



**E-commerce** Essentials





# **E-commerce Basic Concepts**

- Webshop: A digital platform where products and services are sold online.
- Cart: The virtual basket where customers collect selected products before completing their purchase.
- Conversion: When a website visitor performs a desired action, such as making a purchase or subscribing.
- Cart Value: The average amount a customer spends during a purchase.
   Increasing cart value can be achieved through targeted upsell and cross-sell offers.
- Upsell and Cross-sell:
- Upsell: Recommending more expensive or higher-value products to customers.
- Cross-sell: Suggesting related or complementary products during the purchasing process.



# **E-commerce Basic Concepts**



- Cart Abandonment: The phenomenon where a customer adds products to their cart but does not complete the purchase.
   Retargeting through emails and offering discounts can help reduce this rate.
- Conversion Rate: The percentage of visitors who perform a desired action, such as making a purchase or registering.
- Checkout Process: The final step in the purchasing journey, during which the customer fills in payment and shipping details and completes the order.



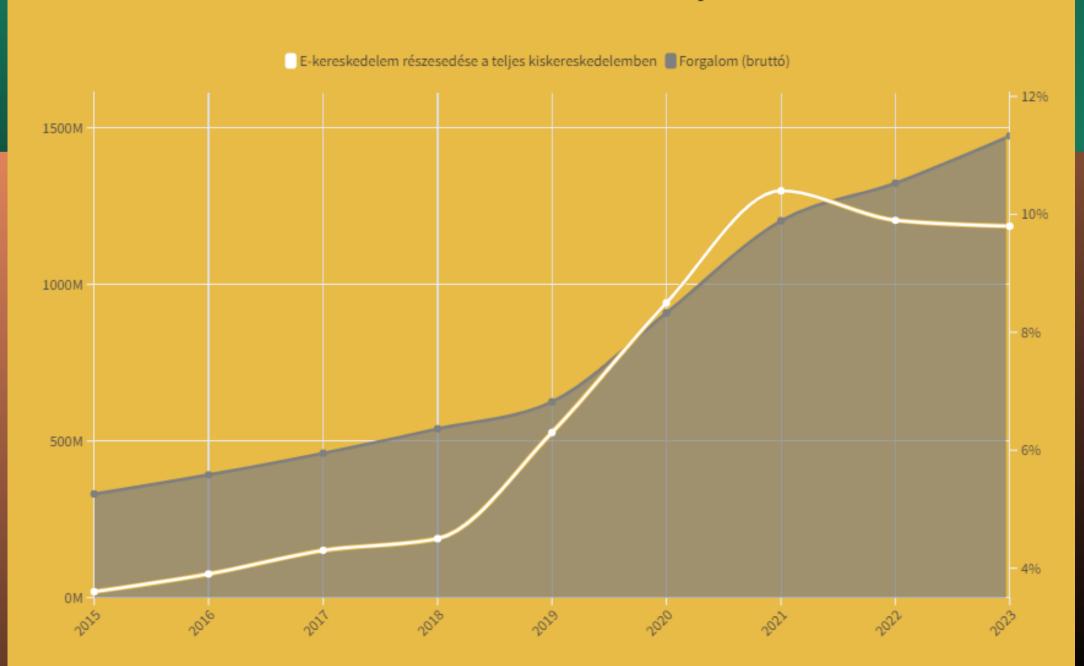




The State of E-commerce



## Az e-kereskedelem helyzete





# Why Is Marketing Important?

 According to data from ekerstat.hu, Hungarian e-commerce achieved a total revenue of 1474 billion HUF, representing an 11.41% annual growth. Currently, there are 38,240 online stores operating in the country, which marks a 2.25% increase compared to the previous year. E-commerce accounts for 9.8% of total retail sales, though this share has decreased by 1.01%.

