

e-commerce - a Guide to Trading Online

According to the latest UK statistics, over 21m households (that's 80%) have internet access, and a large majority of these households will have used the internet to either purchase goods/services, or to search for a provider of goods/services.

As well as the domestic market, the internet provides a gateway to the international market place. Furthermore, it can be used to develop relationships with suppliers and other trading partners.

It is therefore vital that your business has an online presence.

This can be anything from a one page 'shop-front', to a complex product catalogue with an online ordering and multi-currency payment systems and a world-wide delivery mechanism.

Issues to consider

e-commerce does not have to be either expensive or complicated, but as with all aspects of business there are a number of issues which need to be considered –

- register the company name or trading name as a domain name (this will incur an annual fee)
- allocate both a start up and a recurring annual budget for the online project
- set some milestones for the website and a timeline for achieving these goals
- have a look at other websites and go through the check-out process – note what you like and dislike about these and how your customers might react
- bear in mind the needs of the disabled user
- decide whether to host the website in-house, or to use an external hosting company (ISP)
- consider the ease of being able to update website content on a regular basis
- have the website optimised to ensure that it features in popular search engines
- consider pay per click advertising options to increase ranking
- keep the site simple – and fast - visitors will not spend ages on navigation or waiting for pages to load, so this includes all elements of the website including graphics, searching the site, and the order and payment processes

- think about how the website will link to the back office accounting, invoicing and stock systems
- ensure that both the website and any on-line payment procedures have all available security measures in place to prevent fraud, hacking and denial of service threats
- enable the user to view/edit orders and to see order history and order tracking
- ensure that regular statistics on number of visitors, pages visited etc are available
- have a contingency plan to ensure that on-line trading can continue should there be a major problem. Legal requirements

Legal requirements

There are quite a few legal issues to contend with, some of these will not be relevant in all cases –

Who legally owns the website (and the content) and what happens if either the web developer/ISP ceases trading?

Compliance with relevant legislation which includes:

- Companies Act 2006
- E-Commerce regulations 2002
- Privacy and Electronic Communications Regulations 2003
- Distance Selling Regulations 2000
- Data Protection Act 1998
- Disability Discrimination Act 2005
- Provision of Services Regulations 2009

Bear in mind that legislation and the rules and regulations incorporated within primary legislation change over time. For example, from 2012 all websites should be compliant with the regulations regarding the use of cookies.

How we can help

If you would like any further assistance please do not hesitate to contact us.

For information of users: This material is published for the information of clients. It provides only an overview of the regulations in force at the date of publication, and no action should be taken without consulting the detailed legislation or seeking professional advice. Therefore no responsibility for loss occasioned by any person acting or refraining from action as a result of the material can be accepted by the authors or the firm.