bad. Surprisingly, five mediocre social media accounts are usually better than one good social media account. The diversity of channels used to reach out to clients is important. However, the business will eventually need to select key social media accounts and put more effort into keeping those well maintained.

The question of time needed to maintain relevant social media accounts is acute, since running a small business is an extremely time-consuming task. One may think about subcontracting the job to a social media marketing freelancer or a small firm offering professional social media marketing services or use paid tools that allow posting the same information to a mass of social media accounts. To hire a social media firm or freelancer, one may ask around for references, do some Internet research, experiment by hiring two to three candidates and assessing their work and/or hire professionals through a freelancer platform (e.g., *Upwork*).

The latter option is a secure way of hiring professionals by offering *escrow services*[7] and serves as an intermediary between the hirer and the professionals, making sure both parties' interests are protected.

> **Quiz: Social media strategies**
>
> Maintaining adequate social media presence includes:
> a. Following your friends on Facebook;
> b. Posting relevant product-related posts on Instagram;
> c. Periodically checking new TikTok videos;
> d. Periodically updating business profile page;
> e. Liking and upvoting cute kitten pictures.
>
> Answers are:
> 1. a), c), e).
> 2. b), d).
> 3. a), b), c), d), e).
> 4. none of the above
>
> The correct answer is 2 as these items directly relate to actions routinely performed to maintain adequate social media presence. a), c) and e) relates to personal activities not necessarily related to business.

1.2   Communicating via messengers

Using messengers is one of the most logical steps whilst transitioning from a fully analogue business to one equipped with digital tools and elements. Having accounts in one or several most widely used messengers are an absolute must for businesses of any size. These are handful channels of communication with clients and perhaps the cheapest and quickest ways to start selling products and services online.

The benefits of using messenger applications include:

▶ **Direct customer interaction.** For instance, a restaurant can use a messenger account to send its menus, leaflets promotions, coupons, sales adverts and other pieces of information to regular customers. Furthermore, clients can message or call to inquire about the working hours, prices and other information. They can also complain about a bad service and the firm can immediately take care of any problem, for instance by offering a discount or a free item to compensate for any bad experience.

▶ **Free access to both buyers and sellers.** Messengers don't cost anything to both the client and the business (later the business can also sign up with the business paid account, which offers added capabilities[8], but the main services are free for all).

▶ **Availability of automation to assist sellers (chatbots).** Returning to the restaurant example, it can programme a chatbot to do things that don't demand much human interactions, like taking orders from the menu, automatically responding to clients' standard queries (such as "Can I see your menu?" or "What are your opening hours?"), sending out customer messages about menu novelties, etc.

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7   Escrow services - "…is a financial and legal agreement designed to protect Buyers and Sellers in a transaction. For a fee, an independent third party holds payment until everyone fulfils their responsibilities in the transaction." (Escrow.com)
8   Check out, for instance, "Whatsapp for Business"

The biggest value added by messengers is accessibility. Almost everyone has messengers. Data[9] shows that a staggering 92.8% of the 4.72 billion global Internet users access the internet via mobile devices, and most mobile phones or tablets have at least one messenger application installed. What does it mean? A potential access to a gigantic customer base, at virtually no cost.

Business strategies for messengers

Optimally, a business should establish free accounts in key messengers used in the country. Then, take two to three months to observe the amount of traffic, clients and popularity of each account. The business should focus its efforts on the messengers that bring the most clients and engagement. Furthermore, the business should promote these communication channels via other key marketing channels used.

> **Tip: Consider the regional context when establishing social media presence**
>
> Certain social media are more popular and widespread in certain regions or countries than others. For example, for a Chinese business the most logical choices would be *WeChat* or *QQ*, because practically every business and most of their clientele are there. Conversely, in Tajikistan, Whatsapp and *Instagram* are more popular platforms to reach out consumers.

Some of the typical ways businesses can use messengers are:

1. **Contacting clients or prospects**
2. **Marketing**
3. **Sales**
4. **Customer services** (e.g., custom-built chatbots)
5. **Shipping and delivery**
6. **Collecting and making payments**

> **Business Tool: Chatbots**
>
> Chatbots are custom-designed software or services that use algorithms to imitate interaction with a human representing business staff (sales, customer satisfaction or support staff). It is much cheaper than keeping a human doing similar tasks. Unlike humans, it's available 24/7/365.
>
> Properly designed and trained to respond to typical customer queries, a chatbot can handle a variety of typical actions humans can offer (sending links to product catalogues, keeping up-to-date pricing information, etc.). In non-standard situations, chatbots can alert human operators to take over customer interaction that a bot cannot process.
>
> Chatbots are either very affordable (cheaper than hiring a trained human), or even free (https://collect.chat), and many are designed for messengers, websites, or both.

1.3 Creating a website

Why should a business have a website?

A **website** is defined as a "group of World Wide Web pages usually containing hyperlinks to each other and made available online by an individual, company, educational institution,

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9 (Kemp, 2021)

government, or organization"[10]. Any website will have pages, each page having its unique address called a **Uniform Resource Locator (URL)**, which allows browsers to understand what page to bring up. Websites are good for providing key information about a business and its products and is a common way of selling online.

Below are some of the purposes[11] for businesses to create their websites:

1. It is the most obvious symbol of digital presence
2. It is a place where a business can sell its products or services
3. It is a place to reflect the brand's identity
4. It can be the focus of the company's marketing efforts and attract clients when properly linked and advertised in social media accounts
5. It is a powerful tool to build and reinforce the business' credibility
6. It is a place to capture new and retain existing customers, as it is the first go-to place for customers searching for products or services supplied by the company, thus generating and capturing leads. Accessible 24/7/365, clients have access to all relevant information about the company and its offers, such as prices, product types, availability, promotions, etc.

However, websites take more knowledge and resources to be designed, set up and properly maintained than social media platforms. A cheap or free alternative to a website is a so-called **one-pager** (or **landing page**) [12]. This consists of a single page website containing all information about the company, its products, contact details, etc. Whilst a landing page is more often a marketing tool specifically designed to feature a product, run a marketing campaign, it can be used to summarise all the information about a small business. Establishing online presence with a landing page may work well in short term. However, as business matures, management should consider transitioning to a multi-page website as growth of business structure, product range, and complexity of information would require new dedicated pages where websites work much better than the landing pages.

Table 3: Differences between a website and a landing page

	Website	**Landing page**
Number of pages	Several	Only one
Types of pages	All content types are possible: shopping cart, text, multimedia elements, mixed content on each page and functional pages (e.g., contact us and shopping cart)	All content types are positioned on a single page
Structure	Complex structure. Pages interlinked in a structured way between themselves. Navigation between pages is common. Navigation and linkages shown on a sitemap that displays the website structure	No navigation, except between functional blocks via anchors. No sitemap necessary
Site Architecture	Cannot be part of a landing page. May contain multiple landing pages	Can be either a standalone page or part of a website
Purpose	Company website is designed to be a focal point of all company functions, takes care of multiple purposes	Landing page is often focused on marketing and product promotion

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10   https://www.merriam-webster.com/dictionary/website
11   (Perilli, 2021)
12   A landing page is also known as 'lead capture page', 'static page', 'single property page' or 'destination page'

In any case, not every micro business needs to have a website or has the means to afford it. Below is an activity to help entrepreneurs decide whether to build a website or not.

Activity

Answering the questions below will help to reflect and assess if it makes sense for your business to build a website at this stage.

What would the purpose of the website be? (e.g., listing products and services, communicating with clients, reinforcing credibility, selling online, etc.)	
Would having profiles on social networks be enough to fulfil the same functions?	
Who are the target clients? Do they use the Internet and access websites? Or are they less familiar with the online world and only use social media?	
What is the estimated cost involved in building a website? Does the business have the means to afford it?	

What is a domain?

A **domain** is a unique name of an organization's website on the Web. The Internet Corporation for Assigned Names and Numbers (ICANN) assigns top-level domains (TLDs) to countries and to organizations in the world, at least one in each country, that are permitted to issue non-country specific top-level domains (e.g. .org, .gov, .net, or .com).

A company can register any domain name from those that are still available for registration with **a domain name registrar**. When Googling this term, one will find hundreds of websites that help registering a chosen business domain for a fee. If the business aspires to eventually become global, it may want to choose a .com or a .net domain. Alternatively, if it is mainly a national firm, then consider choosing the country's top-level domain name.

It is costly to register a brand name domain in every country, as the business has to pay an annual fee for keeping each domain name. The best strategy is to evaluate the business' needs and start small, but once the business picks up, it might consider registering similar domain names in the .net, .org, .biz, etc.

Example

In Burundi, a country in Africa, there is an organization that administers the national domains of Burundi. It is called *Burundi National Center of Information Technology.* They assign websites names within the .bi top-level domain.

Other examples of country domains that are out there are .tv (Tuvalu), .no (Norway) or .pk (Pakistan).

Non-country specific top-level domains are: .domain (for domain hosting companies), .org (for organizations) and .com (for companies).

Tip: Top five reasons of securing domain names on .biz, .info, .net, etc.

Securing a business domain name across several top-level domains such as .biz, .info, .net may be costly ($10/domain/year on average). Why businesses buy and maintain their *myawesomebusinessname*.com on other top-level domains? Is it due to big corporate vanity? Yes and no.

Below are **top five** reasons of registering and maintaining the same domain on several top-level domains:

1. To run various **in-house services** (e.g., emails on .com, accounting on .biz, dealership network services on .net)

2. To run **marketing campaigns** (e.g., creating several landing pages on product1. *myawesomebusinessname*.info, product2.*myawesomebusinessname*.info and directing ad traffic from those pages to the store on the main website)

3. To create **blogs, client feedback portals** that are linked to the .com website (e.g. blog. *myawesomebusinessname*.info, support.*myawesomebusinessname*.biz)

4. To **secure all similar-sounding domains** to prevent impostors from impersonating using similar domain names (e.g. if a business owns .com, .net, but does not own .biz, impostors can create a fake website to ruin the reputation of the main business, even though .biz has no relation to *myawesomebusinessname*.com

5. **For SEO purposes** (adding PR scores to the .com website, linking to the .com for added traffic, etc)

What is a hosting service?

Hosting can be defined as "the service of providing the computer equipment and software for a website on the internet and making it available for people to see"[13]. For businesses it is much cheaper to delegate to hosting services the huge costs of a website supporting infrastructure and of hiring extra qualified IT specialists. Moreover, the quality these services offer is far more advanced than the do-it-yourself option. Typically, the user is offered to host a website when registering the domain name for the first time as a packaged deal. It is also possible to shop around searching for alternative hosting services.

The business can host its website on a server with an international company or find a local service to host the website. The choice normally depends on the country it operates, the type of business, and on a few other considerations (e.g., the cost of internal traffic, laws, regulatory requirements, etc.). Therefore, some research should be done and the approximate Total Cost of Ownership (TCO) should be calculated. This calculation can be done by using the following simple formula:

Tool

Calculating website hosting's Total Cost of Ownership (TCO)
The Total Cost of Ownership formula is used to calculate the purchase price of the hosting service plus the cost of its operation over time. The TCO of a website hosting can be calculated as follows:

Upfront payment + Cost of hosting for Y_0 + … + Cost of hosting Y_n + any other costs affecting your choice
Where Y_0, Y_1,…, Y_n are the years.

Example:
A new Internet Service Provider is offering the following deal: host with us for the first year free with the domain registration. The registration cost is $25 and the renewal is $12.99 per year. Then we will charge you $10 per month for hosting for the second year and $20 per month for each subsequent year.

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13   https://dictionary.cambridge.org/us/dictionary/english/hosting

You also found a global Internet Service Provider offering a flat $7 per month rate for hosting the website. It also offers the domain registration for $15 per year, renewable every year.

Which option would you choose considering the TCO perspective?

Option 1 calculations:
Domain: $Y_1 = \$25$, $Y_{2,3} = 12.99$
Hosting: $Y_1 = 0$
            $Y_2 = 12*\$10 = 120$
            $Y_3 = 12*\$20 = 240$
Hence,
TCO $Y_1 = \$25$ for the first year
TCO $Y_2 = \$12.99 + \$120 = \$132.99$ for the second year
TCO $Y_3 = \$12.99 + \$240 = \$252.99$ for the third year
TCO = $25+12.99*2+0+\$120+\$240=25+25.98+360$ **= $410.98 for three years**

Option 2 calculations:
Domain: $Y_{1-3} = \$15$
Hosting: $Y_{1-3} = \$7*12 = \$84$

Hence,
TCO $Y_1 = \$15 + \$7*12 = \$99$ for the first year
TCO $Y_2 = \$15 + \$7*12 = \$99$ for the second year
TCO $Y_3 = \$15 + \$7*12 = \$99$ for the third year
TCO = $\$15*3 + \$84*3 = \$45 + \$252$ **= $297 for three years**

The best strategy is to **combine the two options**: use **option 1** for the first year and then move the server to **option 2.** In this case, the TCO for three years is calculated as follows: TCO =$25 + $99*2 = $223
You will just need to make sure that the hosting can help you migrate your website (preferably, for free).

Demystifying building a website

Small business owners may require a variety of websites of varying complexity, cost, or hosting options that fit business needs. However, for the sake of simplicity, this guide takes a closer look at three possibilities of building websites.

Landing page (or one-pager)

Landing pages can serve as company websites for start-ups and micro-businesses. Their simple visually appealing design, equally simple structure (a single page) makes it a preferred choice of business owners who need to establish online presence quickly, under a small budget and with minimum tech expertise.

To build a free landing page, below are seven easy steps:

1. Find a company that offers a landing page building service, or use one of these: *Wix, Weebly, Instapage.*
2. Set up a free account on it.
3. Register a new domain or use your existing domain.
4. Link the domain name to the page and configure it to work with the page (in case of doubts on how to do it, one can check the help section of the service or read the FAQ).
5. Choose one of the templates the service offers.
6. Add all the company, products (price, photos, etc.) and contact information to the landing page.
7. Publish the landing page.

Website building services

Cloud-based website building services (also known as SaaS[14] or software-as-a-service) are subscription-based services. The main benefits of website builders are simplicity, easy entry, no need to worry about servers and other infrastructure and simple subscription fees. There are lots of website building services. Following a simple wizard, anyone can build and host a basic website using hundreds of templates. Once built, the website can be hosted on the service.

To build a website using a cloud-based **website building service**, below are nine basic **steps**:

1. Find a company that offers website building services, or use one of these: *Wordpress, GoDaddy, Wix, Weebly, Instapage*, etc.
2. Set up an account with them.
3. Register a new domain or use your existing domain.
4. Link the domain name to the page and configure it to work with the page (in case of doubts on how to do it, one can check the help section of the service or read the FAQ).
5. Choose one of the many templates the service offers.
6. Set up main pages (e.g., frontpage, About us, Products, Services, Support, Contact Us, Legal etc.).
7. Add all the company, products (price, photos, etc.) and contact information to the relevant pages.
8. Publish the new website.

