ZEGAL

Does the law matter? Part VIII
Online Business
How To Set Up & Protect Your Online Business
June 2016

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Protect Your Online Business

Part VIII of Does the Law Matter?

Zegal

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Contents

How To Set Up And Manage Your Online Business

Setting up your business on the Internet can be a lucrative way to attract customers, expand your market and increase sales. These days it's common to have an entirely online enterprise. The steps to starting an online business are similar to starting any other business but as e-commerce has grown significantly in the past few years, there has been a massive increase in the amount of legislation that governs online businesses.

Familiarise yourself with the various rules and regulations and make sure that you are aware and well-prepared to cater to the new digital age.

Follow the 10 steps in this eBook and learn how to set up your online business while implementing prudent legal protections along the way.

Step 1: The Business Plan - What you Need

Your business plan can be as simple as a one-page document stating: "This is what we do", and "This is how we make money". A short, succinct plan will help you to get crystal-clear about how your business will win at what you intend to do.

Go ahead and write out your business plan, and keep it somewhere visible while you work through the rest of this ebook.

You may want to include the following:

- **Mission statement** - why is your business in business?
- **Unique Selling Proposition** - how does our business compete and win?
- **Customers** - who are they, how will we find them, and how much is our expected Cost Per Acquisition (CPA)?
- **Supplier relationships** - how do we get our product/service?
- **Competitive analysis** - who are our competition & how are we different?
- **Operations and staff structure**, including growth & hiring plans
- **Projected cash flow and Profit and Loss financials** for 1st year (you can project further but at this stage you'll probably just be guessing beyond the first year)

Remember, there's no use in creating documents for their own sake. Make this plan your business's living, breathing, constantly evolving roadmap to success and it will be an invaluable tool to you the business owner. Keep it to a few pages maximum, and schedule a monthly time in your calendar to sit down and honestly review it; your assumptions, projections, and concepts will probably change with experience and that's ok.

Step 2: Map Out Your Website

Keep in mind the primary purpose of your website; if it is an ecommerce site, your primary purpose is to sell! Therefore present the design of the site in an easy to navigate, uncluttered format that allows customers to quickly find your great products, and gives them confidence to make their purchase.

Your Website Wireframe

A wireframe is a graphical map of your website, detailing what each page will look like and the functionality required. Wireframes are usually created with or by a designer, however it will greatly speed up your of site development (and lower your design costs) if you get this stage mapped out yourself first.

You might want to use an online tool such as http://iplotz.com/ or https://balsamiq.com/products/mockups/, which can help you sketch out your basic wireframes for free (or you pay extra for more functionality).

In most websites, you will want to include the following web pages:

- Home page
- About us page
- Contact us page
- Frequently Asked Questions page
- Sales pages: product list pages & product detail pages

- Shopping cart page
- Checkout page
- Thank you for purchasing page
- Terms and conditions and privacy policy page

When you are designing your wireframes, think about the customer journey and how they will navigate your site. You may want to ask yourself the following questions during this process:

- What is the main purpose of the site?
- What will an average customer journey look like?
- How can I make the site easy to navigate for first time visitors?
- How is the layout of similar sites, and what will my customers expect?

You may want to enlist the help of a freelance designer around this stage. Poor design will put off your potential customers, so make sure you invest in quality design and photography.

Documents you will need

A legal document that you might need to manage the process of designing your website is a [Website Design and](#)

Website Design & Development

Whether you're a business that needs a new website, or a developer that provides website development services, you will need a legal contract to set out the expectations of each other. A HYPERLINK "https://dragonlaw.io/onepager/website-design-and-development-agreement-31/?utm_source=ebook&utm_medium=offline&utm_campaign=onlinebusiness"Website Design and Development Agreement allows you to set out the requirements of the website, the scope of work, the cost and payment arrangements, timescale, and what happens if performance is not satisfactory.

[Development Agreement](#).

Step 3: Get Domain Names & Hosting

Choosing the right domain for an ecommerce business can be one of the most crucial decisions around branding, marketing and developing your business. Get this right, and people will find your site more easily, remember your brand quicker, and as a result you'll see more business coming in your virtual doors.

If you subscribe to an ecommerce platform such as Shopify or SquareSpace, you may be offered a free domain as part of your subscription fee. You can also buy your own domain directly from Domain Name Registrars such as http://godaddy.com.

