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**Building Your Own Payment
Gateway Can Have A Positive
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Money At The Gates

Have you ignored the prospect of sales on the Internet? Boost company profits—start selling online

Robert Sovereign-Smith

It's true that not all products are suitable for sale online. Not many online buyers would think, "Ahh, I'd like a ton of steel to build my own boat, and a couple of barrels of crude oil in case I run out of charcoal for the barbecue." However, if you are a medium-sized company offering products, and not services, you should already have an online retail outlet. If Fabmall.com can deliver groceries in Bangalore, there's no reason for any company to think twice about selling online.

As usual, basic questions abound: "Do people really buy online?", "We can't afford an online merchant ID, can we?", "Are my products too expensive/cheap to be sold online?", the list goes on... So let's take a look at why you should sell online before we get into telling you how to set up payment gateways.

Credit Cards And Impulse Buyers

Credit cards are such a novel invention. When used right, they can save you in times of cash crunches—while on the other hand, can be the cause for a cash crunch. As a business, credit cards are always your friends. The great fear of buying online with credit cards is reducing. More and more people are spending money they don't have, to buy things they don't really need—and most of it is online. As a business, if your products offer any sort of flaunt value, or have caused customers to impulse-buy, and you're not online yet, you're missing out on a lot of business.

Reputation And Appearance

It may sound shallow, but people are so used to seeing sites with shopping carts, coming across your site that does sell products, but not online, might make your company seem small. Whether this is true or not isn't really important; the fact is, you're not IBM or Microsoft, and you're not selling steel or crude oil. You

don't have a million distributors either, so where's the online product catalogue and shopping cart?

Product Pricing

Yes, it's pointless to set up an online shop if your products cost a lakh a piece. Considering that the average credit card holder's credit limit is between Rs 30,000 and Rs 40,000, any products that cost in excess of Rs 20,000 might not be so hot online. If your products are FMCGs, and cost anywhere from a few hundred rupees to a few thousand, you should definitely consider an online shop.

Shipping

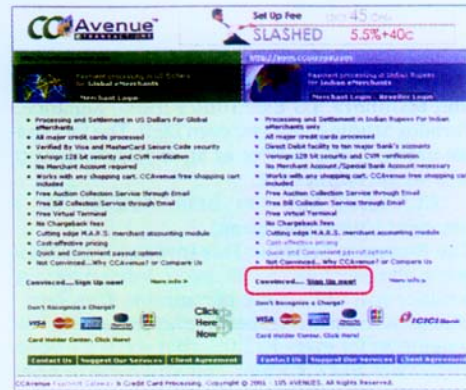
Don't make the mistake of thinking that since you only service a single city, an online shop wouldn't help. You will need to mention clearly that delivery is only within your city, and not let it deter you from setting up your e-shop. You could always put up a "Dealers Wanted" sign on your site and try and expand into more cities eventually.

The Checklist

Before you go about getting a Payment Gateway, you need to identify your needs. If you have a variety of products, you will need to set up a product catalogue and a shopping cart service.

In this issue, we have shown you how to set up a PHP Web site (page 62). If you are setting up a Web site using that advice, you will find that adding a shopping cart is quite simple—all you need to do is find a shopping cart module for PHP-Nuke that fits your needs, and add it to your Web site.

Don't make the mistake of thinking that since you only service a single city, an online shop wouldn't help

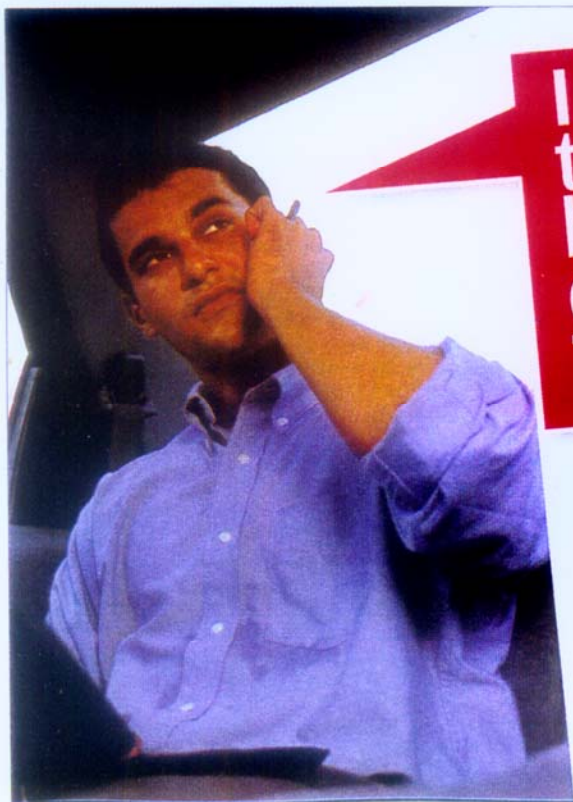


The first thing you need to do is register at CCAvenue.com

The Payment Gateway

The payment gateway is sort of like a broker for all deals between you and your customers. It will authenticate your customer's credit or debit card and then bill it for the specified amount. This money is then deposited into your account on a weekly or monthly basis.