Simple self-hosted website

The main difference between the **self-hosted** and the **website builder options** is who maintains the hosting/server space. Typically, the **hosting companies** rent out their server space for a fee. In contrast, SaaS website builders include the cost of server upkeep in their monthly fees. Also, self-hosted websites enjoy far greater space capacity, flexibility, and control. For subscription-based servers, extra space often means much higher fees, no flexibility, and limited control over server environment.

Building and running self-hosted websites is a more complex task that has to take into account the following important concepts while following a professional advise adapted to the specific needs of a business:

1. **Unix or Windows hosting**. Not only does a business need to think about the platform to build the website, but also about its compatibility with the hosting. Typically, Win-based technologies (e.g. .NET, VB) use different server architectures from the Nix-based (Unix, Linux) hosting, so businesses need to consult the Web design company they plan to work with to determine the exact type of hosting needed.
2. **Hosting space, configuration.** Every business needs to buy enough hosting space (memory to store and run the website with all files, images, etc.).
3. **Level of customization: out-of-the-box (no changes), customised (some changes), or bespoke (fully built to specific needs) website**. Typically, out-of-the box solutions provide just some flexibility. If the business needs are non-standard (e.g., the business sells more types of products than the default website can handle), then has to go for the customised option to redesign the website. Finally, fully bespoke websites are built with all the customer needs considered and are the most expensive option.
4. **Professionally designed or do-it-yourself**. A business can hire a professional web developer(s) or attempt to design the website by itself. The choice is between having the website professionally designed and built for a given price or using a freeware script to build a website as a do-it-yourself project.

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14   https://azure.microsoft.com/en-us/overview/what-is-saas/

So, to build and run a **self-hosted website,** the step-by-step instructions become a bit more complex. Below are 11 steps that should be followed for that:

1. Find a web designer/development company.
2. Explain what the business needs and draft the Terms of Reference to describe all the needs with their help.
3. Find a hosting company that offers hosting based on the web designer's instructions.
4. Set up an account with them.
5. Register a new domain or use your existing domain.
6. Buy the script or use a freeware script to run the website.
7. Have web developers formatting the website's structure (e.g., Frontpage, About us, Products, Support, Contact Us, etc.).
8. Have your website built, designed and preferably maintained.
9. Link the domain name to the page and configure it to work with the website (web designers would normally do this job).
10. Add your company, product, price, contact information, among others, to the relevant pages.
11. Publish the new website.

Setting up more complex types of websites, bespoke e-commerce solutions or corporate websites, requires individual planning, strategizing and pulling resources of various entities together and therefore are out of the scope of this guide.

Figure 2: The business website evolution

Corporate website
Advanced stage of website development

Simple Self-Hosted Website
Needs hosting to maintain
More complex, flexibile
Domain required

Simple Website using building services
Is a website
Used for variety of purposes
Domain required

Landing page
Not a website per se
Used for marketing purposes
Can link to domain
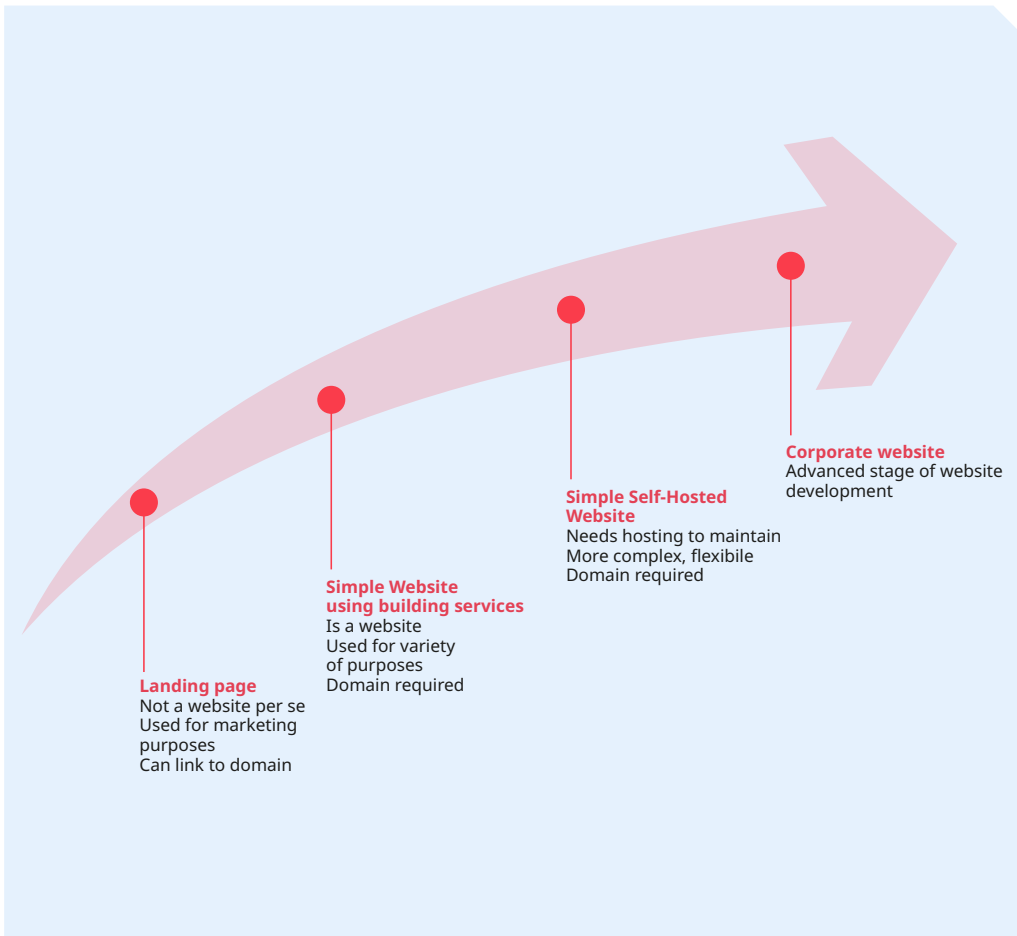
Business strategies for websites

Creating a website is an optional strategy regardless the size of a business. After all, some of the functions of a website can be similarly performed by social media accounts, such as a Facebook page.

However, businesses should consider at least creating a free website, which promotes the business with limited functionalities. For instance, a business can use a free offer provided by *Launchaco* or set up a hosted version of a *WordPress-powered* website. These services are a great way to build basic websites for the initial phases of a firm's digital insertion and in a way that is satisfactory enough to last for months and even years. Once the firm runs out of the capabilities offered for free, it may want to upgrade to the paid tiers of the same services, which offer more functions.

Creating a website from scratch could cost the business hundreds or even thousands of dollars depending on the requirements. For that, entrepreneurs can get the cheapest "hosting + domain name" package offering basic tools. This would require entrepreneurs to either learn how to code, hire a freelance coder, or both. This is a longer avenue, filled with both the excitement of building something and some frustration when things do not go as expected.

Registering a domain is an important step for any business size. This is a huge part of the digital brand. It prepares the business for the next steps of the digital journey and protects the brand identity from cyber squatters[15].

Having explained website and social media strategies for building a digital presence, the table below presents a comparison analysis of several digital presence tools and the alternative options that businesses can implement.

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15   Organized teams of *black-hat* search engine optimisation specialists who hunt for domain names with at least a bit of a history and a reputation. Once such a real business domain becomes available because of delayed payment, often by accident, these teams would buy it up immediately and would either use it for their black-hat operations or ask the business to buy it back at a huge markup. Hence, the entrepreneur needs to make sure to get the unique domain name secured and avoid losing it by paying the bills on time.

Tool: Pros and cons of different instruments used to build a business' digital presence strategy

	Strategy used by the business	Pros	Cons
Social media platforms	Focusing on one key social media platform	Ample time to produce quality content Proficiency gains Focused marketing efforts on the chosen platform	Limited exposure to prospective clients Tools limited to those offered by the platform No synergy of using multiple platforms
	Signing up for and maintaining all key social media platforms	Maximum brand platform diversity Multiple sources of high-quality traffic Relevant content validated for the brand	Too expensive to do properly Potentially lower quality results due to dispersion of efforts
	Signing up for all key social media platforms and focusing on 3 of them	Presence in all social media platforms Focus on the three highest performing platforms	Potentially missing on multiple relevant sources of traffic Easily missing the shifting trends in social media popularity
Website	Building a new website	Can be designed to address all business needs Flexible, can incorporate other tools easily Under own control/ ownership	Can be expensive Requires resources and knowledge to maintain Unpredictable cost of ownership
	Using Facebook / LinkedIn / Instagram business page	Free to build and run Uses platform capabilities to find new leads	Limited to the functionalities provided by the platform Owned by and locked up with a service provider Vulnerable to the platform's changes in terms and conditions
	Using a landing page	Much cheaper than a multi-page website Often hosted by service provider Attractive design, powerful functions free of charge	Often locked up with service provider Limited potential for expansion Often the structure is limited by the platform's capabilities

1.4   Promoting the business with digital marketing and branding

Digital marketing

Digital marketing is an ultra-competitive area of business, regardless of the amount of understanding and knowledge players have. Even though small businesses' digital presence through social media profiles and/or webpages may be small at this stage, they enter in direct competition with larger brands and corporate businesses on the digital marketing playfield.

Online marketing services are on an incredible rise. Businesses have increasingly opted to run their marketing operations online instead of through conventional advertising channels such as newspaper ads, TV, radio, flyers, etc.

Digital marketing includes the following tools:

1. Digital advertising and marketing: focus on promotion efforts, often paid (advertising, banner, integration, etc.).
2. Content marketing: focus on quality content as the source of relevancy.

Below is a review of these components.

Digital Advertising

There are dozens of types of digital advertising today. Some are getting more obsolete and losing popularity, such as banner ads, while others have been going through a rapid growth phase, such as Tik Tok ads. Chances are that by the time the reader goes through this section, the leaders will have been replaced by a completely new and super popular form of digital advertising.

Below are some important considerations regarding the digital advertising formats that help business grow:

1. Campaigns, not single efforts, make the difference.
2. Advertisements driven by consumer data deliver greater benefits.
3. The number of delivery channels should be maximised.
4. Digital advertising is ideal for client segmentation, ensuring the spearheaded delivery.

Digital advertising has become a super-competitive area of expertise, and the most effective way of harnessing its powers is through hiring professional digital marketers. It is more difficult to remain competitive using the do-it-yourself approach, but two basic tips for that are:

1. Have local paid ads on search engines so that if someone googles the type of product or service you offer your business appears first, as sponsored links.
2. Have paid ads on social media and target them to appear only to people in your area who are interested in your products/services.
3. Create email marketing to offer products/services and attract more customers
4. Identify and contact relevant influencers to promote products/services. Influencers are people with many followers in social networks and credibility in the industry where your business is inserted. It can be free or a low-cost strategy if you approach the right people and offer reciprocal promotion.

Content marketing

Content is all the information and data contained on websites and social media. These include texts, graphics, animations and may be rich media (videos, audio, 3D, etc.).

Due to the large volume of information on the web, the chances that a particular business content is seen by the right people are often slim. These chances increase with the quality, relevance and value of the content. Search engines and algorithms are designed in a way that the more people search for the information and interact with the content, the more often it is shown to and seen by others. Hence, there is a feedback cycle between the relevance, quality and visibility of a given content. The information contained on business websites is considered relevant or of high quality if it is useful to its target audience. It should help achieving objectives such as: educating, entertaining, carrying a message, informing (e.g., about a product, the company, etc.), enabling visitors to do something and instilling trust.

For the purpose of this guide, the following classification of digital content marketing can be defined:

1. **Product content:** information related to the products, goods and services a business is offering
2. **Company content:** information related to the business itself (e.g., business address and phone number)

Being found in search engines is essential to build a successful e-commerce. Therefore, investing in optimization techniques, called Search Engine Optimization (SEO) can help a business stand out from the competition. SEO consists of a set of techniques that aim to improve the positioning of a website (and each of the pages within it) in search engines such as Google. One of the main advantages of SEO strategies is that its implementation doesn't require a specialized agency. Many actions can be done by the entrepreneur by the person responsible for the company's website. Here are some tips on the main steps for using SEO:

1. **Keywords:** select the best keywords for the business and its products or services. For that, ones should think about how the user searches for a certain product or service.
2. **Description of the items:** invest in a detailed description of the items offered, using the chosen keywords. Avoid using the standard description of suppliers, since this risks that the customer goes to the manufacturer's website and not yours.
3. **Page Title and URL:** use the product name in the title and in the page address.
4. **Meta description:** fill in the products description. This is the text that appears in the Google result.
5. **Product Description:** use the keywords highlighted in bold (Google understands that what is in bold/highlighted is more relevant).
6. **Clientele:** insert space for customer opinion and evaluation. Have a lot of good reviews to be more visible and inspire credibility
7. **Page loading:** optimize your website so that it loads quickly. This helps search engines put the website at the top of searches.

Creating good visual content

An old maxim says that a picture is worth a thousand words. It does indeed.

How to generate good visual content? A good picture is either one taken by or for the business that will use it. The ideal situation is that the business takes their pictures themselves.

If the business chooses to hire a professional photographer or buy stock photos[16], the legal title over the image resides with the photographer who took it, unless the image ownership

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16   Stock photos are photos taken by professional photographers and uploaded to services that resell the usage rights to businesses for a fraction of the costs. Often, there are a range of prices per image, from $1 per image to $10,000 per image.

is transferred to the company. For all purchases, the extent and modality of ownership is outlined at the moment of the purchase. It can be for commercial use, non-commercial use, single-use, multiple use, etc.

Tip: Using digital images on websites

Always check the legal rights of the image to be purchased as stock photos and ensure you are free from potential abuse from the owner by properly documenting the purchase, keeping the original receipt and saving the rights.

Ensure you are free from potential abuse from the owner by:

1. properly documenting the purchase,
2. keeping the original receipt, and
3. saving the digital rights transfer information.

Proving the ownership over the image is key to avoid getting into a dispute.

If the business decides to take photographies by itself, there are two reasonable avenues for a business to ensure their visual content is always top-notch:

a) Learn photography, practice, and buy proper equipment to take great photos.

b) Hire a professional.

The first option is a good alternative at the beginning, when a business needs a low volume of photos, such as handful photos to illustrate the website, or to keep posting on *Instagram*.

However, for instance a textile business manufacturing a hundred of different models and sizes of apparel per month, then the costs associated with taking good stock photos of the entire collection would be best handled by setting up a semi-professional studio and hiring a part-time photographer. Otherwise, at the beginning, photos of a well-lit object taken from different angles with a reasonably good quality mobile phone would work. Make sure to run a cost-benefit analysis of the possible options. Figure 3 illustrates this choice.