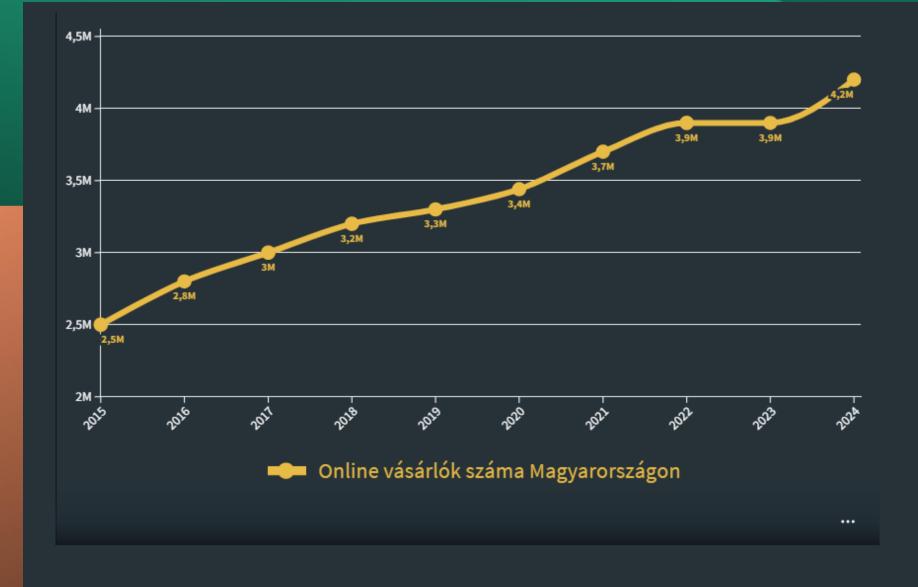




# Why is Marketing Important?

- Increasing and Retaining Market Share
   With Hungarian e-commerce accounting for 9.8% of total retail, marketing plays a crucial role in
   strengthening a business's presence and attracting new customers. Expanding market share is the
   result of continuous and targeted marketing efforts, which ensure that customers choose your
   business over competitors.
- Leveraging E-commerce Market Growth
   The annual growth of +11.41% in total revenue offers significant opportunities for businesses operating in e-commerce. Marketing is essential to capitalize on the growing demand, enabling businesses to secure a larger portion of the expanding market.
- Standing Out in a Competitive Market With 38,240 online stores and a 2.25% annual increase in their number, competition in the ecommerce sector is intensifying. Marketing tools help businesses differentiate themselves, present more appealing offers, and attract new customers amidst a crowded marketplace.





6,74%

21 rendelést

3,9 millió

1U éves növekedés az online tranzakciók számában adott le egy ember egy évben átlagosan 2023-ben online vásárló 2023-ben Magyarországon





The Basics of E-commerce





### **Choosing the Right Product:**

Selecting the right product is crucial. Popular categories like fashion or FMCG face strong competition from international and regional players (e.g., TEMU, SHEIN, eMAG).

### **Physical or Digital Products?**

Physical products require logistics, while digital products (e.g., e-books, online courses) can be scaled with a one-time production effort.

### **Business Sustainability:**

Achieving the right profit margins and cost efficiency is critical for business success.

### **One-Time or Returning Customers?**





## **How Easy Is It to Communicate the Product?**

It's essential to build content around the product that aligns with the broader marketing strategy. Ideally, the product should be promotable across various formats.

## **How Difficult Is It to Manage the Product?**

Shipping, packaging, and perishability affect costs and logistics. Delicate products may require additional customer service efforts.

## What Regulations Apply to the Product?

Regulatory requirements (e.g., licenses, warranties) can introduce extra costs and challenges.