The important thing to keep in mind is that you will need to bill your customers in the local currency, as you don't want customers not buying your products just because the price is mentioned in dollars. Though there are many companies offering payment gateway services, we will just take one example for the purpose of this article.



I am not a technologist, but I have to cope with Technology

Technology is not your profession. Yet, you have to deal with it everyday. From your workstation at office, your cellphone and your PDA to that Plasma Television at home, you deal with technology in almost everything you do.

What you need is a trusted navigator who helps you understand, choose, buy and most importantly, use technology. Digit is your trusted navigator for the world of technology.



CCAvenue.com

CC Avenue is a trusted Indian payment gateway, and boasts of clients such as C-DAC, TATA, the Ministry of Commerce and Industry, Mahindra and Mahindra, LG Electronics India, Reliance's Paradox Studios, and yes, even Digit. The fact that we use it should suffice as an explanation as to why we recommend it.

CCAvenue has two basic options for a payment gateway solution:

The Premium Scheme: This involves a one-time setup charge of Rs 25,000, and a software maintenance cost of Rs 2,400 per annum. They levy a charge of five per cent per transaction under this scheme, so for every Rs 1,000 that you sell online, Rs 50 goes to CCAvenue. You will have to price your products accordingly and cover this deficit of five per cent.



The main CCAvenue control panel screen

The Economy Scheme: For smaller businesses just starting up an online shop, this is perhaps the wiser option. There is the Rs 7,500 one-time setup fee, and a software maintenance charge of Rs 1,200 per annum. In this scheme, the per transaction charge is seven per cent.

You can always upgrade to the premium scheme later, by paying the difference in the setup fees. Also, you can do that only if you receive an overwhelming response to your online shop and end up paying a little too much to CCAvenue at the extra two per cent per transaction!

Setting It Up

In order to set up your payment gateway, all you need to do is log on to www.ccavenue.com and click on the 'Sign Up' link. Fill in all the details correctly, and you will be asked to pay for your gateway plan. You can pay by credit card, Net Banking, demand draft, or even by cheque.

Once you've paid, you will need to download a copy of the CCAvenue Client Agreement, downloadable from http://snipurl.com/digit_cca1, or

You can always upgrade to the premium scheme later, by paying the difference in the setup fees



View details of all transactions over the past months



From the CCAvenue control panel you can get quick statistics for the past week, month, or year as well

viewable at http://snipurl.com/digit_cca2. You will need to print this on a Rs 100 stamp paper, and have it filled in, signed and stamped by an authorised signatory for your company, and then snail-mailed to CCAvenue.

Once you have been approved, your account will go online and you will receive instructions on how to go about integrating your site with CCAvenue in order to offer your visitors the ability to purchase merchandise.

Using your Account

CCAvenue charges your clients for you, and then puts each order into an accounting module in your account with CCAvenue. You have to log in frequently to your CCAvenue account and update the status of each order to 'Shipped' or 'Executed'. Only then is the payment delivered to your account. Failure to update the status of a pending transaction for 12 days results in the money being credited back to the customer, and you lose a perfectly good order.

Apart from the little coding required to integrate the module that CCAvenue provides you with, everything else should be a breeze. Even the module integration should be easy for any competent Webmaster or systems administrator. CCAvenue will provide you with modules based on ASP, PHP, JAVA and .NET, so 99 per cent of Web sites should have no problems with the integration.

The setup procedure is pretty much the same for any payment gateway provider that you choose, and the control panels will be similar. Within a matter of three or four days after applying for a payment gateway, you should be able to begin integrating your site with it. Do write in to us and let us know if this article helped your company's business grow. □

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Choosing The Right Payment Options

Choosing the right payment options can mean as much as 50 per cent more online business for you. Using your payment gateway, you can also choose to add Net Banking and debit cards as options for payment. You should also design your shopping cart in such a way that the Cheque, Demand Drafts and Cash On Delivery payment options are also included, which should then point to another page within your Web site itself. Be sure to mention all important details, such as the name the cheque should be made out to, in crisp bold lettering—one spelling mistake could cause a lot of unnecessary headaches.

Also make sure you have trustworthy resources and manpower to execute the Cash on Delivery payment option, else it would be wise to steer clear of offering it.