

The **Online**  
*Business Dictionary*



## **Disclaimer**

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## Introduction

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Starting and running an online business is smart low capital way to start your own business or a great way to expand an existing business. Ecommerce or electronic commerce can help the smart entrepreneur create a niche, join an existing niche or find a way to help fulfil a need. Average users spend 32 hours a week online and worldwide Google is used to search for information more than 1 billion times *per day*.

The development of ecommerce, better delivery systems, better payment systems and the sheer number of people online mean more people shop online and stay online. 167 million people shopped online in 2012 alone all over the world, with the amount of social commerce average \$9.2 billion worldwide. E-spending is projected to increase by 62% by 2016, the Internet Retailer reports. For the savvy businessperson, this can translate to steady sales for years to come.

More and more people not only shop online, but an increasingly high number of people rely on social media and the Internet to find and stick with brands. This also means more and more businesses are using the Internet to market and create brand loyalty. What does this mean for your small to medium enterprise? Simply put, you can reach a worldwide market, or continue to make only local deliveries. The power of the Internet allows you to make the business decisions you want to.

But jumping into the online business pool may not be as easy as some people think. For social media immigrants, wading through complicated online business terms can be confusing. You may be wading right into a world full of jargon and abbreviations that just leave you in the dark.

The Online Business Dictionary is here to help you understand frequently used terms when it comes to online marketing, selling and websites. It will also help you understand popular terms and popular websites and their uses to help get you started on your ecommerce journey.

## A

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**Above the Fold** – a term borrowed from print, any part of the website a user can see without needing to scroll down. Often reserved for breaking news or content/products the website owner would like users to focus on. Advertisers also pay more to be featured above the fold in websites that have heavy traffic

**Account** – Often a personalized and unique login linked to one user for websites. Accounts are created by users in order to participate, buy or sell on a website or network. This often involves giving a valid email address and creating a personal password.

**Active User** - A website user who actively posts and logs in on a regular basis, makes purchases and generally has some sort of activity on the website. See idle user.

**Affiliates** – Websites that work or affiliate themselves with each other to form a network of similar websites selling similarly themed products or services. Also known as affiliate network, and sometimes simply as a web ring. The term web ring dates back to the early 1990s and is considered archaic.

**Affiliate Marketing** - Marketing strategy or model used by affiliate websites to create/generate traffic to partner websites, where the affiliate features

advertisements or links to the partner for a commission or portion of the revenue

**Aggregate** – A type of website that collects information from around the web and presents it online

**Amazon.com** – The world's biggest online retailer, which began its incarnation as an online bookstore but quickly diversified its products

**Analytics** – A way to measure a website's success through an analysis of the website's unique visitors, locations, keywords typed into search engines, links clicked etc. Used as a tool to measure a website's performance and return on investment

**Anchor Text** – Words on a clickable link leading deeper into a website or out of the website. In many cases anchor text is a description of the link it leads to.

**Applications** – Software that can run in mobile form or be incorporated into browsers to extend the user experience or as stand-alone products i.e. Angry Birds

## B

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**Bandwidth** - A limit on the data that can be downloaded from a website during a certain time frame, usually a month. This is determined by your host website or your subscription and also determines the number of visitors the site can handle before it crashes.

**Banners** - Clickable advertisements usually featured on websites in the form of a banner – some banners feature expandable coding which allows them to "expand" when a user hovers the mouse over them

**Below the Fold** – The part of a website that users can only see when they scroll down, often older features, content, text or products. Some advertisers opt to be featured "below the fold."

**Bit.Ly** – A website service that allows users to shorten URLs to meet Twitter's 140 character requirement

**Blog** – An online journal or equivalent often featuring discussions, posts and other features. Blog is a shortened form (portmanteau) of the terms web log.

**Browser** – Forms of software application users use to connect to the World Wide Web. Browsers allow users to locate information, retrieve websites, images or video. Popular browsers include Google Chrome, Mozilla Firefox, Opera and Safari.

**Business to business** - Ecommerce that specializes in selling goods and/or services to other businesses. Also known as B2B.