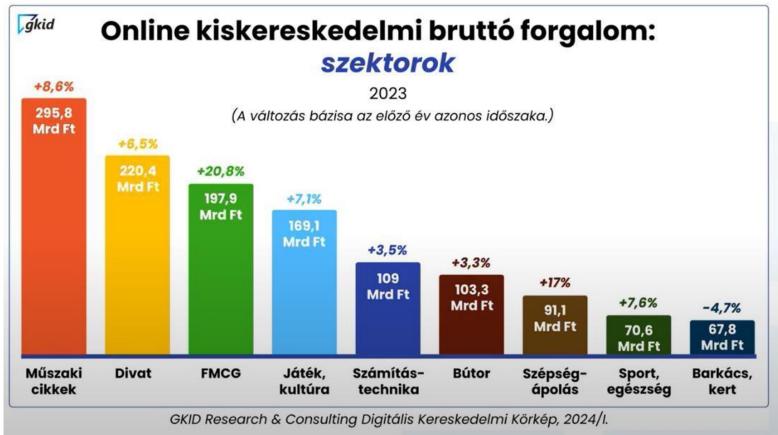


The E-commerce Sector's Top Grossing Categories

The highest gross revenue in the e-commerce sector is generated by consumer electronics, reaching 295.8 billion HUF in 2023 with an 8.6% growth rate.

The fashion and FMCG sectors also stand out, with the latter showing a remarkable 20.8% growth, reaching 197.9 billion HUF.

Among the fastest-growing categories are FMCG and beauty products.



A TOP3 szektor felel a kiskereskedelmi forgalom 48,5%-áért.

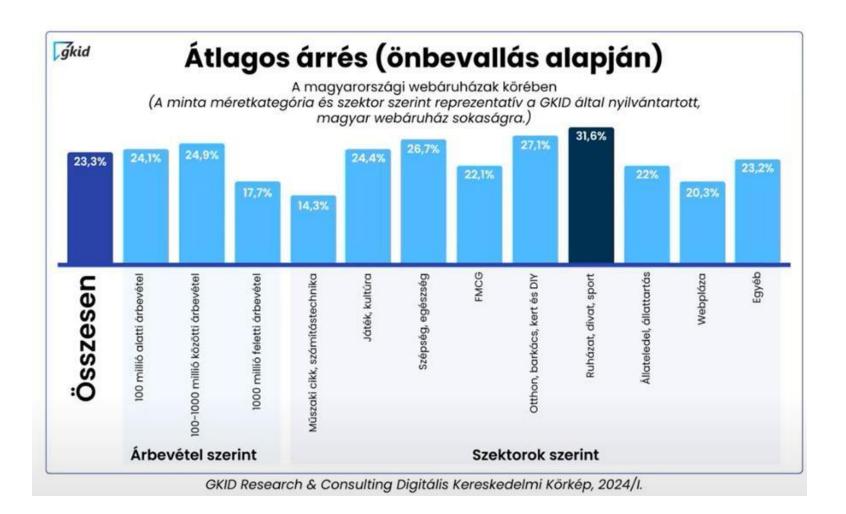




#### **The Highest Average Profit Margins**

The clothing, fashion, and sports sectors achieve the highest average profit margin at 31.6%.

This is largely due to the popularity of these categories among customers and the ability to sell products with higher markups.









Starting an Online Store





## Rentable E-commerce Platforms

## Shoprenter and Unas

These solutions are ideal for those who want to launch an online store quickly with minimal technical knowledge. They are easy to set up, automatically receive security updates, and offer a variety of design templates. These platforms also come with integrated payment gateways and logistics solutions.

## Advantages:

- Low startup costs
- Fast time to market
- Automatic updates

- Limited functionality
- Less flexible customization options.





# Open-Source E-commerce Platforms

### WooCommerce and Magento

Open-source platforms offer flexibility and complete control over your online store, allowing the owner to build and manage the store themselves. Technical knowledge is essential, and developers may be needed for customization. These solutions provide opportunities to create unique features and integrations.

### Advantages:

- Complete flexibility
- Customizability
- Integration of unique solutions

- Higher technical requirements
- Maintenance and development costs
- Time-consuming setup





## Custom-built E-commerce Stores

## Tailored Online Stores:

These are fully custom-developed solutions that allow businesses to design every detail of their store according to their specific needs. They are ideal for those who require complex integrations or unique functionalities.