Include Your Primary Keywords in Your Domain

A website with its primary keyword in the domain name will be almost guaranteed to do better in search engine optimisation (SEO) for that keyword versus a site with a non-related domain name.

Choose a .com or Locally Relevant Top Level Domain (TLD)

A top-level domain (TLD) is the .com or .org etc listed after your domain name. If you are purely focusing on a local market, say Hong Kong for example, you may wish to simply use the .hk TLD and project to your customers that you are a local and trustworthy business. For regional business, choosing a .com TLD is usually best.
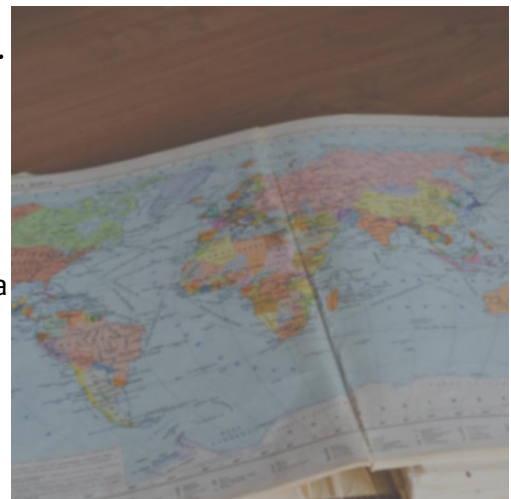
Choosing a Hosting Plan

Your website and data need to be stored somewhere, and that's where a hosting plan comes in. If you use a Content Management System (CMS), you will need to arrange hosting yourself with a provider like http://www.bluehost.com. If you choose an ecommerce platform such as Wix or SquareSpace, hosting is included with the monthly subscription fee.

>> **What to look out for when getting a domain name?**

**Include
Primary Keywords**

**Choose a .com or Locally
Relevant TLD**

Choose a Hosting Plan

Step 4: Choose Your E-Commerce Platform

There are a large number of options out there when it comes to building your website. Broadly speaking, your main choices are:

1. Code your own custom site (time-consuming, expensive, and not recommended)
2. Use a Content Management System such as Wordpress or Magento
3. Use a subscription-based ecommerce platform such as Shopify, Wix or SquareSpace

The simplest and easiest ecommerce system to set up will be the 3rd option listed above. Ecommerce platforms such as Shopify are ready-made, require no coding or customisation (expensive and time-consuming), are mobile ready, and have strong payment systems already in place.

Assuming you have your branding and product images ready, you could choose one of these ecommerce platforms and be ready to sell within a few hours. In addition to the benefit of speed to market, paying a monthly subscription fee is a lot easier to swallow than a large upfront bill from a digital agency, web designer, and coder.
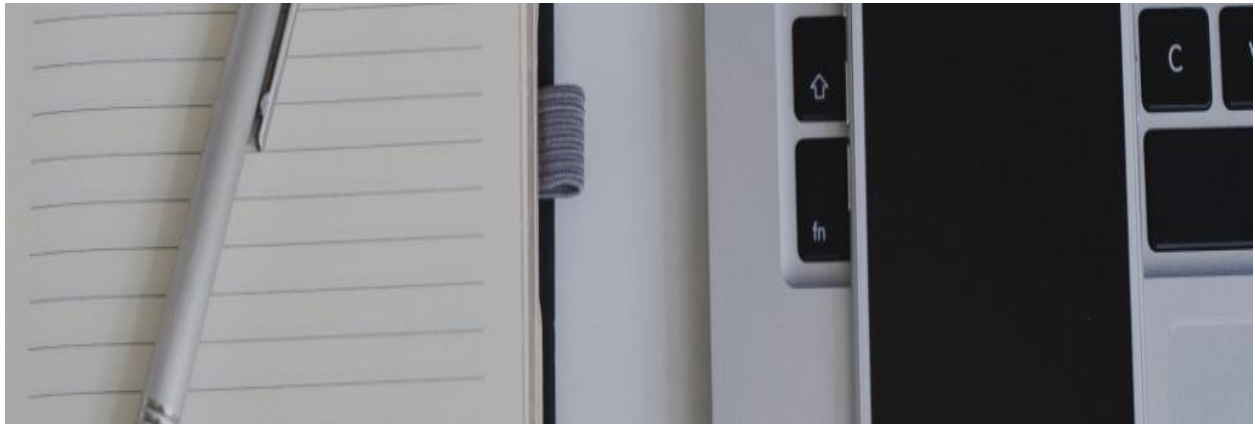
Step 5: Write Your Website Copy

You may not realise it, but an average website has a surprising amount of copy (written words) presented throughout each of the pages. Every page needs to be written in a concise, clear, and appropriate tone to your target audience, and this takes some time. It is also not something that can be easily outsourced (like design elements for example), as you are the one who knows your business best, and it should be your job to get the copy and messaging right!

