

# Handout 1: E-Commerce Terms and Definitions

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## Common terms:

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**ASP (Application Service Provider):** A company that allows you to “rent” an online software application for a specific purpose; many businesses choose application service providers to avoid having to buy and maintain their own software and servers.

**Affiliate program:** A commission program in which a business that provides links to a seller (for instance, a book review that links to an actual book for purchasing) receives a commission if the item is purchased.

**Checkout:** The process of actually purchasing a product online, including shipping and payment options.

**Collaborative filtering:** A system that provides recommendations based on what other users with similar characteristics are purchasing.

**Index page:** The main or “home” page of a site; usually, the first page you see when you visit a site.

**Shopping cart:** Much like a shopping cart in the real world, a virtual shopping cart is where you store your items as you shop prior to purchasing them. Many businesses will also refer to e-commerce software as “shopping cart” software.

**User ID:** The name or credential given to a user for access to a web site’s features (such as retrieving order history).

## Analytics/Statistics:

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**Entry/Exit:** The points at which a user comes into or leaves a site. For instance, users may come in directly to a product page on your site rather than through the home page; this indicates that you may have good search engine ranking for that product.

**Hits:** The number of files accessed on a site, including images; can often provide a misleading view of popularity (for instance, a single page can generate dozens of hits).

**Page views:** The number of real pages viewed on a web site; provides the truest view of site usage.

**Unique visitors:** A unique visitor is a single user or computer accessing a site; this is also an important measure of usage. Unique visitors are also sometimes called “sessions.”

## Money/transactions:

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**Merchant account:** An account that a business sets up with a bank or service provider in order to accept credit cards and have the funds deposited in their bank account.

**Gateway:** An online service that provides verification and fraud prevention for credit card transactions; essentially, a “virtual” credit card machine for your online store.

**Transaction fee:** A fee paid to an ASP or any other service (including gateways) on a per-dollar or per-transaction basis for the use of the service, often in addition to basic periodic service fees.

## Search engine terms:

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**Click-thru:** The action of actually clicking on a link (usually an advertisement) to visit a site; this generally triggers the advertising fee.

**Keyword:** Words placed on a web page or in HTML code to identify the content of that page; also, the actual words used to search for content.

**Meta tags:** Special areas in an html file that identify the content of a page; used by search engines to help categorize, rank and preview results. The most widely used meta tags are **keywords** and **description**.

**Natural Results:** The results that you receive in search engine rankings based solely on content relevance and popularity.

**Optimization:** Also referred to as SEO, or Search Engine Optimization, this is the process of optimizing content for search engine ranking.

**Pay-per-click:** An advertising system popularized by Google and others where an advertiser pays only for ads that result in a click-thru to their site.

**Quality:** A broad term for how search engines perceive your site and rank it; because there are so many artificial methods of increasing search engine rankings, search engine developers now analyze content intelligently to look for actual relevance of words in the context of page content.

**Ranking:** The position of a site or page in a search engine results page for a given search term