**Business to customers** – Ecommerce that specializes in selling goods and/or services to customers. Also known as B2B.

## C

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**Cache** – A browser action that allows the browser to save information i.e. passwords or usernames for certain websites

**Call to Action** – Ad copy or written aspects of advertisement that encourage users to take action such as "Join Today" or "Buy Now"

**CapCha** – A popular program that tests a user by showing them an image of two randomly generated words. This is often put in place to prevent auto-signups by robot programs

**Cart** – An online equivalent of a shopping cart, where a user can see a list of all the items for purchase

**Click through** - The action of clicking on an advertisement on a website and visiting the advertiser's site. Often used to calculate traffic (the amount of

people clicking on the advertisement) versus sales (the amount of people who actually buy once they hit the new site)

**Cloud Computing** - Using virtual or "cloud" cyberspace to store or house data, usually online. Also virtual infrastructure for file storage, hosting and more online

**Cookies** – Code incorporated into a website that saves user data and preferences for future visits to allow for faster browsing

**Contextual Advertising** – A marketing model that allows advertising to be customized to match a website's content, i.e. yarn ads on a crochet community website. Contextual advertising also relies heavily on the analysis of the demographic that visits the website or a user's personal preferences

**Cost-Per-Action** - A form of Internet advertising where advertisers pay the site owner only when users complete a sale or register using the link provided on the page. Also referred to as Cost-On-Completion.

**Cost-Per-Mile/Thousand** - A formal calculation to show advertisers how much it costs them to show an ad 1000 times, the most common way to measure online costs.

**Content Curating or Curation** – The process of blogging by creating links to other blogs and content, a common feature for websites like Pinterest and Tumblr.

**Conversion** - The rate/percentage of customers who visit the site *and actually buy*. Often computed as a percentage of website traffic.

**Credit** – Often special site currency or credit users can exchange for monetary or product rewards, discounts and freebies. Also known as eCash.

## D

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**Data center** – A large building where servers are often housed and protected. Multiple services can coexist inside one data center and web hosting companies often maintain their own data centers.

**Date of Delivery** – The estimated delivery period of a product/good when purchased

**Debit** - A method of payment online using direct debit or debit card

**Dedicated Hosting** – A form of Internet hosting where the hosting company sets aside a single server for a specific website or an individual customer and his/her websites alone

**Domain Name** – The unique name or identification string websites use to establish autonomy on the web. Domain names create a virtual autonomous area specific to the control of the domain name owner – see Domain Name System or DNS.

**DNS** – Domain Name System or the process of assigning unique Internet Protocol addresses to domain names in order to route web traffic to the correct website. Basically the traffic controller of the World Wide Web.

**Drop Shipping** - A business model where a virtual merchant or retailer sells products online but does not keep a permanent inventory of the goods/products offered. Instead, the merchant accepts orders from customers via a virtual storefront, then contacts a distributor/manufacturer who then will ship the product directly to the customer.

## E

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**eBay** – A popular ecommerce site that uses an auction system of bidding and short time frames to sell goods

**Encryption** – A form of security that scrambles or encrypts user data in order to protect customer information

**Ecommerce**- Buying or selling products over the Internet using virtual stores, websites and more. Considered to be the sales arm of many e-businesses.

**Electronic Funds Transfer** –Used to refer to several methods of transferring money from bank or credit card accounts via computer. This can involve wire transfers from one bank to another, payments via debit or credit card, direct deposits or direct debit and other electronic methods.

**E-newsletter** – A short text and image email often used by businesses to inform customers of promotions, new products and more. Often a supplement to a subscription.

**Enterprise** - Used to refer to large companies or businesses or used to refer to products meant for large companies or businesses versus smaller business models

**E-tailing** – Or electronic retailing, where existing stores create virtual storefronts designed to sell specific goods to create a virtual mall/shopping area.

**Etsy.com** – a popular craft, vintage and handmade item ecommerce site, where the users also double as merchants

**Exit page** – The page where customers normally "drop off" or leave a website. The exit page often contains fundamental flaws or content users do not agree with

## F

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**Facebook** – A highly successful social network site with over 10 million active users

**FAQ** - Also known as Frequently Asked Questions, a list of answers to common questions new visitors to the website ask, such as the store's return policy or shipping policies for International Orders.

**Flash** - Technology developed by a company called Adobe meant to interact with websites, especially for animation, video and other interactive website elements.

**Flash Intro** – An outdated form of Internet marketing that uses a flash video as an introduction to the website

**Forum** – An area of the site that uses online bulletin boards where customers/users of the website can interact, create and respond to discussions (known as threads) and ask questions or for help

**Front End** – The aspect or interface of the website that allows users to interact with the website features (click, drag or change objects on the websites)

**Front Page** – Also known as the index, often the first aspect or page of the website the visitor gets to see

## G

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**Geo-targeting** – A marketing practice that allows websites or advertisements to target customers by using their geographic location i.e. by offering special promotions for a certain state or county. This can help smaller business run ad-campaigns or large enterprises easily break down their marketing strategies by state, county or even by postal code.