Figure 3: Good and expensive vs. cheap and quick dilemma

Take own photos

Use professionals

Better for a greater amount of photos

Cheaper

Higher quality

Quicker and readily available

Special conditions (studio photo)
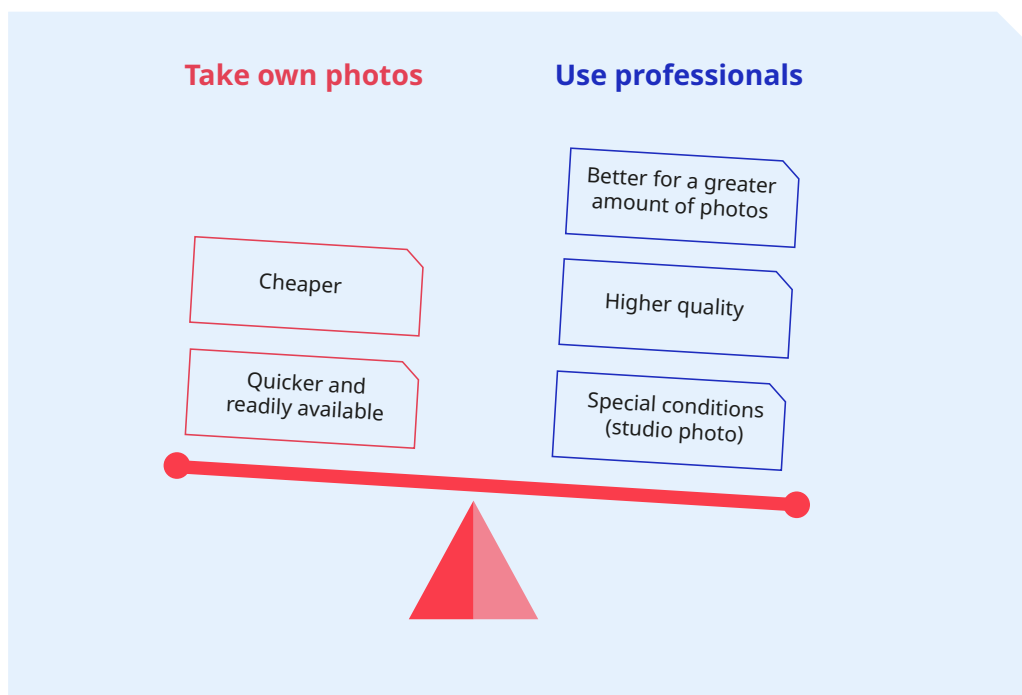
Tips on photography

For many businesses, online success is heavily hinged on the quality of images advertising their products. Below are tips to help the beginners start and progress towards perfection in digital photography:

Keep it simple at the beginning	Never start with buying expensive cameras, lighting, other equipment from the beginning without proper research. You would quickly outgrow and must review and revise most requirements quickly.
	Start slowly and gradually define things that are must-haves, and things that are nice to have (such as impulse flashes, expensive lenses) would be optional to pick up along the journey.
	Modern day mobile phones tend to take good photos under proper lighting, so you can start slowly with your mobile phone, and arrange for good lighting instead.
	Instead of buying, begin with renting photo and lighting equipment. Try various brands, lenses, flashes, etc. Renting would save lots of money up front, and more importantly, allow you to make informed choices.
	If you have to buy a camera, look first for a second-hand camera. They often are in good condition, but a lot cheaper than the new ones.
Don't be afraid of outsourcing	Contract a professional photographer first to get your first several batches of photos of your products. This would give you attractive professional images for Instagram, websites, webstore. The bonus is learning the tricks of trade from the pros and asking them questions. Most would be happy to share their experience.
	Visit several photo studios in your town, inquire about their rates and types of services they offer. Partnering and working out a deal with a photo studio may result in multiple benefits. Photo studios may offer discounted rates on their studio use, rental of photo equipment to regular customers. For clothing manufacturers, studios may recommend professional models to best showcase your goods.
	Remember, saving money on the studio reduces the quality of work and the value of the most expensive component of any photo shoot, services of a professional photographer.
Have a good lighting	Never underestimate the importance of lighting. Good lighting would bring out the best from the products, clothing, and bad lighting can well make the objects unsellable.
	Well-lit subject, preferably with bright white light is a must. Do not mix artificial lighting and sunlight. Sunlight without rays of light is ideal. Ensure uniform background that does not distract the viewers.
	Put the lighting source to the side to add depth to the picture.
Attract buyers' attention and provide a sense of reality	For hats, accessories, jewellery, using a human as a model looks best. Ensure a mannequin or a live model uses the item to give a proper understanding of the item's use to the buyer.
	Do not add objects to the picture trying to make the object look better or more interesting. Buyers must focus all their attention solely on the subject.
	Proper reference to the actual sizing of an item is critical. Provide a reference item (a human hand, a matchbox) to help gauge the size. Use a mannequin head if needed, but a human head is better.

Digital branding

Digital branding is an important part of today's digital marketing. It refers to everything that helps customers identifying a brand online. Digital branding has to do with designing a unique **brand identity,** or things that people see visually, such as the logo, brand colours and fonts used by the business.

A **brand book** describes the brand identity of a business. It is a document that describes specific colours, fonts and logos that the brand uses on the website and social media for consistency. Does every business need a brand book? No, at the beginning, businesses may use generic fonts, approximate colours, stock images, etc. Once the business realises the need to maintain a pattern of style on the website and social media pages, then entrepreneurs should consider doing it. Services such as *Canva.com* can help creating a first brand book and designing a visual identity.

A step-by-step guide of actions needed to build a digital brand is detailed below.

Example on using multiple delivery channels to promote a brand: the case of PWRSNAK

Khaled and Yusuf have recently founded a small business packaging and selling power bars made of mixed dates, dried fruit and nuts called PWRSNAKs. Their innovative recipe is in high demand because they use a carefully designed multi-channel digital campaign.

Having hired a popular digital marketing team for a **flat monthly fee**, they are happy with their choice. The digital team led by Dahab, an ambitious **digital marketer** and a team leader of a professional digital marketing team, designed a very typical and well-executed strategy.

The strategy involves identifying key channels and creating a **landing page** nurtured with multiple **sources of content (these include** all **social media accounts** popular among teens and young adults).

A dedicated **Medium.com page** augments these efforts by feeding **keyword-rich**, yet super-engaging articles. **Daily postings** both send the proper message to the audience and reinforces the **brand visibility**. There is also a **viral campaign** promoting the power bars across social media.

Dahab captured b**rand recognition data** through **Google Analytics** and other tools and verified it had skyrocketed over the last two months. The total amount of traffic driven to the landing page tripled every two weeks compared for the first two months, then slowed down to doubling every month. A formidable result!

Speaking of **branding**. Yusuf was the one who came up with the name PWRSNAKs. It is appealing to the youngsters, unique, and easy to promote.

Dahab contracted a **freelance visual designer.** Amal was a talented freelancer who drew the logo, carefully chose the brand colours and chose a standard **Web font** that goes well with the logo. This did not cost much as Dahab bought the packaged deal from Amal that included the entry-level **brand book design**.

Furthermore, a **development team** started to work as well. This was composed of Waled, the **UI/UX designer** (three weeks of the pre-design phase, and the implementation phase of 6 weeks) and Maha, the **web developer** (part-time of 3 hrs per day for 5 months).

Waled, the **UI/UX designer,** drew three **mock-ups of the visuals** (the visual concept images of look-and-feel of for the landing page) based on the brand package that Amal designed. The business owners then selected their favourite set of mock-ups.

Based on these **mock-ups**, Maha, the w**eb developer,** then coded a dedicated landing page and kept adding small changes and new functions such as configuring a chat bot during her contract.

The **landing page** design had all the information about the start-up, the revolutionary power bar mix and a call to action (in this case, a button to place an online order) strategically placed across the landing page.

The **web designer** used a carefully worded convincing **selling messages** to incite buying. To draft the proper texts to sell, Dahab contracted (on the 3 hrs per week basis) a **professional copywriter**. All the owners had to do was to provide feedback on the texts. The copywriter's job was to keep writing convincing texts for the social media team to use in their posts.

The small **social media team** was formed by two specialists. One was contracted to produce at least 15 social media posts per week. This took Aisha, the **lead social media marketing specialist**, three hours per week of work. The second specialist, Tamar, a **junior social media marketing specialist**, was in charge of posting them across the social media and responding to comments. He was not spending more than four hours per week for that.

Since both specialists were used to multiple projects simultaneously, Dahab billed only a fraction of their monthly fees to the PWRSNAK owners.

Finally, there were dedicated **digital ads**. These included **small banners**, **paid Instagram posts**, and **promotion** on Facebook, and on several carefully identified websites, including Medium.com, and local b websites. Using custom-designed proprietary algorithms, Dahab monitored the ad **click-through rates**, **conversions**, etc., and adjusted the channels based on the performance results

Yusuf and Khaled could not have been happier. They managed to hire an entire team of digital marketers, where each member only provided the services when needed, and got paid for the results. Dahab was happy too, as she kept her team employed whilst remaining to be available to service multiple other clients. The references from PWRSNAK really helped get several similar start-ups onboard as well.

Action plan

BUILDING A DIGITAL BRAND: Step-by-step action items

STEP 1
Set up a free account on Canva (https://www.canva.com/). You can also try Looka (https://looka.com/) or read this article for alternative services that can help build a digital brand. At a later stage, you can switch to a paid version if you like the service and can afford it.
Then, **study** their functionalities and **learn** how to use each tool.

STEP 2
Brainstorm to formulate a **brand message** (an idea, a concept, a product, a symbol).
Record 5 different thoughts:
e.g. As a coffee vendor, use keywords like *coffee, bold, tasty, aroma*, etc. A hypothesis would sound like "*This coffee brand represents a fine aroma and an exquisite taste of Colombian coffee*"
Message 1   _____
Message 2   _____
Message 3   _____
Message 4   _____
Message 5   _____

STEP 3
Acquire images that convey these thoughts. You can either take a good picture or pay an artist to draw the image.
Important: **if you opt for paying the artists for their work**, keep the receipt (as a proof of purchase)
Attention! Do not "borrow images" from the Internet. It is illegal and may get you in trouble with the owner of the image, resulting in fines and penalties.
a. Design three to five logo concepts (use a free logo design service online, hire a digital artist or order a logo on a professional service marketplace[17]).
b. Come up with a memorable slogan to go with your logo. As with images, do not borrow phrases or other firms' slogans.
c. Choose colours that represent the brand well or have a designer helping you with this task. For each colour, capture its exact RGB colour code. E.g. white is #ffffff and black is #000000. To get the RGB code for the colour, search for "RGB colour picker" and use a built-in system utility such as a colour picker or a free service to get the colour codes of the entire palette of your brand.
d. Test your hypothesis (brand, colours and logo) with your friends. Make changes as appropriate/relevant, update your brand design, finalize and generate the final version of your brand book.

17   See C2B (Customer to Business) section of the DDB for details.

Digital marketing and branding business strategies

Hiring a digital advertising specialist is often recommended as a digital marketing strategy. This kind of professional can deal with the choice of instruments, combine them to generate maximum return on investment and guide the business through the torrents of digital marketing.

Furthermore, the business can hire a freelancer or a small business to develop a good digital branding. Having a unique, original, meaningful, and catchy digital brand may be one of the key drivers of a business' success. In this process, a corporate brand book should be created, containing a colour scheme, the logo designs and any slogan. For that, free services can be used, such as Looka or Canva.

Any online marketing efforts are great for both micro and small businesses. Business owners should experiment with marketing via messengers and social networks, trying to understand what works for the business and what attracts clients. Getting advice from digital marketing specialist is usually the right thing to do.

Basic digital presence for businesses

Below is a self-assessment tool to evaluate the strategies of a business to build its digital presence. Feel free to modify and expand the tool to reflect questions that your business needs to address.

Self-Assessment tool to identify a micro business' digital presence strategy

Instrument Category	Name of the instrument used by the business	Importance to the business (1-lowest, 5-highest)	3 key areas of the business where the tool is used (ex. Sales, Marketing, etc)	Summary of the current strategies	3 possible future strategies	Describe the road from current to future use
Social media platforms	.... (social media 1)					
	.... (social media 2)					
	.... (social media 3)					
	.... (social media 4)					
	.... (social media 5)					

Messengers	.... (messenger 1)				
	.... (messenger 2)				
	.... (messenger 3)				
	.... (messenger 4)				
	.... (messenger 5)				
Website	Website or landing page:				
	Domain 1:				
	Domain 2:				
Digital marketing	Channel 1 (define)				
	Channel 2 (define)				
	Channel 1 (define)				

Exercise: assessing the digitalisation progress

The exercise below models a small business that has made some progress towards the digitalisation pathway. As a practitioner, please **review** the case below and **list** at least five recommendations to this firm:

A business offers custom-designed eco-bags. It is a hybrid business that combines a physical stand in a local mall with online selling. Most of its clientele comes from the mall shoppers. The second most relevant source of clients is from online orders placed via messenger/phone. These customers come from a local classified website.

The entrepreneur communicates with clients using messengers that are popular in the region.

The business is thinking about **digitising** some of its tools and **digitalising** some of its business processes with the overall objectives being:

a. Increasing sales
b. Attracting more clients and increasing a customer base
c. Ensuring the increased flow of customers remains manageable.

Task: evaluate the extent of digitisation/digitalisation that could benefit the business and increase its efficiency. What recommendations can you give to the firm? Please provide 5 (five) or more recommendations. For each item, list the objective(s) that the item addresses.

Recommendation 1 _____

Recommendation 2 _____

Recommendation 3 _____

Recommendation 4 _____

Recommendation 5 _____

Summary of Module 1

This chapter has discussed the main tools for a business to establish a digital presence. In particular, it has reviewed some fundamental elements necessary for a business to be noticed online. These include signing up for social network platforms and messengers, as well as building a website. Both are handful tools to promote the brand, communicate with clients and sell products and services. For each of them, several possibilities exist, which have been discussed along the chapter.

Furthermore, websites and social networks need to be supported with the use of digital marketing and online branding. These are important tools to advertise products and services online, build the image of a brand and consequently increase sales. An overview on how to implement digital marketing and branding strategies has been provided in this chapter.

Example: PWRSNAK establishes a digital presence

Before the co-founders of PWRSNAK, Khaled and Yusuf, met and contracted the marketing team headed by Dahab, they had tried a few other strategies.

First, they used their personal accounts in WhatsApp, Facebook, and Instagram to communicate with prospective business partners and raw materials suppliers. It began well, with a steady growth of the number of people they engaged. However, one day, by accident, Yusuf shared photos of his friends cheering for his favourite football team with all his friends and followers, including their prospective suppliers. Since Yusuf and friends were avid fans of a famous team since college, it was just unfortunate that their new suppliers turned out to be seasoned fans of their arch-rival team. These suppliers called the next morning to say that, evidently, they did not have the required number of supplies in stock, to their regret. It took Khaled and Yusuf a couple of days to understand the reasons for this sudden change of situation. Then they set up a business WhatsApp account using their official business phone, rerouting all their business contacts entirely to the official account.

