Ten questions to help you select your ecommerce system

Your website needs a system to be able to sell your products and services and collect the cash. The problem is, the myriad of services and options is hugely confusing. Indeed, type in the phrase "best shopping cart" into Google and you end up with more than 507,000 results. And if you go to the collection of review sites or directory listings you discover two things; most of the review sites are not true reviews, since they are affiliate programs and secondly the directories have widely varying listings. Indeed, one Top 10 listing of shopping carts presents an entirely different list to another so-called Top 10 directory. Confusing isn't it?

So, how can you go about choosing the right ecommerce system for your business? There are several questions you need to answer to help make your decision.

1. Do you need a "merchant account"?

A merchant account is a special kind of banking system that has verified you and your organisation, using high levels of security. A merchant account is NOT necessary to conduct business online and take money. However, you will need a merchant account if you want to:

- Take orders by phone or fax
- Take orders "in person" such as in a retail store
- Receive the money quickly
- Reduce your monthly fees and commissions
- Sell certain products or services (such as "adult" items)

If any of these apply to you, then you need a merchant account.

2. What type of "merchant account" to you need?

There are two types of merchant account - one where you "own" the account on your own basis, with a direct relationship between your business and the bank issuing the account. A second type of merchant account is a "third party" account. Essentially they are renting you space on their merchant account. PayPal, for instance, has "third party" merchant accounts as part of its business offering "Website Payments Pro". The difference in the merchant accounts is largely around pricing. Third party merchant accounts are usually free to set up and can be started quickly, sometimes immediately upon signing up. However, they charge much higher commission fees and monthly on-going charges; some also keep your money for 30 days before you can access it. A standard merchant account has lower monthly fees and low commission rates on each transaction. They also give you access to incoming funds within three days. However, they tend to charge start-up fees and they take longer to set up because of the security checks needed on you and your

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business. The standard merchant account, though, provides you with the greatest flexibility.

3. Do you need a "payment processor"?

A payment processor is a service which takes credit card information from your customers and extracts the money from their account and pays it into your merchant account. Some companies that provide merchant accounts, such as [RBS WorldPay](), include a payment processor within their service. Other organisations, such as SagePay are only payment processors and so you need a separate merchant account from a second supplier. [PayPal Business]() is a complete package of payment processor and merchant account all wrapped up together. If you already have a merchant account for an existing offline business, such as a retail store, you will need an online payment processor. However, if you only operate online you can use a combination service - you do not need a separate merchant account and payment processor, unless you want to have future options. For instance, if you have a merchant account and payment processor combined you stand a risk - albeit small - of not being able to take money if their service is broken, or ceases operation. However, if you have the services separated you can more quickly re-establish your online payment options.

4. Do you need a "virtual terminal"?

If you want to take money on the phone, by fax or from people who email you their details, rather than using a web page or shopping cart, you will need a "virtual terminal" unless you have a full, standard merchant account. A virtual terminal is a secure web page which you log into and then enter the credit card details of your customer by hand. Some payment processor companies, such as [SagePay](), provide a virtual terminal as standard. RBS WorldPay charges a one-off set-up fee for this service. PayPal includes it within the "Website Payments Pro" service or as a stand-alone service.

Separate Systems	Combined Package
Existing merchant account Flexibility Future proofing Cost controls	Rapid set up Higher on-going costs Ease of use Virtual terminals

For most people the decision comes down to PayPal OR another packaged provider such as RBS WorldPay. Going the separate systems route with your own merchant account and a payment processor is more cumbersome and technically difficult; however, this is often the preferred route for larger businesses.

5. Are there alternatives to the "merchant" route?
It is possible to sell your products and services online without requiring a merchant account or payment processor. Many web hosting companies offer complete e-commerce packages such as "web shops". There are also specialist firms which provide online "shops in a box". In both these instances you can set up your account, usually for a monthly fee and sell your products and services using the system's payment processing and merchant account. The advantages to this route are the fact that you can be up and running within minutes. All you need to do is sign up, use a pre-formatted template, add your products and away you go. However, there are limitations; firstly you are restricted to the designs and layouts on offer from the shop system. Many of these services include hundreds of possible layouts and the ability to include your own graphics and logos. But they are not as flexible as using your own website. Those that also offer payment processing tend to charge relatively high rates of commission and keep any income for a long period of time before you can extract it into your bank account.

