

Successfully
manage
financial
transactions
on the
Internet



Internet Commerce

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Andrew Dahl & Leslie Lesnick

Internet Commerce

Andrew Dahl

Leslie Lesnick



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Internet Commerce

By Andrew Dahl and Leslie Lesnick

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Introduction

The World Wide Web's popularity continues to explode. Both the number of surfers and the number of servers continue to increase at a remarkable rate. The Web is quickly swallowing the other portions of the Internet and becoming the de facto standard for access.

As the only portion of the Internet where commercial messages are accepted (and even encouraged), the Web is a natural for digital storefronts. Until recently, digital storefronts were hindered by the inability to get paid directly over the Internet; however, the latest releases of Web browsers and Web surfers contain the technology needed to support secure payments over the Internet, and businesses are beginning to take advantage of the technology.

This book is based on the notion that clever graphics alone will not determine the winners and losers in cyberspace. Strategy, products, service, and price are the cornerstones of a successful digital storefront. It's one thing to publish company and product information on the Web, but quite another to set up and run a digital storefront. All of your "lessons learned" from setting up a Web site (if you have one) will apply to creating a digital storefront, but digital storefronts involve many additional issues. Digital storefronts are more than online catalogs with order buttons—they require their own business strategy, products, and support processes, all of which must reflect and be consistent with the rest of your business.

Accepting payments online requires the utmost attention to security, so whoever develops your digital storefront must understand how to make a site easy and fun, while simultaneously providing security for both the business and consumer. Also, order processing systems must be integrated into your traditional accounting and billing systems.

Of particular importance is the form of payment that you decide to accept online. Traditional credit card payments have several drawbacks that make them unsuitable for many digital storefronts, and many new online ventures will have trouble getting authorization to accept credit card payments. Other organizations will be hindered by the overhead charged by credit card companies. Some consumers are concerned with potential security and privacy problems inherent in credit card transactions. New forms of cash and electronic payment systems are thus being developed in response to these concerns. If you are interested in setting up shop on the Web, you must understand the risks and rewards of each payment scheme. Each payment system is unique, and you need to be able to make an informed decision about the payment system or systems you integrate into your storefront, while minimizing liability and risk.

Why Read This Book?

Internet Commerce was written to help ordinary people wade through the ever-increasing number of payment systems, Internet service providers, and Web server programs, so that you can put together a package that makes sense for your business.

If you're wondering...

- How do I set up a digital storefront?
- How do I evaluate different payment systems?
- What business strategies work on the Web?
- How will electronic commerce affect my company?

- What's different about a digital storefront from a traditional business?
- What's the difference between a digital storefront and a Web site?
- How do secure payments work?
- How can I evaluate different Internet service providers?

...then this book is for you.

Who Should Read This Book?

This book is for everyone interested in understanding the practical side of setting up a digital storefront. Setting up a digital storefront is a multidisciplinary project. Marketers, advertisers, public relations staff, product developers, software developers, and network administrators are all involved (or should be) in setting up a digital storefront. This book provides a common language that can be used by all of these disciplines. We have put special emphasis on the technical details that any project manager or administrator needs to actually set up a storefront.

How Much Should You Know About the Web?

Most people reading this book will have some experience with the Internet and the World Wide Web, so we skip some basic steps like finding a Web browser. Having some experience with the Internet and the Web is helpful, but not necessary, when reading this book. The book goes beyond simple explanations of netiquette (accepted manners on the Internet) or suggestions like putting your company name on all e-mail. This book introduces real business strategies that you can use to separate yourself from the pack.

Some sections of this book are very technical (Chapter 5, "Cryptography Basics," Chapter 7, "Secure Web Servers," and especially Chapter 6, "Web Server Capabilities"). If you are not an administrator, you can safely skip these sections.

Why is This Book Important?

It is increasingly important that managers of any business be technologically savvy. This is doubly important for any company venturing into online business. Business managers cannot surrender control of a digital storefront to the IS (information services) department. Online expertise can only be gained by “doing.” This book will shorten your learning curve by explaining the issues that must be addressed, the strategies that you should consider, and the questions you must ask.

A digital storefront is no place for mistakes. Security loopholes can cost thousands or millions of dollars. We have included a detailed guide outlining the steps an administrator needs to follow when setting up a secure Web site. Word spreads fast on the Internet. One advantage of running a Web storefront is that you can fix problems quickly. One disadvantage is that you must fix problems quickly, often within a day. This book can help you avoid mistakes.

New Riders Publishing

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