Surprisingly, it was Khaled who caused another digitisation-related issue. Both friends initially used their personal emails for all correspondence, sending messages to their prospective clients straight out of their mailboxes. It was super-convenient, all emails got answered almost immediately, and Khaled was proud of their fantastic reaction time. He used to say that "We at PWRSNAK are dynamically meeting the needs of our clients anytime, any day of the week". One of the clients Khaled put hopes on was a popular fitness club from the capital of a nearby province. Khaled called them and won their interest. The club management requested a proposal. Khaled emailed it to them the next day. Five days later, there still was no reply. Ten days later, Khaled called them and politely inquired about the reason they never responded. The club owner then verified and found that Khaled's email wound up in their junk folder. Their spam filter sent all emails from the free email platform Khaled's account was hosted straight to the junk. PWRSNAK did not get that contract.

It was an embarrassing situation, and Khaled and Yusuf agreed to register the domains THEPWRSNAK.COM, THEPWRSNAK.NET, and THEPWRSNAK.ORG. They hosted all domains on a reputable server, hired an account manager and set up a corporate email on THEPWRSNAK.COM.

The new entrepreneurs were happy for the new arrangements. They ordered business cards with their new emails, corporate WhatsApp, Facebook, and Instagram accounts for the total of $ 200 and handed them out to all their friends, families, and schoolmates. One of their more experienced pals from the club they frequented had asked about their logo and whether they had ordered their brand book already or not. Upon their negative reply, their friend recommended to hire Dahab, a digital marketer and his sister's college mate. The friend said that a business card without a nice logo did not really look smart nor professional. Embarrassed, Khaled and Yusuf had to shred almost all their newly printed business cards and ordered a new stack with the new design. Dahab's team created the business card templates a new logo, a new colour scheme and new fonts. Their new business cards did look much better, but that mistake costed the company $ 200.

Despite the unforeseen expenses, Khaled and Yusuf now felt establishing their digital presence was an essential step. They also saw that their new brand slowly began gaining recognition.

Module 2
Commercializing online

2.1   Selling through social network platforms

Social media platforms are increasingly popular for selling goods and services. Vendors benefit from the direct access to its customer base and from social aspects, like the built-in messaging, polls, likes, photos and sharing. All these factors help boosting customer engagement and promote brand awareness, which increase sales.

Ideally, these instruments add greatly to the comprehensive sales and marketing efforts. The function of the social media is typically adding content, attracting new customers and promoting brand awareness, thus greatly contributing to the marketing efforts.

Nevertheless, some vendors also use them to sell goods and services. While this approach certainly works well for some businesses, technically social media platforms had not originally been designed with the intent to sell goods and services.

Can a business trade directly through its social media account?

This is a decision that the business should make considering its business model, needs, client requirements, the availability of enabling services and tools to make the process of using social media to sell goods and services effortless and smooth. For some businesses, selling via social media as the main e-commerce tool is possible, but for others it is sub-optimal.

Most social media that are not geared for e-commerce miss some standard tools, functions and capabilities that are well implemented on other dedicated or general-purpose websites and/or e-commerce platforms. Below are some basic Q&A that businesses may ask themselves.

Q&A: Using social media to trade online

Q. Should I develop a catalogue with my products?

A. Absolutely. Social media provides any business with direct access to clients and having a catalogue with products and prices would certainly be beneficial. Since most platforms do not offer a dedicated space for businesses to showcase their products, the business may choose to create an attractive catalogue in PDF (document) and/or JPEG/PNG (picture) formats. These could be:

As PDF: added or linked to the business profile or uploaded to a post
As image: uploaded to a post.

Q. Should I post pictures of my products?

A. A picture is worth a thousand words, so by all means, do post images of your products to your social media accounts.

Q. Should I also set up Terms and Conditions?
A. Yes and no. Nobody would prevent you from posting your own terms and conditions, but they may not be enforceable. Technically, your account is part of the social media platform, which has its own rules, terms and conditions. These will supersede those that you may want your users to agree upon. Further, if you violate the platform terms and conditions, you may be restricted, banned, blocked or lose your account. Before engaging in any sort of e-commerce, carefully study the platform's terms and conditions.

Q. Can I accept payments?
A. For the most part, neither on the platform nor through it. Social network platforms are usually not designed to work as e-commerce hubs and do not allow any third-party payment processing services integrated. There are ways to link your account to an outside shopping cart and direct users to it, but this is not part of the default platform's functionality. This situation is slowly changing, with some platforms introducing ways of accepting payments. Please review the platform's terms and conditions to understand any limitations.

Q. What about shipping?
A. For the most part, one would have to devise one's own way of tracking, handling and fulfilling your shipping obligations, and these will most likely be outside of the social media platform.

Q. What if I sell services? How is it different from products?
A. There are not many differences between selling goods or services online. You can easily advertise your services online and social media platforms are well-suited for this purpose. However, the full sales cycle cannot occur on the platform. You'd have to use other means for completing it, since you are technically limited for accepting payments for your services.
Services such as software sales may be accomplished via social media if you provide the download link to the outside resource hosting your software as long as you do not violate the platform's terms and conditions. Also, professional photographer's services are sold well via social media as the exchange of money happens outside the platform.

The general rule is that the suitability of a particular platform for the sale of goods and/or services is something each business has to think about after a proper review of the platform.

2.2 E-commerce

An e-commerce *point-of-sale* is any virtual store that serves as a platform where buyers and sellers meet to exchange goods and services for money. Examples of e-commerce points-of-sale include, but are not limited to:

a) A marketplace storefront

b) A landing page or a website

The difference between a marketplace and a website store is subtle. Typically, a virtual marketplace is owned by a service provider. Anyone can come to the market and rent a stall, but the market owner will still own the stall and can technically kick the leaser out for certain reasons. On the other hand, an e-commerce on a website is often owned by the store owner.

The front page of any e-commerce account performs the following functions:

1. Features display of products.

2. Showcases the brand identity of the business.

3. Serves as a product catalogue.

4. Offers product search capabilities.

5. Links to a store shopping cart.

Setting up a new e-commerce store

For an entrepreneur wishing to trade via a marketplace, setting up a virtual store is straightforward. Following the review of the Terms and Conditions of trading of this marketplace, a quick registration process results in the entrepreneur being assigned a virtual store.

An e-commerce point-of-sale business profile typically contains:

1. The business name.
2. Elements of the business identity (logo, storefront images, header, etc).
3. The business legal address.
4. The physical address of the business.
5. A virtual address (URL) configured either through:

    a. A linked business-owned domain (e.g., https://www.example.com/store_name/).
    b. A subdomain (https://www.exampleplatform.com/sores/store_name).

6. A business tax ID.
7. Other information.

How different is a business website e-commerce from marketplaces?

Below are several considerations that differentiate business-owned websites from platform-owned accounts.

1. Who owns the webstore?

    a. When creating an e-commerce on the business website, the business owns the webstore (the business owns the codes, pays for the hosting, etc.).
    b. On marketplaces, the webstore is owned by the platform (e.g., Amazon owns the platform and provides it to business in exchange for the percentage of sale, a monthly payment or other financial rewards).

2. Who fulfils orders?

    a. When creating an e-commerce on the business website, the business fulfils orders (and ships the goods by themselves).
    b. On marketplaces, this is often done by the platform on behalf of the seller (e.g., Amazon ships goods from its warehouse to clients).

3. The flow of money from buyer to seller:

    a. Direct on the business website: business receives the payment directly.
    b. Via an intermediary on marketplaces: the platform gets paid, then it settles with the business.
    c. Neither: transactions are completed outside the website (e.g., restaurants delivering via food ordering applications may receive payments by cash or using their own physical point of sale).

Figure 4: Selecting the right type of e-commerce point-of-sale
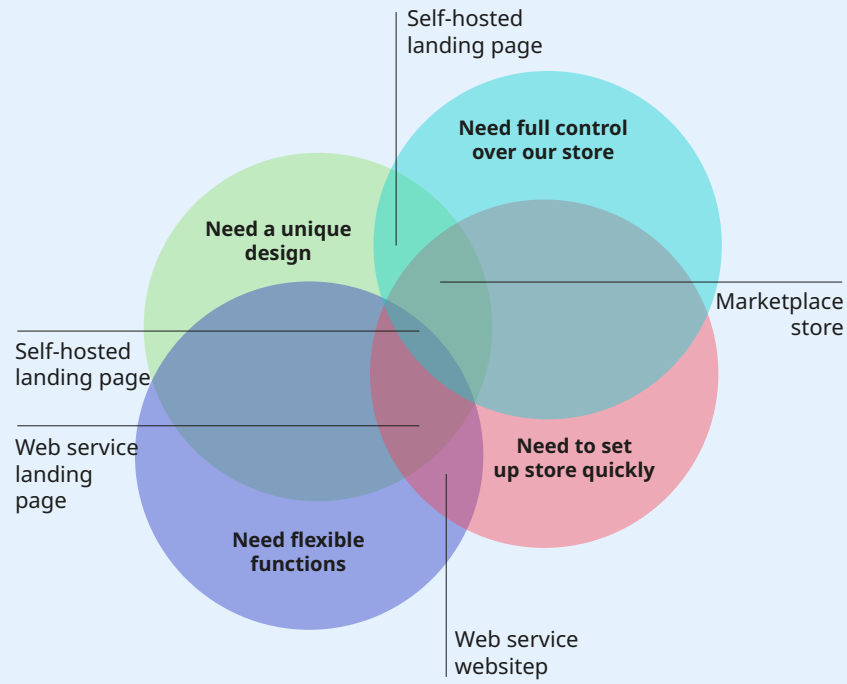
	Quick Setup	Diverse functions	Control& ownership	Unique design
Self-hosted website	X	✓	✓	✓
Self-hosted landing page	✓	X	✓	✓
Web service landing page	✓	X	X	X
Marketplace store	✓	X	X	X
Web service website	✓	✓	X	X

2.2.1 Selling online via marketplaces

Many businesses that venture into selling their products and services begin their online trading through marketplaces (such as an Amazon webstore). A marketplace is essentially a virtual market where sellers offer various products and services that buyers can purchase. Marketplaces were designed to provide basic e-commerce tools to businesses that lack such capabilities. Marketplaces are designed for businesses that either:

1. Are newcomers that want to trade online but do not have their own website.
2. Work in an industry traditionally selling on or through marketplaces.

Reasons to set up a virtual marketplace account:

Businesses, if in doubt whether they should trade via a marketplace or build an online store, **should opt for starting with a marketplace account** for the following reasons:

1. Reduced or no barriers to entry.
2. Quick and effortless setup of everything required to trade.
3. A marketplace account is either free or inexpensive to set up.
4. Becoming experienced in online trade, copying or replicating elements of a marketplace business model is a great starting point for the online store.

Having gained some insights, resources, and time to work on a dedicated e-commerce website, businesses can go ahead and establish an owned e-commerce website and/or continue using the marketplace.

Example

Linda is a young micro business owner. She set up a new account on Amazon.com in two days with the intention to sell the handmade necklaces she was making. Linda's intention was to capture a fantastic market of millions of online shoppers.

Unfortunately, she had to review her business strategy three months after the start. She sold nothing on Amazon.

Saddened by her failure, she started researching, reading, and talking to e-commerce specialists to understand what some of the reasons for her lack of immediate success could be.

She also tried to understand how her prospects could find her necklaces. She noticed that her necklaces were lost amongst millions of similar offerings. Consequently, even though owning an account on Amazon did not cost her anything, she was not making any money.

Eventually, she understood some of the reasons of her not-so-stellar performance.

1. First, she was only offering a handful of designs.
2. The store needed lots of promotion, including paid promotion, and time to become visible on Amazon.
3. Her store listings needed more relevant, catchy, and informative descriptions and images.
4. Also, other traders quickly stole her designs and started selling her necklace replicas for a fraction of price she was selling her wares.

She abandoned the idea of focusing only on Amazon. Instead, she capitalised on her research and decided to split her efforts. First, she set up a free account on Etsy.com, the go-to place for people selling hand-made and handicraft items, and her sales gradually grew.

Linda also set up an account on Instagram to showcase her necklaces and posted links to her Etsy and Amazon stores on her Instagram profile page. Finally, buyers started to discover her stores, but it was not until eight months since her Amazon account setup date until her micro business gained popularity.

2.2.2 Selling online via a business website

Despite social media rapidly capturing the digital world, a website is still the backbone of a business digital strategy and one of the most typical digital business tools. There are 1,218,423,991 websites in the world as of May 2021.[18] The vast majority of these are likely to be business websites, providing information about a company, its products and services. Often, business websites host an e-commerce store.

Any virtual store would typically have the following elements:

1. **A product/service catalogue.** Setting up a catalogue of goods or services involves the task of logically breaking up the offering of all goods and services to be traded into categories, subcategories, types, etc. A business needs to divide products into categories by size, colour, shape, make, model, type, brand, country of manufacturing, etc. The more straightforward and easy-to-understand is the cataloguing system, the easier customers will navigate through the store, the quicker they will find the products desired and the most likely they will buy items from the store.

2. **Photos.** Adding photos to each item of the catalogue. In modern virtual stores, there is typically an interface where the owner can either upload a series of images (front, back, top, zoomed images, etc.), and provide captions for each photo (such as those used for visually impaired shoppers, search engines etc.)

3. **Item Titles, Short Descriptions.** A short, specific title should be added to each item. The exact title is an important marketing and SEO[19] tool, therefore, all titles should ideally be phrased in a certain way. Gradually, a seemingly simple task of product naming evolved into a mix of art, science, and marketing psychology. Today, hiring a SEO expert is practically the only way to ensure proper visibility of the website.

4. **Long Description of each product/service.** An accurate description should be added to each item. The description must contain any mandatory pieces of information (such as legal disclaimers, warnings as mandated by the governing legislation), and optional marketing or sales messages.

5. **Stock number, SKU[20].** Each business needs to know where a particular product is in the storage facility and how to find it. An SKU can be as simple as a combination of letters and numbers, such as, for example, BL001, which may mean something like BL-black, 001 – the first box on the left shelf. SKUs could be a long string of characters assigned to each item by an inventory management system. Modern day inventory management systems employ various sophisticated tools such as barcodes, QR codes, e-tags or other systems to track individual item's inventory position. These codes are predominantly for the convenience of a business.

6. **Rules of selling.** These rules may include product rebates, bundles, volume-based discounts, price reductions, coupons, etc., and apply to either all products/services or to certain categories of goods. These parameters add a new layer of flexibility and help automate and facilitate trade.