Here are a few points to keep in mind when writing your website copy:

1. It's Up To You!

What you write on each page will have the influence to either attract or repel your visitors, therefore having a direct impact on your website's success. This is not something you want to outsource. (Though you do want to ask others to help you proof-read your copy later).

2. Who are Your Customers?

Knowing who you are selling to will dramatically alter how you present your copy and what style of "voice" you will give it. For example, a young fashion website targeting 17-25 year old women will have a vastly different style of writing, use of vocabulary, and overall feel, from a corporate firm targeting senior legal professionals.

3. Sell The Benefits, Not Just The Product

Customers want to know what's in it for them, so tell them! Instead of listing off all of the features and specs of the product or service, it is often better to focus on the benefits: how does this particular product or service really benefit them?

4. Make it Simple and Succinct

Attention spans have shrunk around 50% in the past decade, and only 4% of page views last longer than 10 minutes. Keep your writing succinct and to the point!

5. Linear Progression & Obvious Steps

Have you ever been to a website, tried to purchase, and then gotten lost on the way to the checkout page? Unfortunately it happens all too often. Designing a clear and overly obvious path to checkout is key to converting the greatest possible percentage of visitors into paying customers.

Website Copy Checkbox

- ✓ distinctively yours
- ✓ customer-focused
- ✓ sell the benefits, not the product
- ✓ simple & succinct
- ✓ linear progression & obvious steps
- ✓ keyword relevant

6. Be Keyword Relevant

Remember your keywords when writing your copy; each page should have primary keyword targets, and these keywords should feature in your copy, page titles, headings, names of images, and within the first and last paragraphs of each page. Just don't forget to write for humans as well as for Google.

Step 6: Sort Out Your Legal Documents

Legislation Governing E-Commerce

In Singapore, e-commerce is governed under the **Electronic Transactions Act**. In Hong Kong, e-commerce is governed under the **Electronic Transactions Ordinance**. Whether you simply market your products and services online or sell goods or services on the internet, you must comply with various laws dealing with data protection, security of digital data, intellectual property, and terms and conditions for consumers. Not sure where to start? Just read on.

Advertising Online

Online advertising is one of the most effective ways for businesses of all sizes to expand their reach, find new customers, and diversify their revenue streams. A [Website Advertising Agreement](#) sets out your rights and liabilities as a website owner when an advertiser wishes to advertise on your website, or your rights and liabilities as an advertiser when purchasing advertising space on a website. It covers details such as when and how the advertising space can be rented, how much it will cost, and liabilities regarding the content of the advertisement.

Documents you will need

Some of the key legal documents that you would need in setting up your online business include a [Website](#)

Terms Of Use

A [HYPERLINK "https://dragonlaw.io/onepager/website-terms-of-use/?utm_source=ebook&utm_medium=offline&utm_campaign=onlinebusiness"Website Terms of Use](#) sets out the legal relationship between the website operator and users, and ensures that users agree to your terms by using your website. These terms of use are designed for websites that do not act as a portal for the buying and selling of goods and services online. As a mobile app provider, it is recommended to use a [HYPERLINK "https://dragonlaw.io/onepager/mobile-app-terms-of-use-25/?utm_source=ebook&utm_medium=offline&utm_campaign=onlinebusiness"Mobile App Terms of Use](#). You can ask your website or app's visitors or users to actively 'sign up' (by clicking a tick box for example) or simply have them accessible on your site.

If you design and develop software you may want to provide the pre-release or also called 'beta' version to prospective customers prior to the official release of your new product. This can allow you to test your software and continue to modify it. If your product is still in the testing phase, you will need to warn users about the risks associated with it. You can do this with a [HYPERLINK "https://dragonlaw.io/onepager/pre-release-software-terms-of-use-30/?utm_source=ebook&utm_medium=offline&utm_campaign=onlinebusiness"Pre-release Software Terms of Use](#) which sets out a number of disclaimers and warns users of the risk inherent in using beta software.

