

## Ecommerce and business integration, how APIs can benefit your business

One of the biggest misconceptions people have surrounding about e commerce is that it is just an online shopping cart. But ecommerce can help almost any business to save money, increase sales, provide better customer service and cash flow.

How?

By offering additional features, tools or services to behind the scenes tracking and monitoring of transactions and site performance to back office applications that integrate with your site for better and more cost effective business operation.

How?



Many organizations think that they have to spend 'mega-millions' if they want ecommerce that will integrate with programmes the business already uses and has an investment in and a familiarity – accounting, stock control etc. It does not make sense to throw all these away and, indeed, you generally don't have to do so.

Instead you use an AP or application programming interface. An API is a particular set of rules and specifications that software programs can follow to communicate with each other.

So, an API acts as an interface between different software programs to allow them to interact. APIs are generally specially written to expose only chosen functionality and / or data while safeguarding other parts of the application which provides the interface.

Most applications (simplistically) have a data and logic to do the job they need to such as accounting, but you don't want to use the programme itself in a website (for all sorts of reasons from security to usability) which is the 'presentation layer'. An API sits between the site operation and the application and exchanges information and logic.

So, in say an accounting operation you may find that an API allows, for example:

- Synchronisation of product information with the website
- Synchronisation of customer information to let account customers create web orders that are automatically entered
- Customer specific pricing amended and automatically updated
- Automatic creation of sales orders from a web order
- Receipt and allocation of payments received with web orders

The benefits of time savings and reduction of errors is clear and more than likely to repay the investment.

So what's available, what are the benefits and how do you apply it to ecommerce?

First let's just remind ourselves of where ecommerce can come into play.

The basic models for ecommerce are split into business and consumer and more and more are now being handled via mobile devices too.

Those basic models are:

- **Business to Consumer (B2C)**
- **Consumer to Consumer (C2C)**
- **Business to Business (B2B)**
- **B2M (Business to Machines)**

The major marketing benefits ecommerce are well known and noted in the box but there are many other things one can do with marketing applications, such as:

- Site search and recommendations – to offer personalised product recommendations, and the dynamic reordering of products to increase conversion, sales and value.
- Integrated email marketing solutions – to generate customer profiles including purchases, preferences and interests. By segmenting your customers you can hit them with much more emails that direct them to customized website landing pages, product offers with special pricing and more.
- Website management and analytics – to track page load speeds, what your customers are doing online and show how consumers navigate your site, how many actions or clicks it took for the user to make a transaction, how much time consumers are spending on your site, how frequently they visit, how much they spend per transaction, where they enter and exit your site, when they drop off in your ecommerce "funnel", and more so you can optimize site performance and sales.
- Customer Relationship Management (CRM) – to track, group, target, and monitor your sales, service and support customer relationship and history both online and offline.

#### The basic models for ecommerce

**Business to Consumer (B2C)** – the one most people are familiar with where a customer goes to a website, fills a basket and checks out. The advantages are well known:

- Cheaper and quicker to set-up than a retail store
- Increased revenue under the 'clicks & mortar' model
- Open for business 24 / 7 wherever there is online access
- Allows niche targeting and can increase loyalty
- Optimise product conversion by seeing what sells and what does not
- Increase, decrease or maintain prices based on demand
- Email sales, promotions, coupons, newsletters etc.
- Better information & support (e.g. descriptions, customer reviews, images, FAQs)

**Consumer to Consumer (C2C)** – This includes sites like ebay and Amazon. These sites can, of course, also be used as B2C sites. The benefit is that a third party acts as intermediary and 'guarantees' the transaction. The issue is that you have little direct control of the environment and have to follow the process.

**Business to Business (B2B)** – which really refers to supply chain technology, which is actually the largest ecommerce sector. And has clear benefits:

- Cost reduction with greater loyalty and thus keener pricing
- Reducing time to market and sales cycle
- Improved business and market intelligence
- Improved speed of communication
- Improved ability to experiment and learn
- Faster invoicing
- JIT delivery and tracking

**B2M (Business to Machines)** – where companies link to remote machines via the internet. For example dinks machines. With B2M Coca Cola know exactly how many drinks of what type are in each machine and a restocking report helps to schedule efficient delivery routes just in time. They also know which machines are broken.

Then there are ways to automate back office applications to improve business operations, here are some:

- Email responders – to consistently communicate with customers / prospects, and to ensure you're not wasting staff time.

- Self-service support – to let customers perform use a knowledge base to avoid wasting time unnecessarily answering simple questions over the phone.
- Contract and document management – to share, create, edit, store, and access any file at any time from anywhere and store electronic versions of important documents such as contracts so they can easily be retrieved.
- Price management – to allow volume, term, and contract / customer-specific pricing, as well as minimum order amounts
- Stock solutions, inventory management, warehousing & fulfilment – to track sales and inventory over multiple stores and locations and integrate offline sales with web sales
- Supply chain management – to know where stock is, has been and where it is headed to hold only the inventory needed and employees can track sales orders, transactions, quotes, adjustments and accounts payable. Making sure you are listing products that are actually available is crucial. No one want to hear, after their order has been placed, that the product is unavailable or that it will take weeks to ship to deliver.
- Online payment and electronic billing – to send account statements and late payment notices automatically, reducing overhead required in dealing with delinquent accounts.
- Integrated shipping, drop-shipment, special orders and returns – to allow real-time tracking, order status and location, manage sales without holding inventory and allow customers to purchase special orders plus online return management, put-back accounting and the ability to credit the account.
- Accounting – to operate seamlessly with your business accounting software to stop time-consuming and error-prone human intervention and reconciliation.

How do you apply these opportunities? Well you can do it yourself if you have the necessary expertise in house, but in many cases it's much quicker, easier and more cost effective to work with a company like ours – but we would say that, wouldn't we?!