



GOLDEN URBAN RENEWAL AUTHORITY

Memorandum

To: Mark Heller
From: John Hageman
Date: March 13, 2009
RE: Ecommerce sites

Purpose:

I took a look at the Yahoo Small Business solution and also Amazon's Web Store which are both excellent tools for Clear Creek books. Each program has unique benefits and setbacks that Mr. Morgan would encounter.

Research:

The design process of any project can be long and cumbersome. Yahoo provides new businesses with a number of templates that appear very professional with no requisite design experience. Amazon's Web Store has a number of templates as well. Depending on your perspective, the Amazon program can provide the familiarity and easy navigation of the Amazon store for new customers. I initially believed the Amazon service to be more robust, which may be due to independent website designs being showcased. Both of these services can adapt to 3rd party programs such as Dreamweaver and Java which maximizes creativity.

Both programs come bundled with inventory management software. Yahoo states that inventory can be easily uploaded through a spreadsheet, likely an Excel file while Amazon makes no such claim. Shipping is streamlined for both services as well as allowing access to USPS, UPS, and FedEx.

I found merchant services to be equal for both products. The ability to accept credit cards, debit cards, and Pay Pal comes standard with both programs. Amazon's service does not accept checks as a form of payment while Yahoo does. Speaking from my experience in personal banking, I believe that accepting checks over the internet is a risky business and should be avoided at all costs.

Generally these products are quite similar. Where Amazon's Web Store has the advantage lies in the robustness of its online selling options. When you register for a Web Store, you have the same "engine" running your store that allows for advanced features like up-sells, customized searches, and buyer reviews that made Amazon so famous. As an added bonus you also have access to the thousands of registered buyers in Amazon's database. Selling to pre-screened individuals may be enticing for new e-stores. While Yahoo's Small Business product may not be as advanced, it does beat Amazon in price on not only monthly fees, but commission as well. To establish an account with Amazon that lists your store under Amazon.com, you will pay \$99.98/month. If you choose not to list your web store with Amazon.com, the price drops to \$59.99/ month. Yahoo's product is \$39.95/month. On both programs through Amazon, they will earn 7% commission on all sales while Yahoo will charge 1.5%. Even with the \$50 one time set up fee, Yahoo is considerably cheaper.

In the past Barbara has worked as the web designer for GURA, providing low cost web sites to local businesses. While the websites are an excellent marketing tool, they do not provide any form of e-commerce. I believe that Yahoo and similar products can not only provide easy and professional templates to begin online shopping for local businesses, but also the financial management tools as well.

Recommendation:

I would recommend that Mr. Morgan take a look at Yahoo's Small Business solution. If Amazon did not charge such a high commission, I would be tempted to recommend it because of the access to an exhaustive customer base. The following local stores who currently have a web site can also benefit from online retail:

- Baby Doe's Clothing
- Avenue Gifts
- Silver Horse
- Creekside Jewelry