

GLOSSARY OF TERMS

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- *Adii Pienaar (2015) - 62 Essential Ecommerce Terms Every Store Owner Should Know [Glossary]*

<https://conversio.com/blog/ecommerce-terms-glossary/>

301 Redirect

A way to let search engines and site visitors know that a web page is moved to a different location. This way, users who bookmarked your old web page can be redirected to the new one.

A/B Testing (also known as “split testing”)

A simple process where you compare two different versions of a web page so you can determine which version is more effective. You show version A and version B to similar visitors at the same time – the version with higher conversion rate performs better.

Address Verification Service (AVS)

A process that credit card processors implement to verify that the billing address of your customers match the address in their credit card statement.

Affiliate Marketing

A concept of performance-based marketing where you, the online store merchant, partner with online publishers to promote and endorse your products so they can send visitors towards your website. These online publishers get paid for every website visitor or every sale generated from their promotion.

Assisted Conversions

A Google Analytics report that summarizes how important each marketing channel is in a consumer’s conversion journey – this report enables you to see which channels are responsible in generating leads to visit your website initially, nurturing leads and finalizing a sale.

Attribution Model

In Google Analytics, you want to find out which channels (Direct, Organic Search, Referral, Email, Paid Search, Other Advertising, Social and Display) you can attribute the sales to.

Authorization

The process where your customer's credit card issuer gives permission and allows the payment transaction to proceed.

Average Order Value

The average value your customer spends in your e-commerce

Average Order Value = Total Sales Revenue / Total Number of Orders Taken

Average Time on Site

The average amount of seconds your visitor spends on your website within a specified time frame.

B2B (Business to Business)

An online commerce transaction where your online store sells products or services to other businesses.

B2C (Business to Consumer)

An online commerce transaction where the buying and selling of products and services occur between an online merchant and an end-consumer.

Bounce rate

The percentage of people who visit one page on your website and leave without clicking on anything.

Bundling (or Product Bundling)

A marketing concept where the business offers several related products or services and sells them as one package solution, often at a reduced price.

Buy-to-Detail Rate

A Google Analytics metric; number of products purchased per number of product-detail views

Buy-to-Detail Rate = Total Unique Purchases of a product / Product Detail Pageviews

Call-to-action

An advertising and marketing concept where you give an instruction to your target audience to persuade them to take immediate action. Examples are “visit now”, “learn more now”, “subscribe now”, and “get access now”, among others.

Card-to-Detail Rate

A Google Analytics metric; number of products added per number of product-detail views

Card-to-Detail-Rate = Total Times A Product Is Added to Cart / Product Detail Pageviews

Cart abandonment rate

An online shopping metric which shows the ratio of number of abandoned shopping carts to the number of completed orders. An abandoned shopping cart is when a user places products on his virtual shopping cart but does not complete the order.

Chargeback

A card processing concept wherein a previously completed transaction is reversed. Because a customer disputes the charge on his credit card, the merchant’s bank takes back the entire value of transaction from the merchant’s account.

Cohort Analysis

A segmentation technique wherein you create a unique group of visitors that share a common characteristic within a certain period of time. It’s used to understand visitor behaviour.

Conversion

An online marketing concept where you transform an online store visitor into a paying customer.

Conversion Funnel

A Google Analytics metric which shows the series of events that your visitors follow to finally achieve conversion. It's called a funnel because in each event, a percentage of visitors leave your website so at the end of the funnel where the sale happens, there are fewer users than there were at the beginning.

Conversion Rate

An online marketing concept which gives the percentage of online store visitors who transform into paying customers divided by visitors who are given the chance to fulfil it but did not.

Conversion Rate Optimization (CRO)

A process in online marketing wherein the online marketer is involved in improving their Ecommerce website layout, content and design, landing pages and sponsored search ads in order to increase their conversion rate.

Cookies

Small text files a website sends to a visitor's browser to store data related to the visitor's interaction with the website. These text files are sent back to the server each time the visitor accesses the website. Cookies are mainly used for ad and content targeting and for saving shopping cart information.

Cross-selling

A marketing tactic where sellers present additional products that can complement, enhance or improve the main product they are selling (for example, mobile phone cover for a mobile phone purchase)

Customer Lifetime Value (CLV)

The predicted and anticipated monetary value that a customer can generate during his entire relationship (lifetime) with your online store; measures customers' profitability.