**.GIF** – A type of image file optimized for the Internet. Often features moving or animated parts.

**GUI** – Graphical User Interface, or the image-heavy front-end user interface a website uses to make their website more appealing/easier for users to navigate

## H

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**Hit** – A unique user accessing a website – this translates online as a request from the visitor's server to the website's service. It is no longer considered an accurate measurement of site traffic, as multiple clicks into the website can translate as multiple hits

**Hosting** – Web hosts provide hosting services to clients that allow customers to place their own website on a shared or individual server. Typically this includes Internet service, data backup and the ability to store data in a data center.

**HTML** – Hypertext Mark-Up Language or the basic computer language used for coding or creating websites

## I

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**Idle User** – A user who has signed up for the website but does not spend any time on it.

**IP Address (Internet Protocol Address)** – A set of unique numbers that distinguish every single computer that connects to the Internet, which appears as a set of numbers and can be recognized by any website/server all over the world.

**Integration** – The ability of a website to use multiple platforms i.e. Facebook for comments or forums/message boards

## J

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**JavaScript** – A now rarely used code inserted into websites, often considered as Web 1.0

**JPEG** – A type of image file primarily used online

## K

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**Keyword** – Words that are typed into search engines that can help find information, often as part of a query

**Keyword Density** - The ratio of keywords that appear on a webpage that are relevant to a search engine query. Search engines use algorithms to measure keyword density and determine whether the website is relevant to the user's search

## L

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**Hyperlinks** – A navigation element on any website that creates a path to another webpage, image, resource or document. Also known as link, hypertext or html link

**Link Building** – A process that involves creating links to your website from other external sites. Link building is an important aspect of online marketing – the more websites link to yours, the more traffic you have

**Log-in** – The action of typing in a username and password to access a site or area of a website

**Loop** – A programming error that causes customers to end up in a loop, i.e. clicking buy and then returning to the catalog page

## M

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**Mailing List** – The electronic equivalent of the mailing list, often a list of customer emails that have authorized the site to send them newsletters and the like

**Market Research** - An aspect of ecommerce dedicated to researching online habits and preferences, as well as research

**Merchant** - The seller of the product or service online. The merchant may not necessarily be the website owner.

**Merchant account** – The account a merchant uses to transact with the merchant bank

**Meta tag** - A code hidden in the site's programming that "tells" search engine what the content of the site or page is

**Micro blogging** - A form of blogging popularized by Twitter, which allows users to blog up to 140 characters

**Mobile-enabled** – A website that has been optimized for viewing for mobile or tablet users

**Multi-Author Blogs** – Blogs featuring more than one writer or author, often a supplement of larger websites for newspapers, universities or other media outlets. Often edited and curated by a larger group or body.

**MLM** – An abbreviation for multi-level marketing or a form of marketing that targets different demographics using different forms of media i.e. print, radio, TV, online, micro blogging, etc.

**Mutual Linking** - A process by which two (or more) websites agree to host links to each other to increase traffic

## N

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**Natural Search Results** – These are the non-paid or non-sponsored listings that appear on search engines, usually below the sponsored results.

**Navigation** - The process of moving from one part of the website to another, usually optimized and simplified to provide the best user experience.

**Navigation Error** – A mistake in the site's coding that causes customers to head to a dead-end or dead area of the website

## O

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**Opting-in** – The process by which customers sign-up on the website or via email to receive updates, promotions and the like from the website.

**Opt-out clause** – A required marketing clause mandated by Federal Law that allows customers to opt-out or unsubscribe from email newsletters, email promotions and other online marketing materials

## P

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**Pay-Per-Click** – An online advertising model where advertisers pay the website host an amount depending on the number of "ad clicks" originating from the website

**Payment Gateways** – Internet services that allow access or connect ecommerce sites to Merchant Accounts and grants the ability to authorize transactions from the Merchant account to other accounts

**Payment Modes** – The various payment modes an ecommerce website allows for its users, such as credit, debit, bank to bank, PayPal and more

**Payment Processor** – Usually a third party service that processes credit card payments, bills the bank and other operating services.

**PayPal** – An ecommerce business and website that allows users to make monetary transactions globally by allowing money transfers via a PayPal account. PayPal links to the merchant or individuals' credit/bank accounts and then serves as a money transfer platform

**Premium Account** – Usually this refers to a "paid" account (as opposed to a free account) a customer can upgrade to when signing up for a website

**Pinterest** – A popular website that allows users to "pin" content to topic boards or boards

**Phishing** – An Internet scam, usually used through email or the creation of fake websites, where culprits harvest data from customers with the intention of stealing or defrauding customers.

