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CHARTERED ACCOUNTANTS

Key Terminologies in the E-Commerce industry

Many times, having a conversation with an eCommerce professional leaves you scrambling for a dictionary! Don't worry, you aren't alone! Businesses new to eCommerce, whether you are a seller, buyer or enabler, should be well-versed in the eCommerce jargon that gets passed around in everyday discussions. Below is a list of the most popular keywords, buzzwords, and phrases used in the eCommerce industry.

1. **Brick & Click** -

   Brick and Click store basically means running an online eCommerce store along with an offline one. There are tons of merchants who initially start with an offline store (brick) and then go online (click) to cover a larger audience and build an online presence. Example – Walmart was brick and mortar now acquired flipkart to become brick and click etc.

2. **Caching -** The storage of web files on a computer or server so they can be accessed quicker by the end user.

3. **Traffic** -

The levels of visitors coming to your site from a number of sources, traffic is the 'input' side of the ecommerce equation. More traffic generally results in more business, equivalent to footfall in the 'real world' environment. Example – Referrals , fb ads , youtube ads etc.

4. **AOV -**

Average Order Value (AOV) is the total revenue of a business divided by the number of orders.

5. **API** -

An Application Program Interface allows the software to communicate and exchange data. Example- Amazon website, Flipkart website from where we browse the items to purchase. This interaction is possible only due to API.

6. **PDT (Payment Data Transfer) -** A technology that allows transfer of transaction data back to merchant.

7. **Social Signals-**

It Social signals are communicative signals of social media activity like shares, votes, pins or likes on social media sites which are taken into consideration by search engines for ranking algorithms. Social signals directly or indirectly provide information through social interactions, emotions, behaviour and social relationships on social media sites like Facebook, Twitter, LinkedIn, Pinterest or Tumblr. An easy way to apply social signals to websites or blogs is by using social share buttons

8. **Shopping Cart -**

A virtual representation of a shopping cart that lists the items that a customer has identified for purchase.

9. **Cookies –**
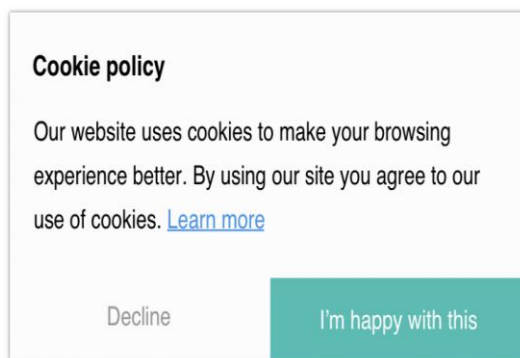
These are text files sent to a user's browser related to how the customer interacts with the website. Often users will get a pop-up that requests that the user "shares cookies." After confirmation, the information in these text files is sent back over to the server, based on how the user responded and interacted with the site.

10. **QR Code –**

Quick response code. A type of 2-D(matrix) bar code that complies to ISO 18004-2006.

11. **Third-party payment processor –**

An external service that helps merchants accept and process online payments even without a merchant account.

Example-PayPal.

12. **Drop shipping**

When an online store works with wholesale suppliers for the delivery of products by passing them shipping information about each customer order.

Example- Doba, Oberlo, Dropship direct, etc.

13. **Upselling**

A technique to offer customers an opportunity to upgrade a purchase or to buy a more expensive version of a product to maximize the value of the purchase for the seller.

14. **Favicon**

Favicon or a Favourite Icon. A small icon that is used to represent a website that is displayed in the address bar, page title on a browser tab, and bookmark list. Example- Symbol of Flipkart, Amazon etc.

15. **Pay-per-click (PPC) marketing**

An advertising model in which the business pays only when someone clicks an ad and is directed to the retail website.

Example- Google Advertising which appears on the bottom or upside of the websites where we might give a click on.

Contributions made by: Deeksha Arora

Sources: http://www.tamingthebeast.net/articles/ecommerce.htm

https://www.ekm.com/blog/popular-ecommerce-terms-explained/