Discount code (also known as Coupon code)

A series of numbers or letters that online shoppers can enter at checkout to give them access to otherwise hidden special offers or discounts.

Discount rate

The fee that you, the online store merchant, pay to your third-party payment processor for processing credit card payments of your customer. Usually, the fee is in the form of a small percentage of each processed order.

Drop-shipping

A type of shipping wherein the online store doesn't actually keep the product it sells in inventory. Instead, the store partners with a wholesale supplier and passes the shipping address to them so they ship the product directly to the customer.

Email marketing

An online marketing concept where you promote your products and services to your targeted list of interested audience through email.

Event-triggered email

An email you send to a list of email subscribers based on a specific event – for example, sending a special offer email during a subscriber's birthday, wedding anniversary or joining date.

Fulfilment

System of receiving, processing, packaging and shipping orders made in your online store.

Gateway (also known as Payment Gateway)

An Ecommerce service provider that communicates with the merchant's Merchant Account Provider to authorize and process credit card payments online.

Growth Hacking

A marketing concept developed by start-ups which utilize analytical thinking, traditional marketing and product engineering to sell products, advertise services and gain exposure for a company.

Inventory

The retailer's current quantity of products on hand, waiting to be sold.

Keyword stuffing

An unethical SEO technique wherein you overload your webpage with as many keywords as possible in order to try and increase your site's ranking in search engines.

Landing page

A single webpage appears in response to clicking on a link. The landing page exists to prompt the visitor to complete a certain call-to-action such as signing up as an email subscriber or joining a free membership.

Listing fee

Some online auction websites charge this fee so sellers can list and post their products or services online.

Margins (Also known as Profit margins)

A business concept which shows the difference between how much a retailer bought a product and how much a retailer earned by selling the product.

Merchant Account Provider

A type of online bank account that allows merchants to accept debit and credit payments. The merchant account will temporarily hold the merchant's money until it's transferred to their actual bank account.

Mobile Commerce (mCommerce)

The use of wireless electronic mobile devices such as cell phones, smartphones and tablets to buy and sell products and services online.

Open rate

An email marketing term which means the number of email subscribers who open the email you sent to them.

Outsource

A business concept which involves contracting services to third-party organizations in an attempt to reduce overhead costs.

Partial shipment

A type of shipment where the online store merchant ships only some of the products in a single order. In this distribution process, the full order will be completed in multiple deliveries.

Path Length

A Google Analytics report, this summarizes how long (in interactions) it took your website visitors to finally become customers.

Payment Service Provider

An Ecommerce service which allows online stores to accept and process various payment methods such as credit cards or debit cards in real-time.

Pay-Per-Click (PPC) marketing

An online advertising model where advertiser pays the organization only when his advertisement is clicked and his prospect is successfully directed to his website.

Point-of-Sale (POS)

A software which enables the online store to accept transactions, manage inventory, add products, process payments and send receipts digitally.

Recurring payment

A type of transaction wherein a customer authorizes an online store to automatically charge his credit card for regular delivery of products or services.

Search Engine Optimization (SEO)

An online marketing process of improving an online store's website content to make it easier for search engine bots to index the website and hopefully enhance its ranking in search engine results.

Shipping

Physically transferring a product from the seller's warehouse to the customer's delivery address.

Shopping cart

A virtual representation of a shopping cart which lists the items that the customer has "picked up" from the online store.

Stock-keeping Unit (SKU)

An online store's unique alphanumeric identification code for each product or service that can be bought.

Time Lag

A Google Analytics report, this summarizes how long (in days) it took your website visitors to finally become customers.

Third-party payment processor

An external service that helps merchants accept and process online payments even without their own merchant accounts. An example of this is Paypal.

Transaction

A record of actions taken for every order.

Upselling

A sales technique where you offer your customers the chance to purchase upgrades (better features, better specifications, more volume) or to get the more expensive version of what they're buying so you can maximize the value of their purchase (higher price).

Web analytics

A set of strategic methodologies to collect, measure, analyse and report website data in order to determine the behaviour of website visitors and optimize the website itself.