## Advantages:

- Maximum flexibility
- Integration of special features

- High initial costs
- Long development time







## Jellemző értékesítési modellek:

Fizikai üzletben is
42%
Marketplace értékesítés
20%
Külföldi értékesítés
14%
Ügyfélkör szerinti csoportosítás:
B2B és B2C értékesítés egyaránt
53%
B2C értékesítés
39%
D2C értékesítés
416
B2B értékesítés
3%





# Tips

- Both rented and open-source solutions are available, each catering to different technical knowledge and needs. WooCommerce offers high flexibility, while Unas and Shoprenter provide simpler, quickto-setup solutions. The technical background and customer support are crucial for long-term success.
- It's worth starting with a rented webshop platform that offers Hungarian support, as there will likely be many questions at the beginning.
- From a marketing perspective, all of these solutions are very good.





## **Technical Basics**

## Fast and Secure Hosting:

The speed of your online store is critical for both user experience and SEO. Fast loading times and reliable hosting are especially important if growth is expected. Additionally, security measures such as an SSL certificate and regular backups are essential for protecting your store and customer data.

## Responsive Design:

A significant portion of e-commerce happens on mobile devices, so your webshop must be mobile-friendly. This includes responsive design, ensuring that the store displays properly on all devices. The user experience is closely tied to conversion rates, making it crucial to optimize for mobile.





# **Quality Expectations**

## Product Descriptions:

Detailed, informative, and engaging product descriptions build customer trust. It's important to provide accurate information for each product, helping customers make informed decisions. A lack of available information can reduce the chances of a purchase.

## Quality Images and Videos:

Visual content is crucial in online shopping. High-quality images of products from multiple angles, as well as videos, help customers verify the quality of the product. Customers are more likely to make a purchase when they have a clear view of the product.

### Useful Content:

Content like blog posts, guides, and case studies not only adds value for visitors but also positions the business as a trusted expert. This content is a vital part of content marketing and also supports search engine optimization (SEO).







Payment methods



## Webáruházban biztosított fizetési módok



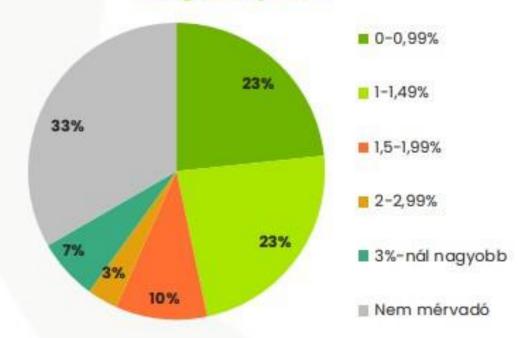
Halasztott fizetés

Mentett kártyás fizetés

SZÉP-kártya, EP-kártya

Ismétiődő fizetés (előfizetés kezelés) 1%





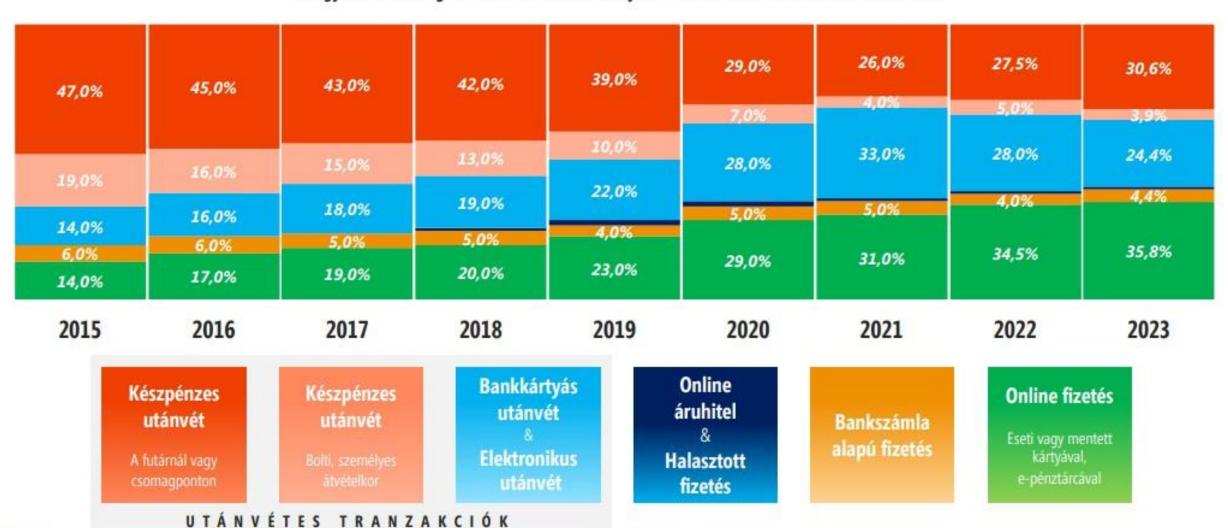
A webáruház tulajdonosok közel fele legfeljebb 1,49% jutalékot fizet fizetési megoldás szolgáltatójának. Tavalyhoz képest nem változott azoknak az aránya, akik 1,5% vagy ettől több jutalékot fizet fizetési megoldás szolgáltatójának.