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18   Data as of May 2021 (Huss, 2021)
19   See Search Engine Optimization
20   SKU – a Stock Keeping Unit (SKU) number is an alphanumeric code that describes item's unique characteristics according to company's internal inventory system that helps store similar items in warehouses for easy retrival.

7. **A shopping cart.** Much like its real-life analogue, a shopping cart is an automated script that helps shoppers to place an order, and allow consumers to perform all the activities to the following:

    a. Select the exact products they want.
    b. Specify the number of items.
    c. Apply a promotion, add a coupon code to the cart.
    d. Enter customer details (billing and shipping address).
    e. Select various delivery options (adding shipping and handling costs).
    f.   Calculate taxes, if any.
    g. Choose payment options among those offered by vendor.
    h. Generate an invoice with the above information.
    i.   Collect payment.
    j.   Send order for fulfilment.

2.3   The sales funnel diagram

The task of every sales department is to find, engage, and ultimately, sell products. A very simple **sales funnel** concept describes the flow of customers from so called **prospects**, or potential customers, to **leads**, and to **clients**.

1. **Prospects** are people or businesses who may become clients of the business.

2. **Leads** are prospects that become interested in business' products or services.

3. Finally, leads become **clients** when they buy something from the business.

Figure 5: The sales funnel diagram

Top offunnel
Prospects

Middle of funnel
Leads

Bottom of funnel
Customers

Below is a diagram to provide a description of the stages that customer journey occurs, strategies businesses may use to advance the prospects down the sales funnel and actions the business needs to undertake to facilitate the customer journey.

Figure 6: Explaining the sales funnel: stages, strategies, actions

Stages & strategy

Actions

Awareness
- When customers buy a product or service, they're typically looking for a solution to a problem.
- In the awareness stage, you must let people know that you have a potential solution to their problem.

Marketing efforts
Content campaigns
E-books/
whitepapers
Events/trade shows
Press releases
Social media
Webinars

Interest
- Once a customer is aware of your company, you must pique their interest.
- Just because they know your product or service exists as a potential solution to their problem doesn't mean they are automatically going to choose you.
- In the interest phase, the customer actively researches products or services that will solve their problem, so you should make sure they are able to find your company.

Warm leads
contacting
Discovery
Email signups
Free trials
Free samples
Free quote/
estimate

Decision
- Make the decision easier by offering a smaller commitment at first, like a free trial.
- You (and your company) need to feel relatable as well as authoritative to customers, like you know how to solve their problems.
- You can accelerate the decision-making process by selling your product as the only real solution to their problems or as being scarce.

Hot leads
contacting
Demos
Case studies
Proposal
Trade

Action
- Once your customer has made a decision and is ready to act, you want to make it as easy as possible to purchase.
- Review your final sales process to ensuremaximum ease and comfort for your customers.

Consultations
Training sessions
Follow-through
Paperwork

2.4   How does online commerce compare to the conventional commercialization model?

Imagine that the virtual world is like a giant commercial neighbourhood, with millions of market stalls, shops and supermarkets. Each unit, from a tiny microbusiness selling newspapers to a large store selling thousands of goods, has to be able to display its products. Typical e-commerce websites would be stores and marketplaces probably be either department stores or shopping malls.

Often, there is a map showing where each store is located. In the e-commerce world, this map is one typically represented by search engines (Bing, Google Baidu, Yandex) or online catalogues and directories (DMOZ catalog, Yelp). A newspaper vendor walking along the rows selling newspapers is not going to be shown on the map.

In the digital world of e-commerce, small vendors using messenger accounts are analogous to those newspaper vendors. To be visible on one or several global or local online 'maps', the business should be available online. However, messenger accounts are not visible on the global map. For example, a *WhatsApp* account. Nobody knows that a particular business sells its products via *WhatsApp*. This is a huge disadvantage of selling products and services solely through messenger accounts.

To gain visibility on the global or regional map, the business should have an address. This is what the domains are there for. Getting a unique, specific, and easy to remember address is extremely important. More importantly, is keeping this address permanent and avoiding changing it often, since customers would easily lose track of the business. As an address, a business can use one or all the following:

a)   A domain name and a URL (e.g., www.yourbusiness.com);
b)   Social media profiles (e.g., @yourbusiness on Instagram or Twitter)
c)   A store on a virtual marketplace (e.g., www.coolmarket.ug/yourbusiness/)

Having one or more virtual address is part of the digital branding of a business.

Setting up a virtual storefront is of utmost importance to the ability of the store to connect with its prospects and clients. Every business that wants to be digitally present would require a digital equivalent of product shelves and product display cases. Businesses can set up the following equivalents of digital shelves:

1.   For messenger accounts:

   a.   A link to the products' page or guide in the business profile area.
   b.   A chatbot configured to provide information about various business offerings.

2.   For social media accounts (Facebook, LinkedIn, Pinterest, Instagram):

   a.   A link to the products' page in the profile area.
   b.   A dedicated page(s) with the products/services listed and detailed.
   c.   An uploaded guide (Pinterest or Instagram).

3.   For an e-commerce marketplace account (eBay, Amazon, other):

   a.   A virtual storefront: The storefront can often be customized to include brand colours, logos, slogans, and other elements of the brand style.
   b.   A dedicated page on the platform displaying the products or services, with product links, images and descriptions.

4.   For a business website:

   a.   a built-in product catalogue with a shopping cart.

2.5 E-commerce business models' overview

Different e-commerce business models target diverse types of clients. Below are the most common cases.

B2B (Business-to-Business)

A **business-to-Business** (B2B) e-commerce views other businesses as their main clients, and products and services sold may be resold at a profit. This is a huge market where businesses supply goods (the entire inventory of a supermarket, office furniture, books, delivery vehicles, etc.), and services (such as insurance, legal, accounting, catering, etc.)

Similarly to Business-to-Consumer (B2C), B2B sellers know their audience well, and reach out to their target audience directly, although in case of B2B, typically, orders are larger, wholesale is more prevalent, the expectations of the level of service are different and so is the settlement and payment cycle (weeks for B2B versus days or prepayment for B2C).

There are differences between the two, of course. In B2C, seller businesses typically specialise in certain product types or industries, decisions are often swift of spontaneous, made immediately, whilst in the B2B sector, decisions often take months and efforts to win (and the associated costs) a B2B client are far exceeding those in the B2C sector. Hence, marketing strategies are different.

Example

Claude and Valerie are web developers. Claude is an experienced web app coder, and Valerie is a graphics designer. Together, they worked on several freelance projects building websites for small businesses.

Eventually, they decided to work together and teamed up to open a small business. Their small venture shall be offering website design services to small business owners.

They deliberately chose working in the B2B segment. Working with companies provides a more stable flow of money as opposed to taking orders from the individuals. Marketing to businesses has its benefits as Claude, who is also the marketing specialist, designed a marketing plan with several focus areas. Specifically, Claude would place ads in the industry magazines, on B2B forums and target their prospects via mailing lists.

He believes that marketing for individuals is tough, takes more money to become visible, and the competition from services such as GoDaddy is quite hard to beat. Individuals do not see the difference between a fully custom web design and a template-based standardised websites. Also, website building services are charging lower rates because they make up for that with the hosting packages that they offer to tie customers to them.

Valerie is also fully supporting their B2B orientation. From the continuity standpoint, every B2B order brings them more money. Most businesses often opt for more complex designs with more pages, images. This means challenging jobs for both business partners that helps them grow professionally.

Finally, businesses tend to sign up for longer-term commitments. Valerie brought along two corporate clients to help them lift their joint business off the ground.

Valerie believes that companies are always looking for updating and maintaining their websites in top shape as opposed to the individuals that rarely add new features to their websites. Companies add new features and services such as online stores, blogs, integrate various B2B services, etc. Besides, taking photos and creating unique virtual storefront designs is clearly the type of jobs she loves.

Valerie designed their website, Claude coded it, and they both worked on a virtual store to showcase their past work portfolios. Claude worked on the contents, liaised with the lawyer to prepare the Legal, Terms and Conditions, and Privacy policies.

Valerie signed up with a payment provider to accept payments online, worked on the business offerings, defined packages of services, took care of all the visuals, and designed sample templates to showcase on the virtual storefront.

Valerie and Claude are looking forward to getting new customers among the small and medium sized businesses in their city.
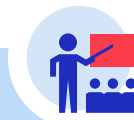
B2C (Business-to-Customer)

The **business-to-customer** (B2C) sector targets individual clients, sales of goods and services are typically final. Most B2C e-commerce retailers, such as Amazon, Booking.com, or Alibaba offer thousands or even millions of types of goods and services, aim at reaching out as many clients as possible and offer as many goods/services as possible.

B2C marketing strategies are radically different from those of the B2B sector, particularly in the different levels of customer loyalty. B2B strive to retain customers for years, whilst B2C face and deal with serious competition for less a loyal client base which easily change vendors.

The B2C market players could be any size, but the tendency is to utilise the economies of scale, thus, even though B2C businesses typically have relatively low profit margins, the volume of sales is usually large enough to justify the low margins.

C2B (Customer-to-Business)

Most **customer-to-business** (C2B) clients are individual professionals offering their services as contractors to businesses. These professionals include interpreters, graphics designers, accountants, legal professionals, etc.

Unlike the B2B and B2C sectors, the C2B sector has very narrow and often unique services, which are limited by the availability of the service provider. For instance, there is a limited number of logos a professional graphic designer can work on at any given time. Inefficient customer sourcing is a problem for the C2B operators as the marketing resources, abilities and time invested are normally very limited.

One of the most well-known C2B global operators are *Upwork*. Running a virtual C2B market platform, it is a go-to place for small businesses searching for professionals who in turn receive an escrow-protected payment mechanism for a fee (an *escrow* is a system when there is a middle-person between the buyer and the seller that ensures that both parties fulfil their mutual obligations before transferring the payment from a buyer to a seller).

Example

Aliya is a South Sudanese refugee that fled to Kenya in search for protection from the conflict ravaging her home country. As a displaced person, she had tough time earning any money as jobs were scarce in the camp she lived for the last year.

When a new donor-funded programme mentors came to their camp, Aliya signed up for free training in photography. Having completed a 4-month long training, she became adept in wild animal and nature photography. High quality photographs are in high demand with tourist website builders, stock photo marketplaces, etc. Additional training of portrait photography enhanced her offerings with the series of portraits of the small business owners that she took in the nearby town.

Using the digital cameras supplied by the project mentors, Aliya was on the track of commercialising her talents. She signed up with Upwork.com as an individual photography professional. Having filled in her profile, included her portfolio, Aliya was ready to bid for clients.

Her first order came from a web development firm in Birmingham. They needed a series of photos of plants in their natural habitat in Kenya. These pics were for a website design of an exotic plant supplier website for a York-based client.

Aliya received her money via the Upwork.com escrow service. As agreed, following a 40% prepayment, she supplied the 75 photos her client ordered. Upon delivery, she received her 60% final payment. That was a great start. Aliya now knows that the C2B business model works for her.

C2C (Customer-to-Customer)

When the concept of e-commerce began, most marketplaces targeted the **customer-to-costumer C2C** sector. Technically, a C2C business model refers to a platform facilitating business transactions between two individuals. These include all sorts of For-Sale-By-Owner (FSBO) classified websites or classifieds as in *Craigslist*, *Ebay*, *Autotrader*; forums, certain auction sites, and direct sales via social media (*Instagram*) and messengers (*Telegram, WeChat*).

Example

Kwan is an avid anime memorabilia collector. His collection of anime figurines grew so big that it filled all the shelves in his house. He had no room to store novel items that kept coming, so he decided to sell a small portion of his collection on eBay.

Kwan registered an eBay account and put up a portion of his collection online. He had to take photos of each figurine. For this purpose, he created a softbox that provides good ambient lighting all around the miniature. The resulting images looked stunning.

Kwan's collection immediately attracted the attention of the anime afficionados, and in a week, the entire collection was sold. To ship the items sold, Kwan contacted his local post office. They shared their per box small parcel rates, and Kwan uploaded this table to his eBay profile. This way, every customer knew how much shipping would cost per the item purchased.

To collect his earnings, Kwan signed up with PayPal, and the proceeds were transferred to his PayPal account less the service fee.

Kwan was excited to receive all the money. Now, there are more figurines he can buy from other collectors.

Activity

Which channel(s) of online commercialization should your business adopt? Consider your business specificities in terms of target clients, resources, competition and type of product/service offered to list the pros and cons of using each channel of online commercialization.

	Social media	Marketplace storefront	Website
Pros			
Cons			

Summary of Module 2

Entrepreneurs are advised to set up a virtual business storefront to sell goods and services online. This chapter covered the types of e-commerce that businesses can use to take one step further along the digital transformation pathway.

The guide has first reviewed how messengers and social media, being the simplest tools to transact online, can help make a first step into e-commerce. Then, it has provided an overview of online marketplaces with practical points on how to set up a storefront. Next, it discussed the creation of an e-commerce on the business' website. No matter the choice of the firm, the main purpose is to start selling online.

Example: PWRSNAK: Strengthening e-commerce efforts

Khaled and Yusuf had some busy time refining recipes of their power bars, inventing new flavours, and improving production, packing facilities. As for sales, the initial surge of curiosity towards their products was slowly replaced by a plateau with smaller new client adoption rates.

Partners chose social networks as their initial sales channels. Then, focussing on social media alone became a bit of a challenge. Even though they had the support of Dahab's social media experts, they still had to help them generate new content every day. Months in, that became a true challenge, and clients were no longer amused. Several clients directly complained about having to use Instagram to order a new shipment. Some of the buyers did not like the clumsy Instagram interface and the fact that most of the ordering processes was not transparent to them.

Yusuf therefore proposed to switch to a web store as they were strongly opposed to having a physical point-of-sale. Both owners agreed in their understanding that warehousing, staffing, equipping the showroom, and all those expenses would not pay off if they were to sell essentially one product. Hence, they decided to build the web store.

In the beginning, they had three options to choose from: an account on a marketplace, a landing page, or a website. It took Khaled and Yusuf some time and a few meetings to make the final choice. They thought about an Amazon account first. That was a clever idea as they did not have to do much work to set one up. They set up the account quickly and started offering two types of PWRSNAK bars on it, sold individually and in boxes of 20 pieces.

Their confidence eroded a bit when Khaled researched the product category they were trading in and realised that there are hundreds of power bars manufacturers. These were mostly sold by large corporations with marketing budgets large enough to allow them to invest heavily into promoting their products. Hence, PWRSNAK bars were almost never displayed to buyers. Instead, their more affluent competitors were among the search results for power bars most of the time. Another negative factor was the platform's commission and fulfilment expenses, which would eat into their revenues.

A viable alternative was to set up a corporate website. There were a number of reasons in favour of this option. First, partners needed a proper hub of all corporate information, including marketing, product details, legal, etc. Second, this website should host an online store. Finally, there should be a Q&A section with answers about their products, shipping and handling policies, as well as other information such as nutritional, Halal certification details, etc.