6. Do you want to take "subscriptions"?
If you want to charge monthly subscriptions, for instance, or you have some kind of "membership site" where you charge regular fees then take special care over the merchant account or payment processor you choose. Make sure they offer this feature; some do not. Others charge extra - for instance RBS WorldPay Gateway Plus requires a one-off set-up fee to be paid for regular payments. Be sure also that any shopping cart software you use can also handle subscriptions or regular payments. Some can, but only with certain payment processors and not others. The lesson is, if you want to take subscriptions you need to check what is available very carefully indeed.

7. Do you need a shopping cart?
Shopping cart software is in plentiful supply online. A shopping cart allows people to place orders for your products and services and then visit an online "checkout" where they pay, usually with a credit card. However, you don't always need a shopping cart. If you sell several products and people will be potentially buying several items, then a shopping cart is convenient. However, if you are only selling a single product or people only buy one product or service at a time from you, a shopping cart can be an unnecessary diversion. Simply adding a "Buy Now" button and connecting that to PayPal may be all you need. Indeed, if you sell digital goods such as ebooks or software, you may not even need that as you can use direct selling systems such as ClickBank or PayDotCom. Even so, shopping carts do have attractions. Firstly, many of them connect with online payment processors automatically. If you use PayPal buttons, or similar easy services, you have to code the buttons each time. With a shopping cart you usually only set up the connection once and then each time you add a product or service, the shopping cart software automates the process for you. Furthermore, customers are comfortable with shopping carts because they are everywhere on the web. Having a shopping cart service on your website can improve customer confidence, over and above a simple "buy now" button.

8. What kind of "shopping cart" do you need?

There are three main kinds of shopping carts:

- Hosted
- Stand alone software
- Scripted

A hosted shopping cart, such as 1ShoppingCart, is where the service is on the company's servers and you rent usage. Usually, you are allowed a limit in terms of the numbers of customers or the amount of products and transactions you can have. A stand-alone shopping cart is a software program you download, such as [ShopFactory](#) or [Coffee Cup Shopping Cart Creator](#). A scripted shopping cart is a system you need to install on your own web server. Such services include things like [VirtueMart](#) or [ClickCartPro](#). The hosted services are best if you are not very technical, the scripted services are the ones that require technical knowledge. Hosted services are usually less flexible compared with the alternatives, though.

9. Do you sell "downloads"?

If you sell ebooks, software, music, video or other digital goods your shopping cart or payment processor needs to be able to handle them. Many do not. Equally, many do not provide time-limited download links or other security measures which help prevent your digital goods being shared. PayPal, for instance, allows the selling of downloads, but you need to add security software yourself, such as [DLGuard](#). 1ShoppingCart provides good digital security measures, but does not let you arrange subscriptions through RBS WorldPay - hence if you were charging for a monthly downloadable magazine, 1ShoppingCart wouldn't work easily. Usually, if you want to handle digital goods effectively you need a scripted shopping cart system.

10. Are you "technically minded"?

Arranging the taking of money online requires technical skills. Either you need to set up a scripted shopping system including some elements of coding, or you need to be able to connect several different services together - such as a merchant account, a payment processor and a shopping cart. If you are not technically gifted the amount of time you need to spend could be counter-productive; even hosted package systems, such as [1ShoppingCart](#) require some technical knowledge. You have two alternatives if you are not interested in the technology. One is to get a complete shop package from somewhere like [1&1](#), or you should get technical assistance from [Elance](#).

And what is my final suggestion? For the maximum features at the lowest possible price, you will find it hard to beat "PayPal Web Payments Pro"; you will require some technical skill in connecting to your website, but it can be used with any web hosting system and design software you use. RBS WorldPay Gateway Plus runs a close second to PayPal, but because it charges set-up fees it is initially more expensive than PayPal. It is also somewhat technically more demanding. All you then need is a shopping cart system which will deliver the features you require. If you use Joomla for your website, then VirtueMart is excellent. For WordPress users look no further than WP e-Commerce from GetShopped. If you use any other kind of web development system, then I'd recommend ClickCartPro for the technically minded, or something like RomanCart or Mal's Ecommerce or Coffee Cup Shopping Cart Creator for those with more straightforward requirements.

One final thing - if you want to use a complete system which not only allows you to take money from your customers, but also maintain a relationship with them, you need a packaged system such as QuickPayPro or 1ShoppingCart. But these systems charge monthly fees of $99 on top of your merchant fees and payment processor fees. You need to be sure you will get the maximum value from them.