Forrás: shoprenter.hu



## Az online rendelések megoszlása fizetési megoldások szerint

Az egyes fizetési megoldások használatának súlya az online kiskereskedelmi tranzakciókban







## Legnépszerűbb elektronikus fizetési megoldások:





A payment gateway is a service that enables customers to make secure payments during online shopping using various payment methods, such as bank cards, mobile payments, or e-wallets. It is a central component in processing online payments, ensuring that transactions are secure and reliable. It encrypts user data and connects the customer's bank with the merchant's bank account.

#### **How Does a Payment Gateway Work?**

#### 1.Payment at Checkout:

The customer selects the desired product in the online store and provides card details or chooses another payment method during the payment process.

#### 2.Data Transmission:

The payment gateway securely transmits the provided data to banking systems in encrypted form.

#### 3. Authorization and Approval:

The customer's bank verifies the data and approves or rejects the transaction.

#### **4.Payment Processing:**

For a successful transaction, the amount is deducted from the customer's account, and the merchant receives the funds in their account.





## **SimplePay**

### **Advantages:**

- •SimplePay is part of the OTP Bank Group, providing stability and recognition in Hungary.
- Excels in integration capabilities.
- •Supports multiple payment methods, including QR codes and mobile payments.
- Handles multiple currencies.
- Offers flexible contract options.

- The contract process is more time-consuming.
- •A connection fee is charged, which can amount to tens of thousands of forints.
- •Merchant commission ranges between 1–2.5%, which is higher than some other payment solutions.





#### **Barion**

#### Advantages:

- •One of the most popular Hungarian-founded online payment services.
- •Favored for its **low fees**: no connection fee, and transaction fees are lower, ranging from **0.5**—**1.5%**.
- •Easy integration and registration process with no monthly fee.
- •Supports card payments without registration, though using the Barion wallet makes payments more convenient.

- •Lower customer trust due to being a smaller brand.
- •Fewer integration options on certain platforms.
- •Additional fees may apply when transferring funds from the virtual account to another bank account.





#### CIB

#### **Advantages:**

- •The CIB card payment system integrates quickly and easily with various e-commerce platforms, such as WooCommerce, OpenCart, and PrestaShop.
- •Supports the **3DS security protocol** for secure transactions.
- •Reliable customer service.
- Continuously updated online payment systems that are easy to use.
- •No hidden fees, and transactions appear immediately in the merchant's system.

- •Less known among smaller online stores.
- Transaction fees are not always as competitive as those offered by Barion.





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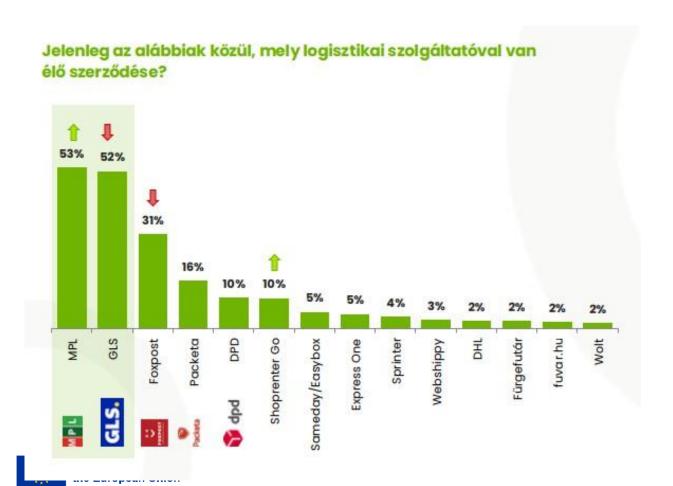
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# Delivery methods



The most popular logistics providers are MPL, GLS, and Foxpost.

