

Top 5 tips on starting an online business

Wondering what the basics are to start your online business? Making money on the Internet is one of the most searched phrases today. Building business online remains a viable approach for any new start-up as it typically involves low start-up costs provide residual income in the long run and it is fairly easy to manage with current technology and software. Here are some fundamental steps to apply when starting an online business.

1. Building/Designing Your Website

Assuming you have completed your business plans and have raised the required capital, you now need to build a website - the platform for you to conduct your online business. Your website is also your main customer touch point to communicate to your customers your products and services, hence it is crucial that your website content is informative, factually accurate and up-to-date, and design of the site visually pleasing, and easy to navigate.

Before you design your website, consider your customers' overall experience, from start to end. What kind of customer experience do you want your customers to get when they first visit your website? Will that experience go in line with what you are promoting?

Look also at your site navigation process. Does the navigation help bring your customers to where they wanted to go easily? Does it allow them to back track or skip certain stages?

Last but not least, consider the purchasing and payment processes. How do you want your customers to make successful purchases on your website? If you want to allow your customers to continue shopping as they add an item, consider incorporating a shopping cart option. The simpler shopping carts allow for an item to be added to a basket before they check out (e.g. the free PayPal shopping cart) and the more sophisticated e-commerce shopping carts may have inbuilt advanced customisable web templates, e-commerce web hosting facilities, inventory management advanced helpdesk and many more.

In short, integrate or develop your website with the above said considerations can greatly improve the online shopping experience.

2. Choosing a Web Hosting Company

You will also need to engage a web hosting company to provide you with a server to store your web content. There are many multi-solutions web hosting companies (a.k.a. webhost) who can provide you with not just storage space, but also domain name registration, e-mails, and back-end support amongst other things. Also engaging a local webhost can help your web pages get loaded faster as opposed to being routed from an international server. Be sure to source for a reliable web host, as unexpected and frequent downtime results in a loss in revenue and reputation for you.

3. Offering Online Payment Methods

You should also consider the types of online payment methods to offer your customers. The chosen payment method should be secure and easy to use for your customers and hassle-free for yourself. You could either accept payment on your website or get a 3rd party to take care of it for you.

Accepting payment on your website

There are various payment options including the traditional credit, debit and charge cards. To allow payments to be made directly on your website, you will have to apply for your own merchant account with companies/banks that offer merchant account services.

A merchant account is normally recommended (varying on your country) only for very large businesses going for big setups and investments. Typically, the initial costs of opening your own merchant account could be higher than when you use a 3rd party merchant. Indeed, some 3rd party merchants (e.g. PayPal) have no setup fee at all. However, the transaction fee (which is what you pay the bank or 3rd party merchant for each sale) could be higher when you use a 3rd party as compared to when using your own merchant account.

Having your own merchant account accords your business with a certain amount of professionalism and credibility but that can also mean that you will have to monitor the credit card transactions since you will be processing the credit card payments yourself.

Accepting payment using a 3rd party

Another form of payment system is using a 3rd party to complete the online transaction for you. These 3rd party companies are called Payment Service Providers (PSP). A PSP can connect to multiple acquiring banks, card and payment networks and in many cases, fully manage the technical connections, relations with the external network which is practical for start-up business. One such PSP is PayPal. PayPal not only enables you to accept credit/debit card payments safely, it also protects you against [claims, chargebacks and reversals](#). What's more, PayPal is easy to set up and you can start receiving payments in about 15 minutes. In the US, PayPal is the most preferred payment service on the web after Visa. In the UK and Australia, PayPal is the most preferred payment service on the web.¹

To learn more, check out our [Merchant Services](#) or contact a PayPal representative at (+65) 6535-7227.

4. Preparing Your Backend System

With a virtual store, it is very important that you have a robust backend software system to track key information to will aid you in making critical business decisions. Some backend operations include inventory management, credit card processing, as well as reporting systems. There are many singular or all-in-one providers that can provide you with custom-made solutions according to your needs. Choose a software that can provide you with accurate and real-time information. A solid and reliable backend system will enable you to make informed decisions that are in the best interests of the business, thereby ensuring it stays ahead of your competitors.

5. Marketing Your Online Store

You can greatly improve the marketability of your website through the use of popular search engines, such as Google and Yahoo Search. With non-traditional promotional strategy such as Search Engine Optimisation (SEO), it improves the level of association of your products/services with organic keyword searches by Internet users. To identify the keywords, download a free keyword research tool. The research tool will reflect the keywords that search engine users frequently use in relation to various topics. Next, edit the content and coding on your website to improve the organic search rank. You can do this by increasing the relevance and association to high volume keywords, as well as removing keywords that limit the indexing activities of search engines.

Be sure to find out more about the various Search Engine Optimization strategies that are available on the Internet.

¹ PayPal Brand Tracker Q4 08.