Terms and Conditions

[HYPERLINK "https://dragonlaw.io/onepager/terms-and-conditions-for-online-sale-of-goods/?utm_source=ebook&utm_medium=offline&utm_campaign=onlinebusiness"Terms and Conditions for Online Sale of Goods](#) set out the rights and obligations of your business and your customers when selling goods or services online. Terms and conditions typically cover details such as how to make orders, delivery, pricing, payment method, guarantees, cancellation and liability. Terms and conditions should be presented clearly and accepted by customers before a sale is closed.

If you are not selling goods or services online but you act as a portal, you will still need terms and conditions. In this case, use [HYPERLINK "https://dragonlaw.io/onepager/terms-and-conditions-for-online-marketplace-134/?utm_source=ebook&utm_medium=offline&utm_campaign=onlinebusiness"Terms and Conditions for Online Marketplace](#) might be the sort of document you would need for your platform of portal.

[Terms of Use](#) and a [Terms and Conditions for Online Sale of Goods](#).

Summary of documents you will need

In summary, these are the legal documents you might need when setting up your

Legal Documents Checklist for Online Businesses

- HYPERLINK "https://dragonlaw.io/cms/pages/website-privacy-policy/index.html?utm_source=ebook&utm_medium=offline&utm_campaign=onlinebusiness" Website Privacy Policy
- HYPERLINK "https://dragonlaw.io/cms/pages/mobile-app-privacy-policy/?utm_source=ebook&utm_medium=offline&utm_campaign=onlinebusiness" Mobile App Privacy Policy
- HYPERLINK "https://dragonlaw.io/cms/pages/website-terms-of-use/?utm_source=ebook&utm_medium=offline&utm_campaign=onlinebusiness" Website Terms of Use
- HYPERLINK "https://dragonlaw.io/cms/pages/mobile-app-terms-of-use-ny/?utm_source=ebook&utm_medium=offline&utm_campaign=onlinebusiness" Mobile App Terms of Use
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- HYPERLINK "https://dragonlaw.io/cms/pages/website-payment-terms/?utm_source=ebook&utm_medium=offline&utm_campaign=onlinebusiness" Website Payment Terms
- HYPERLINK "https://dragonlaw.io/cms/pages/website-advertising-agreement/?utm_source=ebook&utm_medium=offline&utm_campaign=onlinebusiness" Website Advertising Agreement
- HYPERLINK "https://dragonlaw.io/cms/pages/website-design-and-development-agreement/?utm_source=ebook&utm_medium=offline&utm_campaign=onlinebusiness" Website Design and Development Agreement

online business, from developing your website to engaging your clients:

Step 7: Make Sure You Can Get Paid

It sounds simple, but this is an often overlooked step; how will you get paid and release money from your website? Depending on your choice in Section 4 above, you will be following the below steps:

Using Magento or WordPress CMS

New businesses in Asia will almost certainly be using PayPal, as it is currently the most simple and accessible payment platform on the market. You'll need to head to paypal.com, prepare your application, choose and set up your account. A PayPal button can then be added to your checkout page so that customers can make payment to you and order your products. Link your bank account to your PayPal account and withdraw funds to your business savings or checking account within a couple of days' processing time.

Using an Ecommerce Platform

Most Ecommerce Platforms come with a payment gateway such as PayPal already set up. You'll still need to link this PayPal account to your bank account to transfer money out, and it pays to check how long each platform will hold your funds before releasing them; this varies from platform to platform and will impact your cash flow.

You may also want to give your customers other options for payment, such as cash-on-delivery (arranged through your courier provider), or direct bank transfer. Check

what your competition is offering in your market for a gauge on the most popular payment methods.

Documents you will need

Payment Terms

 HYPERLINK "https://dragonlaw.io/onepager/website-payment-terms/?utm_source=ebook&utm_medium=offline&utm_campaign=onlinebusiness"Website Payment Terms.

Neglecting payment terms could impact your cash flow through delayed payments. You could end up spending lots of time and money on credit control and debt collection if you don't set out your payment terms. Late payment is a fact of life for small businesses, as customers often give lower priority to bills from small businesses. With the right website payment terms in place, you can ensure that you get paid as agreed upon.

A relevant legal document that you would need when handling payment that passes through your website is the Website Payment Terms.

Step 8: Set Up 2 to 3 Social Media Accounts

Where are your potential customers spending their time? Probably on social media. However, not all social media channels are the same; you'll want to choose 2 or 3 social channels and do these well, rather than trying to tackle all of them at once.