Compared to the previous year, this year, a larger proportion of contracts have been signed with MPL and Shoprenter Go among the logistics providers.



## **Fulfillment**

#### **Fulfillment Service**

A fulfillment service is a logistics solution that involves storing, packing, and shipping products from online stores to end customers. Fulfillment providers help e-commerce businesses outsource the entire order processing process, so they don't need to deal with their own warehouse, packaging materials, and shipping solutions.

#### What is it used for exactly?

- •Storage: The fulfillment provider stores the business's products in their own warehouses.
- •Packing: When a purchase is made in the online store, the fulfillment provider prepares and packages the order.
- •Shipping: The provider also handles the shipping, often partnering with freight companies to ensure fast and reliable delivery.
- •Returns Management: If a customer returns a product, the fulfillment provider manages the return process, including repackaging and restocking.





# Logistics outsourcing









## **Customer service**

#### **Customer Service Quality**

The quality of customer service has a direct impact on customer experience and loyalty. A well-functioning, efficient customer service not only solves problems but also fosters the development of long-term relationships with customers.

#### **Phone-based Customer Service:**

- •Advantages: Provides a more personal connection, especially useful for handling complex issues where immediate interaction is required.
- •Disadvantages: Time-consuming, can be more costly. It is crucial to have well-trained staff who are patient and helpful. Fmail-based Customer Service:
- •Advantages: Allows for detailed, documented responses. It can be easily automated, for example, using template responses to speed up the process.
- •Disadvantages: Slower response time and less personal interaction compared to phone or chat.

#### **Chat-based Customer Service:**

- •Advantages: Provides immediate feedback, which is particularly popular among customers. Routine questions can be easily addressed with automatic chatbots.
- •Disadvantages: If the chat function doesn't work properly, customers may become dissatisfied. It's important to ensure that the chat works in real-time, or that the chatbot is well-programmed.





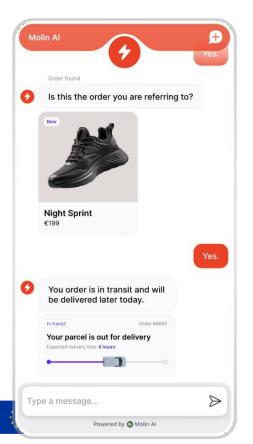
# Al chatbot

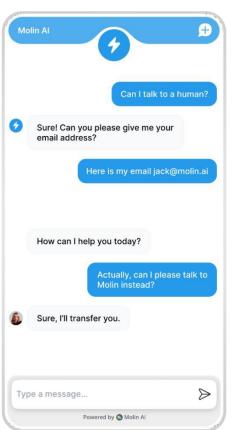
- 4/7 Availability
- Quick and Accurate
- Responses
- Automated Tasks
- Learning and Adaptation
- Personalized
- Recommendations
- Improving User Experience
- Data Collection and Analysis



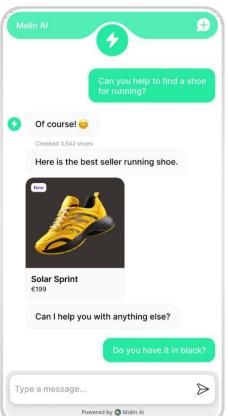


# Al chatbot













# Increasing Customer Satisfaction

- 1. Fast and Reliable Delivery
- 2. Accuracy of Delivery Time
- 3. Order Tracking
- 4. Simple and Fast Purchasing Process
- 5. User-friendly Website Navigation
- **6. Quick Payment Process**
- 7. Customer Service Support
- 8. Instant Availability
- 9. AI Chatbots and Automated Solutions