The PWRSNAK team did not abandon the idea of having a landing page. Yusuf thought it would save them a lot of costs and time needed to build an informative website. He even found a service where a decent landing page took three hours to build from scratch. Then the partners set up a meeting with Dahab and their team and asked for their help in trying to decide which way they should go. The response they receive was unanimous. The company should choose BOTH. In addition to the main website, Dahab recommended to set up two dedicated landing pages to promote the two flavours of their PWRSNAK bars.

Dahab's team offered to design those pages to separately promote the two flavours and to post unique content. The goal of having two landing pages was to add relevant SEO information to promote brand awareness. One of the landing pages was hosted on THEPWRSNAK.NET, and the other, on THEPWRSNAK.ORG. Further, these pages, their corporate social media accounts, and all other profiles had multiple links pointing to THEPWRSNAK.COM.

Dahab explained her multi-channel approach to Khaled and Yusuf. She said that the focussed efforts, together with their social media accounts such as Instagram, Facebook, Medium and LinkedIn, would increase the page rank of the main website. These sources should feed as many diverse information channels to Google and other search engines citing THEPWRSNAK.COM as the page with the ultimate authority and relevance. Hence, this would increase the referral base of the main website with the store as all online sources contributed to the authority of the content on the .COM domain.

Module 3
Adapting business processes

One of the most critical elements of online trade is the collection of payments and delivery of the orders. This is the part where mutual trust, and the tools of promoting and ensuring the trust thrives.

On the **Buy > Ship > Pay** model[21], to ensure that the trust between parties engaged in e-commerce remains intact, the actors attempt to achieve the simultaneous flow of goods/services sold in exchange for the money flowing in the opposite direction. This is particularly important for cross-border trade.

Figure 7: Flow of goods and money in e-commerce
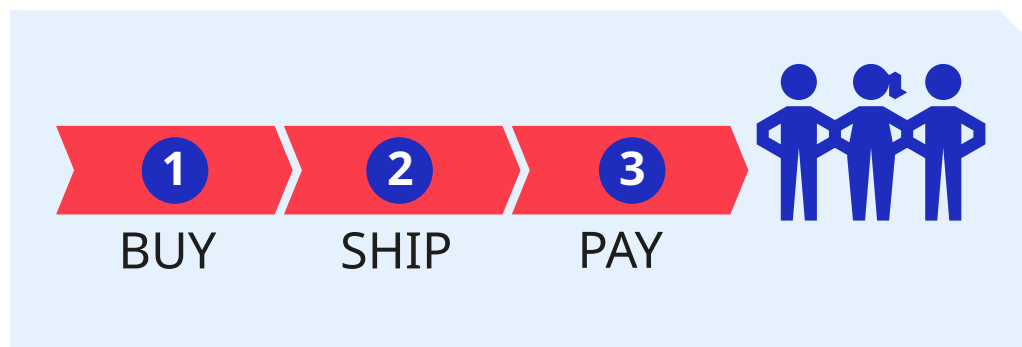
Sellers must trust the buyer (after certain compliance and **fraud prevention measures[22]**), ship its products via a trusted **logistics service provider** (post office, commercial fulfilment centres, etc.) and collect the money from the **payment provider**.

3.1   Receiving orders and collecting payments

To transact online, a business needs tools to collect payments from customers and to pay for goods and services used when making their offer available. The growth of e-commerce gave rise to multiple payment tools and services and to a huge infrastructure for enabling businesses to receive, process, transfer and review the authenticity of payments. This guide assumes that the reader has a certain degree of financial literacy and focuses on the reception and processing of digital payments.

Any e-commerce transaction has at least these essential actors:

▶ A buyer
▶ A seller
▶ A payment processor

A payment processor is the intermediary between the buyer and the seller that takes care of the technology behind the transfer of money in exchange for a fee. Typically, this technology

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21   A UNESCAP model of global trade (UNESCAP)
22   See sections on *Order Fulfillment*, *Managing Fraud* below.

is integrated into shopping carts on e-commerce websites or other marketplaces. Shopping carts are designed to handle multiple payment processors at once, which means sellers can sign up with more than one payment processor. This increases the flexibility of accepting most debit and credit cards buyers use to pay for purchasing the goods.

Some of the payment processors of online transactions are (2021 data[23]):

1. Paypal,
2. Stripe,
3. Payline,
4. Adyen,
5. Authorize.net

To be able to accept payments, the seller needs to sign up with at least one of the payment processors.

Tool: what should be considered when selecting a payment processing service provider/gateway?	
	Advice
Does the payment service provider work in your country?	This is a critical question to answer as every provider you sign up with must agree to work in your country. Otherwise, the business may not be able to withdraw money from the payment gateway because of the legislations or sanctions preventing this. Review the payment gateway website and consult their sales staff.
In what form can a business withdraw money from its account?	Some of the payment gateways are offering the withdrawal of funds in form of checks. Checks are often extremely hard and expensive to cash outside of the payment gateway's home country. Ensure that a wire transfer (SWFIT) is available as an option. Withdrawal of funds in foreign currency may or may not be allowed by the domestic financial regulator, so check for the currency the payment gateway operator allows withdrawals.
What payment structure of fees does the payment gateway operate with?	Some of the payment gateways are offering the withdrawal of funds in form of checks. Checks are often extremely hard and expensive to cash outside of the payment gateway's home country. Ensure that a wire transfer (SWIFT) is available as an option. Withdrawal of funds in foreign currency may or may not be allowed by the domestic financial regulator, so check for the currency the payment gateway operator allows withdrawals.
What help does the payment gateway provide in the event of fraud, refunds or chargebacks? Are there any penalties to the business for charge-backs?	A chargeback is a forced refund due to customer's instructions to their bank. This may occur in the event of buyer disagreement with seller following a legitimate complaint that was not resolved timely by the buyer (for instance, a complaint about a fraud). Payment gateways tend to side with buyers in case of unresolved customer disputes. In this regard, the business would face penalties. The process of dispute review must be transparent and fair. Any manual or automatic fraud review or protection is a huge plus, and the lack thereof is a sign of caution to any new business. Businesses must expect support and protection from the fraudulent activities, if none is provided, this is a caution sign.
What are the pay-out frequencies, delays, if any?	Often, to cover itself in case of potential refunds or chargebacks, payment gateways freeze a certain percentage of the money and release it after a certain period (e.g., after 3 or 6 months). This delay could create adverse cashflow situations, so understanding the pay-out frequency is critical to avoid those.
Is the payment gateway integrated on the website and/or platforms used to sell online?	Often, shopping cart developers integrate as many payment gateways as possible, so it should not be an issue. If in doubt, consult the payment gateway support.

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23   (Fearn, DeMuro, & Turner, 2021)

When signing up with payment service providers, the seller needs to go through several steps. Having been successfully approved, the merchant is ready to sell online and accept payments for the goods sold.

Tip: How to enrol with a payment services provider?

1. Most payment service providers require a website to host a shopping cart with a permanent web address. Make sure your website (or landing page) is up and running.
2. Add properly crafted relevant content to the following sections:
   b. About Us
   a. Legal
   b. Terms and Conditions
   c. Privacy policy
3. When setting up business accounts, be prepared for a due diligence check and to provide business registration paperwork and banking information when requested.
4. If not pre-installed, work with the service provider support team on integrating the shopping cart into the code of the website.
5. Having configured the integration of the shopping cart with the payment gateway, establish the **base currency** of collecting payments. Most shopping carts work with multiple currencies, with the base currency being the default currency of the country.
6. Currency exchange is automatic.
7. Set up bank account by taking the wire transfer instructions from the bank. The payment service provider will be sending money earned to the bank account of the business.
8. Set up tax information for reporting purposes. The payment service provider is required to inform its tax authorities about the direction of wire transfers to prove the legitimacy of the transfers.
9. Perform the miscellaneous configurations and complete the setup.

Once an order is placed in an e-commerce, the flow of money works as follows:

1. The buyer receives the invoice to make a payment for the goods purchased.
2. The buyer transfers money to a payment service provider (for instance, Paypal).
3. Once the payment service provider verifies that the purchased goods have been marked as shipped, it transfers the money to the seller.
4. The goods arrive and are marked as delivered.

As can be seen, buyers don't pay their money directly to the seller. Instead, they pay money by card to the intermediary which does not release the money to the seller either immediately or at fixed intervals (weekly or monthly). The offset is designed to leverage the risks of fraud or non-fulfilment.

Below is a diagram that illustrates an online ordering process with a simple review of the order done by the payment gateway. In it, the function of ensuring both parties play well is on the payment gateway that plays the role of a guarantor. The gateway reviews payments coming from the buyer and heading to the vendor. The payment review process is a reliable process that captures most fraud attempts that the buyer may attempt (e.g., by using fake, stolen cards, for example, delivering to a fake/wrong address, etc.). Most of the time, the payment gateway or the payment processor performs this review automatically, forwarding only the suspicious cases to the staff who perform manual reviews.

Figure 8: Simple payment review process in online transactions
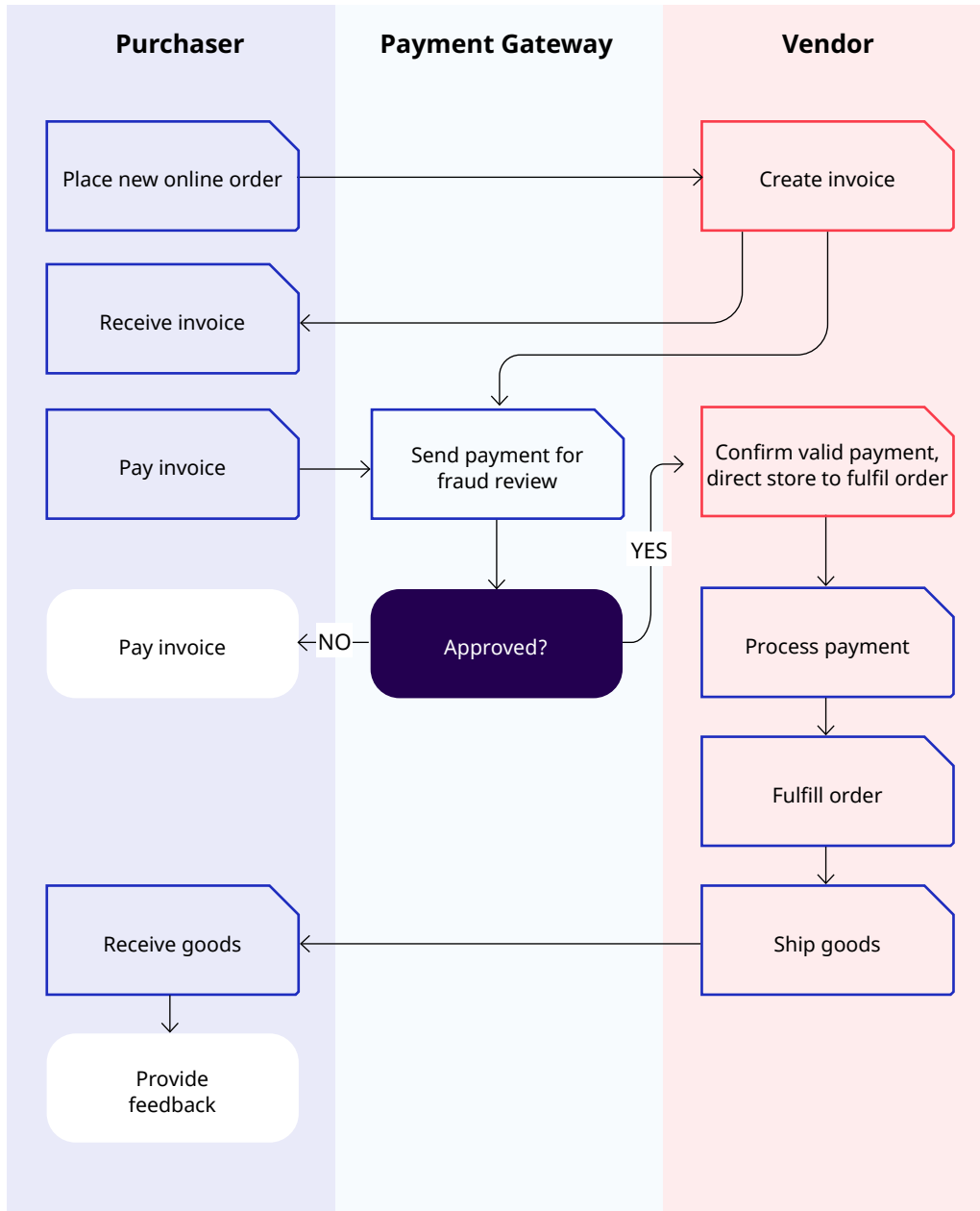
To add a layer of security and assurance, vendors typically have their own staff manually reviewing potential fraud attempts or scrutinising suspicious transactions. These people use their common sense, judgement and experience to perform these manual reviews. It is often not too difficult to spot a suspicious transaction based on the history of communication with the buyer. Typically, trained staff may perform as little as call the buyer to verify the orders.

The system below adds the manual order review process to the order fulfilment workflow. This simple step costs additional money and requires training for the sales staff, but it pays well as it helps reduce the frequency and size of fraudulent orders.