A good way to learn about your customers is via your competition; where are they investing time online? Do they have a large Facebook, Snapchat or LinkedIn following? Are these fans active (lots of likes/shares/comments), or just old accounts of little value? Find out where your new customers are active and craft social media accounts to get their attention.

A couple of points to note when setting up your social media accounts:

1. Keep the branding consistent with your website and/or app
2. Leave obvious links back to your website to encourage web traffic
3. Cross-promote your social media accounts and encourage your followers to join your other channels
4. Make it fun and social! Try to resist making every post a sales pitch
5. Be consistent and offer unique content for best results
6. Encourage interaction, likes and post sharing
7. Everyone likes free stuff! Try giveaways and promotions regularly to keep your audience engagement up

Step 9: Build An Email List

Even though email has been around since the early 1990's, it is still one of the most effective ways of communicating with your customers. Start collecting customer email addresses (with their opt-in permission) from day 1, and you will build a valuable marketing resource for your new business.

Mailchimp.com offers a free bulk emailing platform for up to 2,000 addresses and is a great way to schedule and send email EDMs to your customer base. You can also segment your email lists (into, for example, prospective customers and paying customers), and perform a great number of other functions to keep your customers informed and encouraged to return to your sales pages.

Documents you will need

When building email lists and sending out emails to your customers, it would be good to include the following elements in

Email Footer Disclaimer

Email footer disclaimers can be used for various reasons. An HYPERLINK "https://dragonlaw.io/onepager/email-footer-and-disclaimer-29/?utm_source=ebook&utm_medium=offline&utm_campaign=onlinebusiness"Email Footer and Disclaimer can help to prevent breach of confidentiality if information is leaked by the recipient or it can help to keep your business from being held liable for the content of emails sent by your employees. In certain circumstances it will state who regulates your business (such as a law firm being regulated by the Law Society). An email disclaimer can therefore have a legal purpose, but it can also serve marketing purposes by projecting a more professional image.

Data Protection and Privacy

Data protection and privacy laws are crucial for online businesses which handle personal electronic data. Today, a HYPERLINK "https://dragonlaw.io/onepager/website-privacy-policy/index.html?utm_source=ebook&utm_medium=offline&utm_campaign=onlinebusiness"Website Privacy Policy is not just nice to have, but it is a legal necessity. This agreement clarifies how personal data provided by users will be used and can avoid future disputes concerning data privacy infringement. Mobile app providers can use a HYPERLINK "https://dragonlaw.io/onepager/mobile-app-privacy-policy/?utm_source=ebook&utm_medium=offline&utm_campaign=onlinebusiness"Mobile App Privacy Policy for the same end.

your website and emails:

Zegal Law can help you develop a HYPERLINK
"https://dragonlaw.io/onepager/website-privacy-policy/index.html?utm_source=ebook&utm_medium=offline&utm_ca
mpaign=onlinebusiness"Website Privacy Policy.

Do you have?

☐ **Privacy Policies**
A website or mobile app privacy policy is crucial for online businesses which handle personal electronic data.

☐ **Email Footer and Disclaimer**
Can serve both a legal & marketing purpose

Step 10: Start Selling

If you've made it through the previous 9 steps, congratulations! You're now ready to start selling. How will you attract your customers to visit your sales pages? And how will you keep your existing customers happy and loyal? That is the joy and challenge of online marketing!

If you already have your social media and email marketing channels in place you are off to a great start. Now it's up to you to get creative, and to drive as much traffic as possible to your new ecommerce website. Good luck!

About Damien Bos

Damien Bos is a serial entrepreneur, author and guest speaker in ecommerce. Having spent the past 10 years in Asia, Damien has been a part of an explosion in online growth, and writes regularly for tech blog **OnlineBusinessAsia.com**.

For an in-depth guide to ecommerce in Asia, pick up a copy of "**Online business in Asia: How To Sell Online to the World's Largest Market**" by Damien Bos.

About Zegal

Zegal is the trusted platform to manage law online. Founded in Hong Kong in 2013, our mission is to transform the way businesses meet their legal needs. Our simple question-and-answer interface gathers key insights about your business, and generates highly-customised contracts that address your specific needs. We give business owners the know-how and confidence to create even the most complex legal documents from start to finish.

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(no commitment, no credit card required)

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