# **Increasing Customer Satisfaction**

### **Collecting Customer Reviews and Feedback**

- Displaying Reviews
- Surveys and Feedback
- Return and Warranty Policy
- Flexible Return Options
- Guarantee and Quality Assurance

### **Personalized Offers**

Personalized Marketing

### **Loyalty Programs**

Customer Loyalty Programs





# Marketing



# TOFU-MOFU-BOFU model

The **TOFU-MOFU-BOFU** (Top of the Funnel, Middle of the Funnel, Bottom of the Funnel) model refers to the different stages of the marketing funnel, through which potential customers progress during the buying process.

This model helps us understand which phase potential customers are in, allowing us to provide them with tailored content and messages accordingly.







### **TOP** OF FUNNEL

#### GOAL: GET PEOPLE TO YOUR WEBSITE

**HOW?** Provide quality content like ebooks, whitepapers, and webinars in exchange for contact info.

- Use PPC and SEO strategies to show up in Google
- · Be active on social media and use eye-catching posts

### MIDDLE OF FUNNEL

#### **GOAL: NURTURE EXISTING LEADS**

(AKA now that they know you, get them to like you more)

**HOW?** Give existing leads more tailored content, such as buying guides.

### **BOTTOM** OF FUNNEL

**GOAL: GET THEM TO CHOOSE YOU** 

**HOW?** Offer free trials, assessments, demos, and special product offers.

CHOCOLATE BIT at the bottom aka the CONVERSION



### **TOFU (Top of the Funnel) - Awareness**

- •Goal: Increase brand awareness and capture the attention of potential customers.
- •Tools: Blog posts, tutorial videos, social media content, infographics.
- •Content Type: Useful, general information about the industry or product. The goal is to make the audience discover your webshop. Example: "5 Tips for Home Decoration" if you sell furniture.

### **MOFU (Middle of the Funnel) - Interest and Consideration**

- •Goal: Generate deeper interest and engage potential customers.
- •Tools: Newsletters, case studies, product demos, webinars, email series.
- •Content Type: Presenting the products and highlighting the benefits of purchasing. Example: Recommendations, product reviews, detailed product descriptions. In this phase, detailed product presentations help the audience in their decision-making process.

### **BOFU (Bottom of the Funnel) - Purchase and Conversion**

- •Goal: Drive purchases and conversions.
- •Tools: Special offers, coupons, free shipping, money-back guarantees.
- •Content Type: Concrete offers and purchase-triggering content, such as discounted products, promotional coupons. At this point, the goal is to encourage the customer to make a purchase.



# Search Engine Optimization (SEO)

- Keyword research, on-page SEO, off-page SEO, technical
- •SEO Goal: Increase organic traffic through better visibility in search engines.