Figure 9: Two-stages payment review process in online transactions
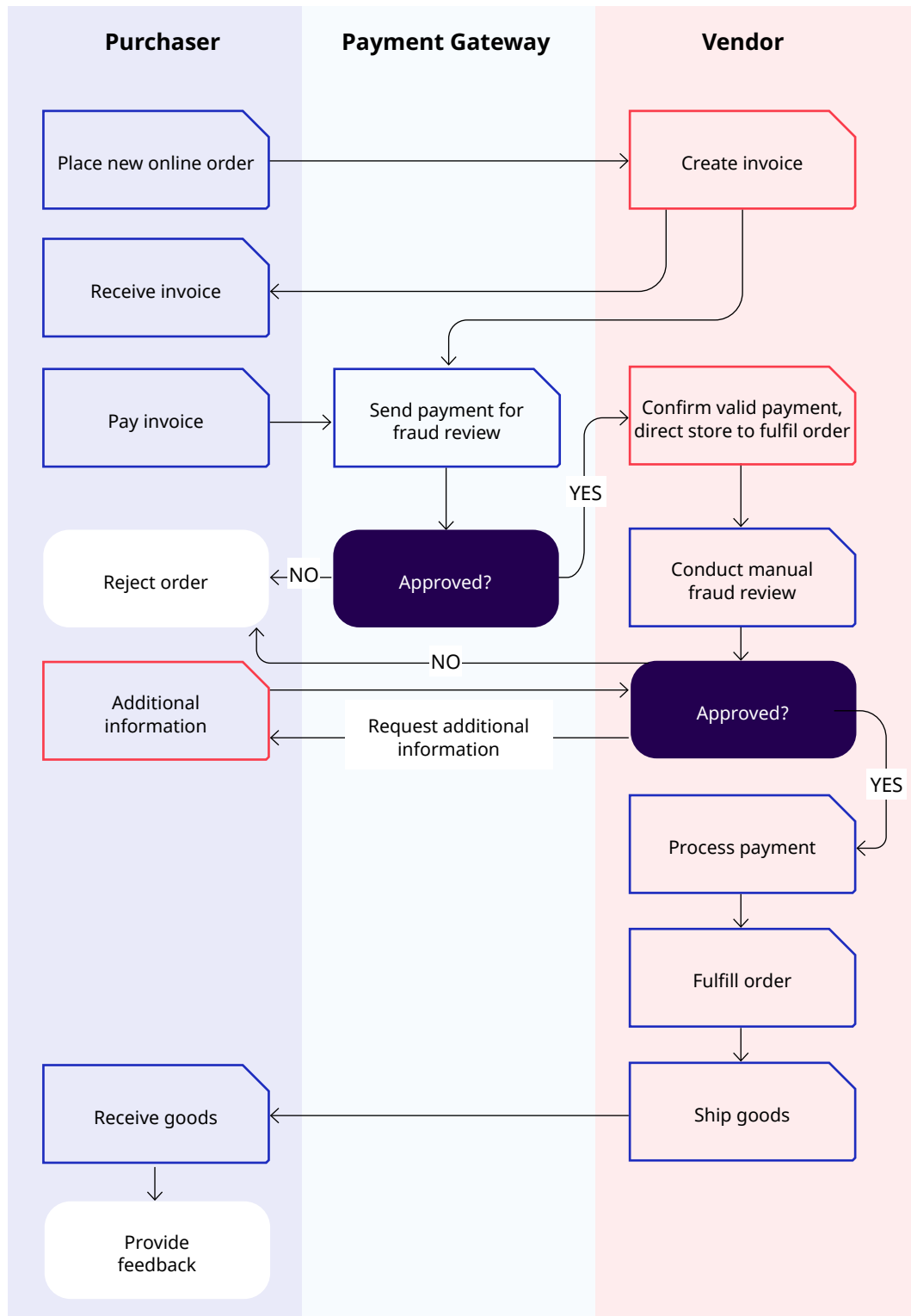
Example: suspicious order, case of PWRSNAK

Review the example overleaf on how common sense and implementing the manual order review system can save a business from losses.

Khaled and Yusuf are selling their power bars to wholesalers in their region. In the flow of orders, a new order attracts the attention of a sales staff.

The order comes from a bodybuilder club located in the suburbs of their city. The club manager called in. They want to order 28 boxes of their products. This was by far the biggest deal the new company has had since the opening.

The online order transaction and payment went through the payment gateway as OK. The internal payment gateway staff reviewed that transaction. Everything was fine. The billing address matched the physical address, the card was valid, everything was fine, but....

When looking for the address on the digital map of the city, there were no businesses in the corresponding building. Hesitant and suspicious, the sales staff looked for the name of the company online and no information was found about it.

Hence, the biggest order ever received was immediately cancelled and reported back to the payment gateway as fraud. The payment gateway immediately blacklisted the card, the address, and the buyer, thus preventing the fraud in progress.

"Vigilance always pays", thought Khaled and Yusuf.

How do banks, payment providers, platforms as intermediaries ensure that there is no abuse by either of the parties?

Abuse-prevention leverage financial service providers have against the **seller**	Abuse-prevention leverage financial service providers have against the **buyer**
1. Insurance deposit to offset unexpected refunds for goods not delivered. 2. Chargebacks – forced withdrawals of funds from the linked account of the business. 3. Refunds – semi-voluntary return of the disputed amount.	1. In disputes, siding with sellers upon presentation of evidence of delivery (signed delivery receipts, etc) 2. Charging the amount owed from the card on record to compensate the seller 3. Blacklisting the buyer, suspending buyer account

By default, sellers are not as protected against fraud as buyers are. This is part of the reason consumer fraud is becoming more prevalent as all-too-savvy consumers exploit the legal and technical loopholes and human weaknesses for illicit gains.

To counter this, setting up and running an internal fraud prevention system is a reasonable process that may cost extra money, effort, and mean more training, but it always pays. Every business has an obligation to keep itself safe and crime free, and to keep other law-abiding customers safe and protected by having reasonable measures in place to project the image of a safe company to do business with.

To counter fraud, sellers need to build a system of defence based on common sense and good practices.

Below are tips that help develop a robust process of reviewing and approving bona fide orders.

Fraud prevention tips

1. Design a proper Terms and Conditions (T&C) of Sale document:
   a. Post links to T&C, Privacy Policy visible on the shopping cart, in the footer on every website page.
   b. Make the customer accept the terms before proceeding to pay for the order.
   c. Record the fact of customer's agreement (record client's IP address, email address, time of the transaction). In disputes, a reliable T&C acceptance record precludes a substantial portion of customers from escalating the situation.
2. Design and firmly stick to the two-step order review process.
3. Use common sense to evaluate suspicious orders.
4. Use digital tools (digital maps, review buyer websites) to verify orders.
5. Do not hesitate to request additional information to keep both the buyer and seller safe from fraud.
6. Establish a certain percentage of fraudulent cases as safe for the business (especially when selling small inexpensive items). Chasing after every small criminal may turn out to be expensive.
7. Balance the suspicions against the value of the orders. Do not act as a mad watchdog.
8. Treat customers with respect they fully deserve. People are not automatically crooks.
9. Give customers a chance to explain the irregularities in their orders. Most of the time, these irregularities are justified. For others, cancelling an order and refunding the money is always a viable alternative.
10. Periodically review and update the processes.
11. Work with the payment gateways, use their tips, training available, resources to prevent fraud.
12. Treat sales staff (and ANY staff in general) with respect. After all, sales staff are bringing money to the business and controlling them. An upset sales staff can take the money away from the business.
13. Talk to professionals, attend webinars, get help from the local small business administrations if available.

3.2 Shipping and delivering goods

Once the order is placed, either the marketplace platform or the seller itself performs the following actions:

1. Reserves the item purchased by marking it as purchased on the system.
2. Generates an invoice to confirm the order, prompting the buyer to pay for it.
3. The seller handles (packs, supplies documents, etc) the order and prepares the order for shipping.
4. The seller ships the order and marks it as shipped.
5. The order is shipped through a logistics service provider or a post office.
6. The order arrives to destination and the post office marks it as delivered.
7. The seller considers the order fulfilled in full.

Handling and shipping

Handling is essentially the effort a business must put into preparing a sold item for shipping. For example, for large items, such as a custom car engine or a wooden sofa, handling may require additional workers to come to wrap, pack, and load the crate onto a truck for shipping. It costs money to keep the handlers on payroll or to hire them temporarily to perform this work. Depending on the cost structure, these expenses may be part of the total item cost or be charged separately as these costs may or may not vary greatly from item to item. If a business charges for handling, these expenses should be itemized on the invoice and the customer has to be notified of the expenses separately and before completing the purchase. These fees are also often included and described in the handling policy to avoid potential conflicts.

Shipping is dispatching the order placed to the buyer. Theoretically, the beauty of the virtual store is that the store could sell its products globally, with clients coming from all over the world. However, shipping costs also vary according to the client's delivery address. These expenses are also often disclosed separately to customers before they complete the purchase. Additionally, some **shipping restrictions** may exist, including flammable gases, liquids, lithium-ion batteries and devices containing Li-Ion batteries, chemical substances.

Practical exercise: designing a shipping and handling policy

1. Build your shipping list:
   a. Contact your nearest post office and inquire about the following:
      i. A list of **shipping restrictions** on parcels shipped via ground mail and airmail (these should be different, with airmail more restrictive).
      ii. Get a list of country-specific **limitations** (e.g. no electronics shipment to N. Korea, no alcohol shipment to Saudi Arabia) or countries that impose certain **restrictions** on incoming mail (no electronic cigarette imports for Hungary).
      iii. Identify if any of your products can be on ANY of those lists. If the answer is Yes, consult a reliable customs broker. If in doubt, contact your Customs office or the nearest **customs broker**
   b. Get **price tables** or research for a **shipping price calculator** for typical shipment sizes (large box, small box) from your national post office (go to the Central Post Office for the most reliable information on shipping).
   c. Get a similar **quote/price** list from an alternative courier (e.g., FedEx, DHL, Pony Express, etc)
   d. Decide on which service to go with.
2. Ensure that you know what **export customs duties**, if any, you must pay on all your products, and how much are the declaration filing charges, if any.
3. For the virtual store, create a **set of shipping policies**. List all the shipping costs for which a buyer would have to pay. **For inspiration only**, review shipping policies of similar online stores.
ATTENTION! Be careful about appropriating someone else's list. Instead, create an authentic list based on thorough research.

Managing returns and exchanges

If a customer has a problem with their order, or if they change their mind about a purchase, they'll probably get in touch with the e-commerce support service asking for a refund or an exchange. In most countries, costumers are protected by distance selling regulations that often guarantee their right to return items purchased online. Some exceptions exist and local regulations need to be verified in any country the business operates.

Once the buyer informs there's a problem with the purchase, the seller has only a couple of business days to resolve it. If an item went missing and never arrived, the seller either needs to provide additional tracking details, or offer a refund. If the buyer got their item but it's faulty, damaged, or doesn't match the listing description, the seller needs to cover the return shipping costs and work with the client to resolve their issue. If they changed their mind and if there is no local regulation assuring their right to return the item and get a refund, how the seller responds (and who pays for return shipping) depends on the business' return policy.

3.3   Digital ethics, trust and security

A website that sells products or services is built on trust. When buying online, buyers disclose their physical (shipping) addresses and other personal information. They share, through a trusted payment provider, their financial details and allow their money to change hands once a product is shipped. With no physical contact between buyers and sellers and without a physical exchange of money for products or services, the issue of trust and strengthening the brand's credibility becomes ever so important.

Publish reliable information about products and services

Furthermore, with no possibility of touching, feeling and looking in person at products or services, buyers need to ascertain products meets their expectations. That is why it is so important that contents disclosed online inspire trust. This is key to help costumers building trust.

To be trustworthy, information about products or services offered by the business should have the following characteristics:

▶ Be accurate: the information must disclose valid and verifiable details. It cannot be designed to deliberately confuse clients or contain false information

▶ Be relevant: a product description should be about the given product

▶ Be informative: it should provide enough details for the buyer to build a full picture about the product, describing its key features in sufficient detail

▶ Contain mandatory disclosure: any mandatory information (such as health hazards, child warnings or other information prescribed by law in a specific jurisdiction) should be provided in full.

Whilst there is some flexibility (except for mandatory disclosure items defined by law), sellers must strive to provide as much of the above information as possible, to earn the trust of buyers and not to lose potential customers.

Nevertheless, providing full information about the product is not enough. In addition to the above, the seller is required to assure buyers that they are dealing with a reputable business, a business that will not disappear with their money.

How to provide such an assurance to buyers? Particularly through payment providers. **Payment providers** require that certain amount of valid information is shown, accessible on a company's website and validated. This information includes legal address, several legal documents (user agreement, privacy policy, terms and conditions, etc.) and other mandatory disclosure information. This list may be different depending on the jurisdiction of both the business and the payment provider. There is also other confidential information that the payment provider asks before accepting the opening of an e-commerce payment account. This confidential information includes business owner's details, identification, bank account information for the business, etc. The institution verifies the data provided against the Interpol lists, other databases to ensure business owners are not known for money laundry, financing terrorism, etc. These checks, as intrusive as they may seem, protect buyers, sellers, and the institution itself by reducing the probability of fraud. In addition, in some industries (medical, financial, legal services etc.), **regulators** oversee and mandate certain information to be published on a corporate website such as medical diplomas, licenses, bar membership for lawyers, etc.

Formulate Terms and Conditions and other Policies (Return, Shipping and Handling Policies)

When working with people, mistakes and situations of disagreement occur. Some of them are honest mistakes, some result from deliberate or inadvertent abuse of expectations, rights, and privileges of the other party. Victims could be either clients or sellers. To minimize the occurrence of mistakes and abuse, clear and fair rules of using the business' storefront should be developed and made available to all visitors. The owner could come up with their own rules, but some errors still can lead to a breach of consumer rights, laws and regulations, and result in possible legal action.

Developing and updating **Terms and Conditions, as well as Return, Shipping, Handling and, other policies** is a long and process of researching consumer protection legislation, reviewing business practices, adding new restrictions to protect the business or removing excessive rules to enhance business competitiveness. This job is best performed by legal professionals who would develop a customized set of rules and policies that protect the business. For micro-and small businesses, the cost of legal advice may be prohibitive. In this situation, there are hundreds of business law websites offering pre-made templates that owners could customize to the specifics of their business. However, there are risks of leaving open vulnerabilities with this approach, exposing businesses to abuse and exploitation from unscrupulous customers. Finding the right balance is always tricky and is best achieved through trial and error and asking for qualified help and assistance.

Action plan

Use the following action plan to organize the adaptations your business needs to adopt to sell its products/services online.

	Ready to commer-cialize online (yes/no). If yes, please list what has been done.	If not ready, what steps should be done for it to get ready? (Advice: set a deadline to do it).
Sign up with payment gateways and/or payment processors		
Know about shipping options, costs and restrictions		
Have structured handling, shipping and stock management systems		
Know about local laws and regulations protecting clients (e.g., in terms of refund and exchange policies)		
Have accurate information about products/services published online (in social media or any e-commerce platform)		
Publish updated terms and conditions, as well as other relevant policies (e.g., return or data privacy policies)		

Summary of Module 3

In this chapter, the guide has looked at the steps and adaptations needed to establish a fully functional e-commerce platform to sell goods and services, such as accepting payments, shipping and delivering, and assuring a mutual relationship of trust and security with clients. In addition, different types of e-commerce business models have been reviewed, including B2B, B2C, C2B and C2C to illustrate how they apply to e-commerce.

PWRSNAK: Case of stolen identity

It was a Thursday afternoon when the support operator answered a phone call. It came from an enraged shopper. He immediately started yelling and calling the support operator names and promising to file a complaint with the police. After the operator calmed him down a bit and tried to find out what exactly was the problem, the upset caller told them a story that immediately alerted everyone in the company.

Sayed was calling to complain about a big order he had placed the week before. He had bought PWRSNAKs at his fitness club several times and loved them, which motivated him to order two boxes of PWRSNAKs online. After doing it, the operator called immediately and asked for his card details information to pay for the order. Then, Sayed informed his credit card number, they confirmed the order and promised to deliver it in 4 business days. He did not hear from them again.

Then, Sayed logged in to this online bank and found out that his account was short of $1,500. There were three orders of an expensive plasma TV set, a game console and an array of games. Sayed did not have any kids yet, and living alone, he surely had not ordered these products.

