

LOYSTAR

E-COMMERCE GUIDE



5 THINGS TO CONSIDER

Vol. 1
+5 TYPES OF PLATFORMS TO USE

An essential 15-page guide to provide information on how best to navigate selling online in a low-touch economy.

8 mins read



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INTRODUCTION



A shift occurred with Covid19

As we begin to ease into the new low-touch economic environments, business owners are beginning to realize the need to explore online, digital channels to ensure their business continuity. With the effect of COVID-19, a lot of businesses have been impacted in different ways.



Some have had to close down certain areas of their business, so many businesses have experienced a decline in sales and still so many businesses are struggling.



One thing has proven evident and that is the need to leverage online platforms to keep your business afloat.



Are you considering moving your business online but unsure how to effectively go about it? Or you just found your business online because of the pandemic and seem to be struggling? We share a few insights in this guide that can put you on track.



What are the 5 things you need to consider before Moving your Business Online? Read on.

INVESTMENT & MAINTENANCE COST

Whatever endeavor or project one is trying to accomplish, it is very important to sit down and count the cost. This is because you don't want to venture into something and halfway realize you lack the capacity or resources to finish it.

Neither do you want to set up an online store and afterwards find out that you can't keep up with the maintenance cost.

So, it is necessary to know the options available, what it entails as regards initial cost, recurring costs and how that can impact on your business.

BUSINESS STAGE

2

Your business isn't the same with another business you saw on social media that switched to an online store. Even if you are in the same niche, there would definitely be some significant difference. For example, how long you have been in business. You can both be 8 months old and you don't run your business the same way.

Therefore, you need to examine your business, know your business goals specific to your situation, and then ask the question, do I need an online presence to achieve this goal? What kind of online presence do I need?

PAYMENT COLLECTION

3

It's one thing to have an online presence, it's another thing to be transacting online. These are 2 separate decisions to make. After deciding to have an online store where your customers can transact online without interacting with anyone,

You want to be sure you have an online payment experience that is quick and without issues like receiving your payment into your bank account or handling customer refunds and most importantly highly secured so that you and your customer's payment details aren't at risk. Your payment integration choice or method should take into cognisance the above issues and determine the kind of eCommerce platform you choose.

LOGISTICS & STORAGE NEEDS

4

For a business with a large amount of stock and high logistics demand, this is one factor you shouldn't overlook when choosing an e-commerce platform, especially considering the future growth of the business. As the business grows, you would need a platform that gives you more control and flexibility to deliver a good fulfillment experience to your customers.

For non-perishable goods having your goods closest to your customers may be an option you want to consider if your business has such storage needs.

Businesses just starting out online, can leverage 3rd party marketplaces with logistics and warehousing capacity.

CONTROL & TEAM CAPABILITY

Do you have a team or you are a one-man army. Whichever the case may be, it is important that your business has someone with average computer literacy to help manage the demands that come with an online store. If you are the only one at the moment, you may want to outsource where necessary or learn the skills required to effectively grow and succeed online.

If you want to rely more on technology to have things automated, then your choice of an e-commerce platform should be one that gives you the needed control and also allows you or your team manage that control.

5 TYPES OF E-COMMERCE PLATFORMS YOU CAN USE FOR YOUR ONLINE BUSINESS



1

SOCIAL MEDIA PLATFORMS

Considering the factors above, Social media platforms are a good option to try if you need to start selling online with as little fuss as possible. Though you don't get that much control, the initial minimal cost is the key advantage here, plus there are basic e-commerce features across Instagram, WhatsApp and Facebook that your business can leverage.

You will need to switch or open a business account as these features aren't available for personal accounts. Some of the features include product listing, product images and even embedding checkout links. Payment can also be made on the platform but that is still under test and available only in a few countries. However, you can always create a payment link using a payment processor that is safe and reliable.

2

PAYMENT PAGES AND LINKS

Basically, these are platforms that allow businesses accept payments online. You create a basic product page and collect payments. Some payment processors like Paystack and Flutterwave have gone ahead to these online store features for merchants. It is free to set up and comes with customized URLs, so you can start fairly quickly but after you are duly registered and approved. Note that you have to pay for each transaction and local fees start from 1.4% and some additional fees.

However, these platforms are focused mostly on collecting payment and may not cater well to some ecommerce requirements, like inventory management or logistics and storage.

3

3RD PARTY MARKET PLACES

3rd party marketplaces like Jumia, Konga, SME Market hub, Altmall and the likes lets you list your products for free via their shared online store. Once you set up an account with them, you can create a store, list products and start selling right away. Though you don't have control on the customer experience.

These platforms already spend heavily on marketing so with good positioning you can get customers and start making sales almost immediately. More so, they take care of deliveries for you, plus most of them cater to basic storage needs with warehouses where sellers can rent and pay for storage spaces based on their needs. Businesses are charged transaction fees which can be as high as 20%.

4

CUSTOM/SELF MANAGED E-COMMERCE PLATFORMS

For businesses who would like control and want to completely manage the brand of their online business, choosing a custom or self managed ecommerce platform would be the way to go. The most common option here is WordPress and WooCommerce. Besides the initial set up cost, this option allows you to have a functional e-commerce website with little maintenance cost.

The key advantage with self managed platforms is they offer high flexibility and can adapt to your needs as a growing business. You also have quite a number of payment integration options. Transaction fees depend on which payment processor you choose. Still, there is nothing to worry about as you don't pay transaction fees until you start processing successful orders.

5

ONLINE SERVICED E-COMMERCE PLATFORMS

If you aren't really technically-savvy, then you may want to consider serviced e-commerce platform options like Shopify where you only have to subscribe to the service and with a non-complicated setup process, easy interface and pre-made templates, you can set up your online store in hours and have everything sorted.

There is also access to support although it may come at an extra cost. It's not uncommon for some of these platforms to offer payment services as an addon and charge a small transaction fee. However, the biggest win with a serviced e-commerce platform is having all backend functionality of the website managed by the providers. So you don't have to worry about it.

SUMMARY

Overall, there are so many benefits that accompany moving your business online. More so, the world is going online, with the COVID pandemic and the resulting 'new normal', more emphasis has shifted to leveraging online platforms. However, merchants may want to adopt an omnichannel approach to selling. This simply means combining various online sales channels or e-commerce platforms, as well as offline channels e.g in-store, pop-up stores. This is a more fullproof strategy.

Eventually, your decision to have multiple sales channels or a single sales channel would depend on your specific situation. Adopting an omnichannel approach to selling in your business would require being able to track sales from all of these channels and also own the customer relationships from these channels in order to build loyalty. Whether you sell online, using multiple platforms or you have a physical location, Loystar is able to provide for you, an easy way to track transactions across multiple channels and run loyalty programs to incite a loyal buying behavior with your customers. You also enjoy marketing automation designed to keep your business top of mind with the customers, alongside other benefits. [Click here to book a session](#) to experience a live demo or [Go ahead to sign up](#) and take Loystar for a spin.

Thank you for reading this guide, for questions or inquiries please email hello@loystar.co or [**Click here to WhatsApp**](#)

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