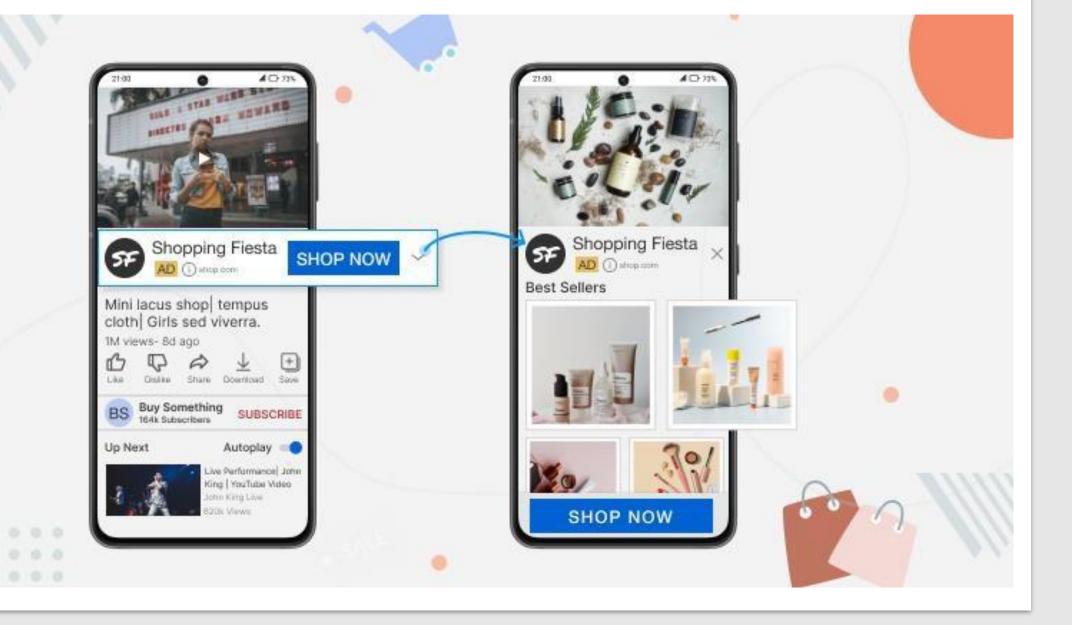


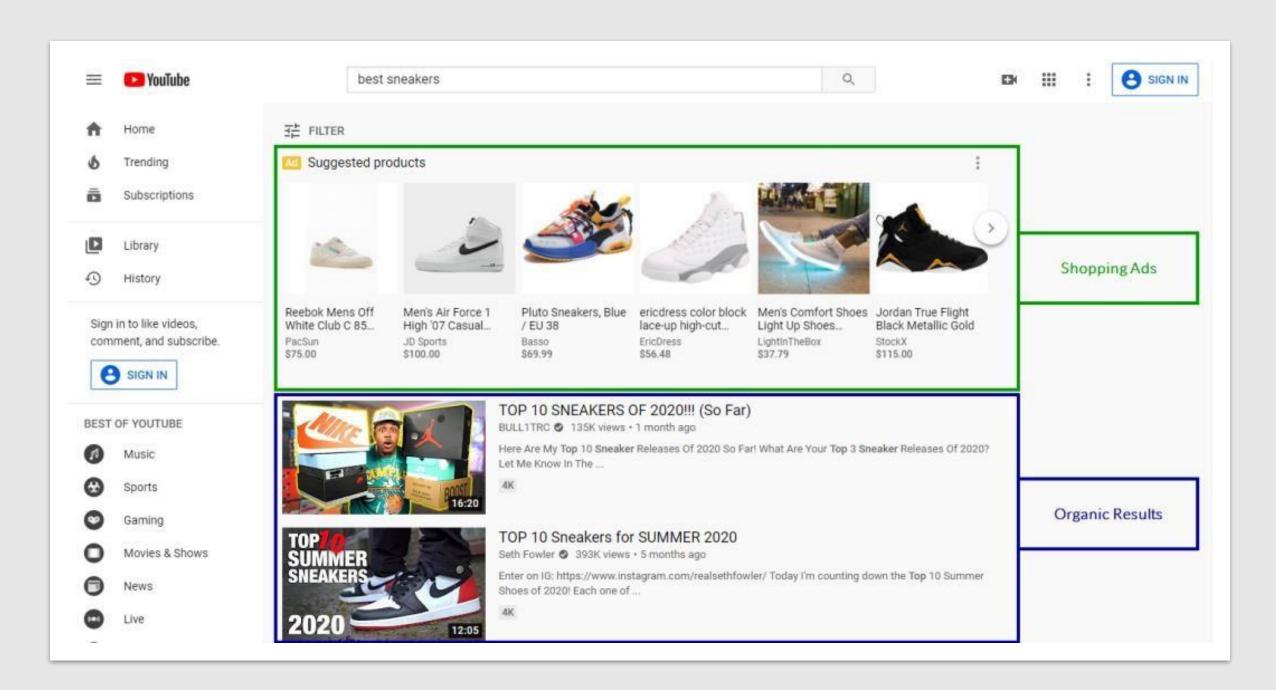




Skills4Retail

Building sustainable growth





# Video marketing

- YouTube Channel, Video Ads, Tutorials, Webinars
- Video content with a strong visual impact that increases engagement and helps build a deeper connection with the audience.







# Analysis