After Sayed told the story, the operator asked what website he ordered the bars from. Sayed said "Of course I ordered them from your website, what a dumb question! I ordered them from THEPWRSNAK.BIZ!!!!!"

It was then when the operator understood that they had an even bigger problem to deal with. The PWRSNAK LLC had NEVER owned THEPWRSNAK.BIZ!!!!!

Earlier, when Khaled registered their domains (see example on p. 37), they thought it would make sense to register several domains, including the following:

- THEPWRSNAK.COM,
- THEPWRSNAK.NET,
- THEPWRSNAK.ORG

They never thought that **THEPWRSNAK.BIZ** was a domain that they had to pay for because they could not define any need for it. Well, apparently, someone had registered the domain instead, and decided to set up a clever fraud scheme using it.

The impostors took their visual design, copied it, slightly altered the logo and the colour scheme, and created a landing page. This landing page copied their product design, took the contents from their website, and even created the shopping cart. There was one slight difference though. When trying to pay for the power bars ordered, the form threw an error message saying "Unfortunately, our payment gateway is experiencing some issues today. Do not worry though, one of our sales representatives will call you right away and will assist in completing the order! We apologise for the inconvenience caused. The PWRSNAK.BIZ Team!"

The legal advisers that the Khaled and Yusuf contacted first thing on the following working day were not too optimistic. They said that the impostors were super clever and cautious. Whilst the huge side effect was to **erode trust** in the PWRSNAK brand, the ultimate goal was **to steal credit card details** from potential buyers. For this purpose, the impostor copied and ALTERED the business branding just a little bit to create the semblance of the real PWRSNAK website. Their domain name was the key in their cunning plan. The customers implicitly trusted the well-known brand. They would never guess that the .BIZ website does not belong to PWRSNAK because all other domains with the same name do belong to THEPWRSNAK LLC.

Further, by simulating the problem with the shopping cart, a subsequent phone call would not alarm most shoppers. A careful socially engineered message tricked most customers into handing over their credit card details.
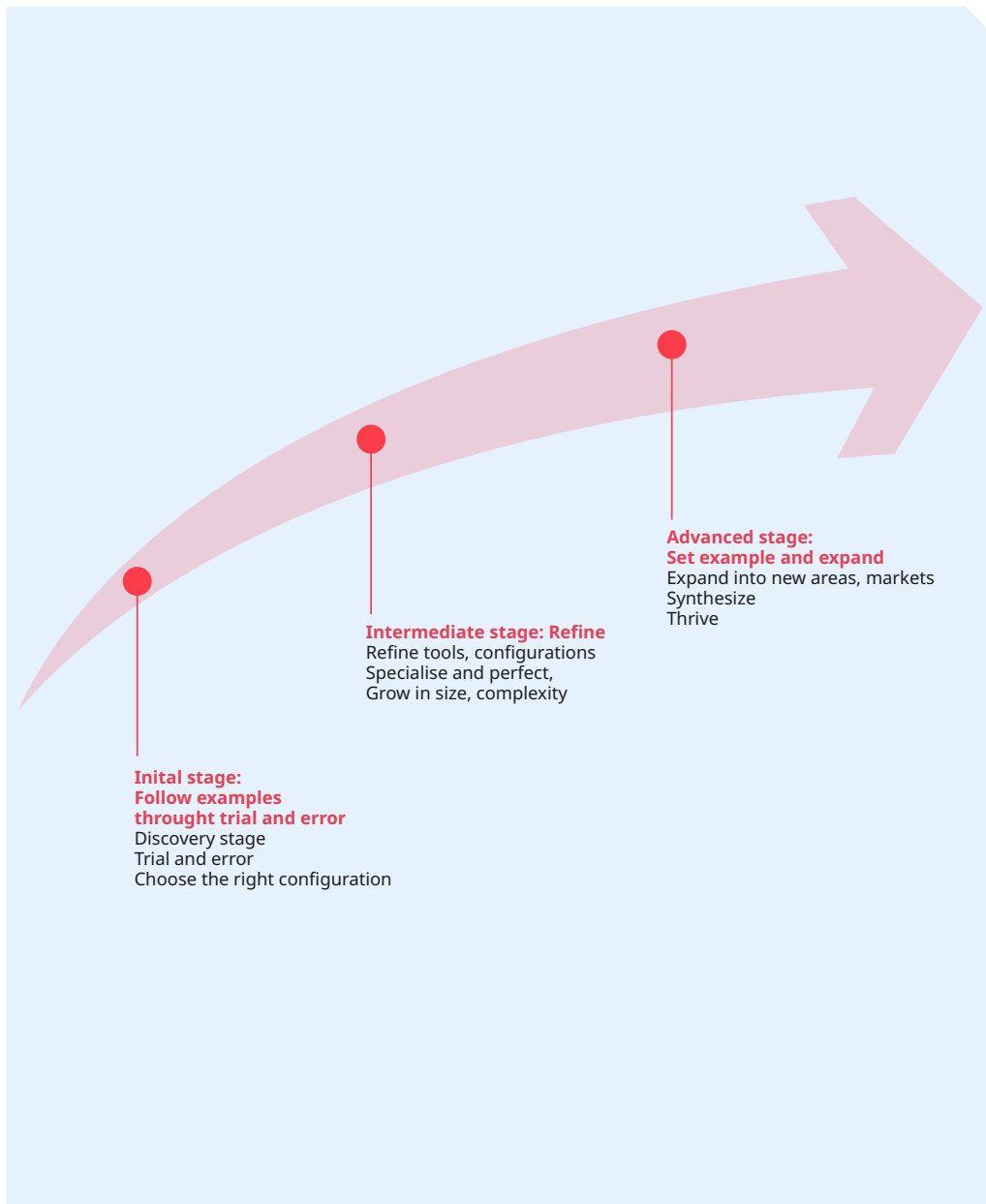
It took the PWRSNAK legal team weeks of efforts to resolve the situation. First, they filed a police report and urged all the clients who suffered from this problem to do the same. Then, they filed a complaint with the domain registrar to take down their domain registration. They contacted the hosting to take down the website on the alleged website copyright infringement and criminal activities associated with it by providing a copy of their police report. Finally, they had to spend a lot of efforts on apologising to their clients, sending them gifts to apologise for the damage to their reputation caused by the crooks. In the end, it all played well, the company learned a valuable lesson, strengthened their reputation with the clients. The total cost to the business was huge thought, and Khaled and Yusuf were very upset that the total savings of $11 per year on not registering **THEPWRSNAK.BIZ** did turn into hundreds and hundreds in unforeseen costs.

Conclusion

Stages of the digital transformation maturity

The guide has reviewed many avenues and possibilities for entrepreneurs to digitise and digitalise business tools and processes, and by doing so, transform the way the business is run. Whilst the exact route any particular business chooses may vary, the general strategies businesses go through are summarized below and illustrated in the following diagram:

Figure 10: Stages of the digital transformation maturity

**Advanced stage:
Set example and expand**
Expand into new areas, markets
Synthesize
Thrive

Intermediate stage: Refine
Refine tools, configurations
Specialise and perfect,
Grow in size, complexity

**Inital stage:
Follow examples
throught trial and error**
Discovery stage
Trial and error
Choose the right configuration

Initial stage: follow examples through trial and error

Summary

At the initial stage, a business does not have a vision of where it wants to grow, how to achieve goals, and what is needed to do so.

Tools used

No specific understanding of the tools is needed because goals are not formulated yet. Typically, businesses wind up hiring the cheapest or the most conventionally thinking specialists. Not knowing what to ask, businesses find themselves at:

▶ **Discovery stage**: the business experiments with various platforms and tools to find what works for them.

▶ **Trial and error**: with no particular direction or plan of digitalisation, businesses usually copy ideas or follow the examples of their more experienced colleagues or competitors.

▶ **Choose the right configuration**: this includes the right combination of tools, platforms, or directions of development.

Tools include:

▶ Registering business **domains**, setting up a customer-facing **business email account** (often on free services);

▶ Signing up with the **messengers**.

▶ Actively using 3rd party-managed **online services** in marketing, communications, sales, etc.

▶ Experimenting with **social media** by signing up with all major social media platforms and services.

▶ Using free **website builders** and similar tools (e.g. *Wordpress*, *GoDaddy*) to build **landing pages**;

▶ Experimenting with **digital branding**.

▶ Sporadically advertising and delving into **digital marketing** through social media.

▶ Using third-party sales services, web stores, marketplaces, etc.

Intermediate stage: Refine

This is the next stage of the digitalisation process, getting a business one step closer to the digital transformation stage. Businesses are more digitally mature here than in the previous stage. They have developed and tested strategies, zeroed in on tools that work, began analysing the returns and assessed the best options. They step into the phase when they know what works and what does not, which tools help grow customer engagement and sell more products.

Tools used

With a practical history of the digital best practices, the intermediate stage businesses have by now switched their strategies. Whilst the chain of decision making grows longer, the capacity to adapt new tools decreases, companies are no longer risking with experiments because of their potential adverse effect on sales.

1. **Refine tools and configurations:** every digital instrument is analysed to identify best use within the digital strategy.

2. **Specialise and perfect the existing tools:** tools that are used are perfected, diversified to different purposes.

3. **Grow in size and complexity**: every tool is transformed from its initial use into complex instruments, advanced configurations, add-ons, etc.

Tools include:

▶ **Online services** become more expensive due to the number of users within the business making it unfeasible. All third-party online services are gradually phased out and replaced by customized solutions, often beginning to form a corporate **digital ecosystem**.

▶ **Websites** grow in complexity and turn into **corporate websites**. Companies move from the generic **website building tools** that are no longer capable of meeting the business needs.

▶ **Self-hosted servers** and **custom solutions** that meet company's objectives begin to replace **free** or **freemium**[24] tools.

▶ **Self-managed services** (managed by the in-house IT team) are perceived as more secure.

▶ A corporate website or a dedicated custom-built **online store** becomes a **key sales tool**. Companies **no longer** sell through messengers or social media. The latter's utility moves to **sales support** and **marketing**.

▶ **Messengers:** companies need to be available in key messengers actively used by the target audience. For other messengers, companies still maintain official accounts to avoid cyber squatters or competitors gaining control with the purpose of damaging the company's reputation. Messengers are no longer used as one of the key sales channels. Instead, their functions are transformed into the tools of customer engagement and support. For instance, chatbots may be providing standardised information to clients.

▶ **Social media** are used extensively, through contracted social media marketing specialists or a professional social media marketing firm.

▶ Similarly to messenger accounts, companies establish and control the **official social media accounts** on all major social media services;

▶ **Social media marketing**: companies are actively using channels and supplementary accounts (such as product-specific pages) to **promote individual brands**, run **digital marketing campaigns**.

▶ **Digital marketing** becomes the focus one of the focuses of marketing and sales teams.

Advanced Stage: set example and expand

Summary

This is the advance digitalisation process stage. By now, businesses have digitally matured into the digital transformation stage, having attained high levels of integration of digital components. In fact, digital thinking has become both the driver and the foundation of innovations. Furthermore, digitally transformed businesses become trendsetters, sharing and spreading best practices in their industries. At the same time, with unique efficiencies, these companies expand into both complementary and new services and markets, inventing new opportunities.

Tools used

These businesses have now switched to long term strategies and large projects. The chain of decision making, just as the chain of command, are both very long and conservatives, and so are all organisational policies. Hence, all changes take longer to be implemented. For instance, switching service providers becomes a long-term project. Flexibility is no longer the name of the game: only tried and tested practices remain, with a paradoxically lesser degree of innovation.

▶ **Setting examples:** business innovation case studies are proudly shared together with lessons learnt.

▶ **Expand:** all the systems are perfected in full. Geographical markets, industries and directions are absorbed as the company expands and grows.

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24 The concept of **freemium** (means **free + premium**) means that the basic set of options, functions is offered free to users, with optional services, more users, extra storage space are provided at a cost.

Tools include:

▶ **Third party online services** (website building, accounting, visual and imaging services) are almost gone from the business ecosystem, replaced with fully customized solutions. Furthermore, these solutions are now offered for sale (such as *Amazon's Web Services* that transformed from an in-house tool to become its commercial offering bringing Amazon to the top of the global hosting providers);

▶ **Website** have long been transformed into **corporate portals,** with the customer-facing elements being a small part of the internal corporate ecosystem servicing the internal business needs.

▶ **Hosting is 100% company-owned**, built on the **internal servers (regional, divisional, etc)**;

▶ Sales have merged with marketing support and fulfilment services to ensure smooth and seamless customer engagement.

▶ **Social media marketing**: companies are using all the tools to **promote the brand**, running **digital marketing campaigns**.

▶ **Messengers:** either completely gone or reduced in importance as customer-facing services.

▶ **Social media** are used extensively, fully absorbed by the marketing, often contracted out to global digital marketing service providers. Companies rigorously control the **official social media accounts** on all major social media services.

▶ **Digital marketing** becomes the dominant form, any analogue marketing tools are used to support the digital.

Quiz on digital maturity

Please answer the questions below:

1. Freemium services are more popular during the following digital maturity stage:

    a. Advanced stage.

    b. Intermediate stage.

2. (T/F) Messenger accounts are great for selling products for a micro-business at the initial stage

    a. True

    b. False

3. For digital tools, **growing in size and complexity** is one of the characteristics of this digital maturity stage:

    a. Initial.

    b. Intermediate.

    c. Advanced.

4. What is NOT typical for the initial stage of digital maturity?

    a. Registering business domains.

    b. Setting up a customer-facing business email account on free services.

    c. Experimenting with digital branding.

    d. Digital marketing is the dominant type of marketing.

Answers: 1 b, 2 a, 3 b, 4 d

Final considerations

The process of digital transformation is one that currently most business should undergo to comply with the expectations of its clients. First, businesses should try to digitise its conventional functions by combining or replacing them with equivalent digital tools. Next, businesses should consider digitalising its business processes to optimise them and to create new value to both the clients and the business. This is often followed by a change in the business culture that transforms the company internally, making it more resilient and flexible. Finally, the third step of the process is the business transformation. At this stage, businesses are expected to have matured, self-optimised and got rid of inefficiencies.

Whilst the extent, the duration and the results of digital maturity are completely unique to each business, digitally matured organisations are encouraged to openly share their experience with those who desire to embark upon the digital transformation journey. Reading, adapting lessons learnt and experimenting are recommended to transform newcomers to the benefit of the business and its growing army of clients.

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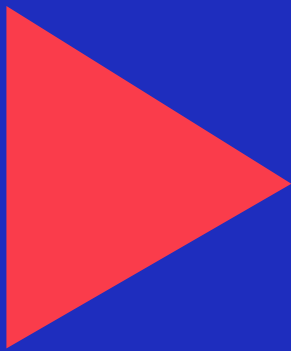
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