**Platform** - A computing platform usually consists of hardware and its software framework that allows a program or application to run. This is usually a complicated system that includes the operating system the hardware/software will function on and its programming language.

**.PNG** – A large raw image file created with Adobe Photoshop

**Privacy Policy** - A legal document incorporated into a website's terms and conditions that disclose a website's policy towards user information

**Programming Language** – The computer language used in programming that allows websites/programs to communicate instructions, often an artificial language that is math-based and logically sound i.e. HTML, Java, CSS and more. Programming language can also affect the way a website is viewed or its performance, as different browsers interpret the language differently.

**Pre-order** – the option to order a product before its official release date for extra items, discounts or freebies, usually at a higher price. Often used for products arriving with a lot of hype i.e. video games, new editions of bestselling books, limited-edition figurines, etc.

## Q

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**Query** – The formal term for search words typed into search engines

## R

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**Reddit** – A popular content creation website that utilizes news and other interest links sent in by users. Users then vote to rank the link via an online bulletin board system.

**Robots** – Or bots –these are online programs designed to perform mass actions or one specific action, often to harvest data or phish.

**RSS** – Short for, or an abbreviation of Rich Site Summary, a syndication tool that turns websites into a web feed. RSS is usually used to websites or blogs that are updated daily, if not hourly to keep users in the loop. RSS means that the site owner no longer has to manually update their blog/website across several different platforms or programs, and users can receive them without hassle on their mobile or personal computer

## S

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**Same Day Delivery** – Overnight or same-day delivery services some ecommerce sites use, often with a small fee

**Secure Socket Layer** – A form of credit protection for ecommerce sites that scrambles credit card data and provides an additional layer of security specifically geared towards purchasing online

**Search Algorithm** – The mathematical computation that governs search engines and how they pull up websites as answers (results) to a query

**Search Engine** – Websites that allow users to search for information by typing queries, phrases or keywords and then use a computation to search for the most relevant answers

**SEO** – Search Engine Optimization or the process of creating content for websites that can easily be found by search engines using algorithms (see search engine algorithms)

**SERP** – Search results page or the page that pops up after a user types a keyword or phrase into a search engine. SERPs will show the links to the most relevant websites, usually with a short summary of what the websites contain. They can also return images, videos or whatever else the user has specified in the search

**Server** - This type of computer acts like a go-to connection to the Internet and is designed to host and power websites, as well as provide bandwidth allocation

**SMS Marketing** – A form of marketing that focuses on using short message service, usually through an automated system that informs customers of promotions and the like. SMS Marketing is often done in conjunction with social media marketing.

**Social Media Marketing** - Marketing strategies that use social media like Twitter or Facebook as a platform and rely extensively on social media's power to create hype or buzz

**Social Networking** – A type of website that allows users to interact, often built on similar interests or a system of "adding" friends/other users into a private network hosted by the website

**Social Networking Site** – Sites that primarily focus on social networking like Facebook or Google Plus. These sites allow users to create a profile page once they sign up, add and categorize people into a network, sub networks, Circles or more.

**SPAM** – Bulk, automated, unsolicited email usually used as a form of advertising but now often associated with phishing

**Stickiness** – A concrete measurement of how long each user/visitor stays on the website and the average period of time they spend browsing content

## T

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**Tags** – Labels on websites or blogs that give the reader or search engines a basic idea of what the post is about

**Tag Cloud** – Usually a collection of tags on a website so users can navigate entries or pages according to interests or how they were tagged

**Terms and Conditions** – Legal terms and conditions that users agree to when signing up or purchasing from a website

**Text Link Ad** – A form of advertising that only uses text and is often inserted into websites, blogs or Search Engine Result Pages.

**Traffic** – The number of unique visitors that visit the website's front page, and subsequent pages in a single time frame i.e. number of visitors per day or per month (unique visitors), number of hits per page or number of hits on the front page. Also known as website traffic.

**Troll** – A user that specializes in aggravating other users by posting irrelevant or deliberately provoking comments on message boards, forums or in the comments section of a website

**Tumblr** – A combination of micro blogging platform and social network that allows posting of text, audio, video and more. Users can create personal blogs and acquire followers who will see all the content posted on a Dashboard.

**Twitter** – A micro blogging platform that allows for quick 140 "blogs" about whatever the user wants to blog about. Twitter can be easily integrated into any website for quick product promotion and is used by many companies as a combination of promotional tool, customer service center and a way to keep in touch with customers.

## U

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**Unique visitor** – Someone who visits a website within a certain time frame who has never visited the site or any of its pages before. Websites are generally rated by the number of unique visitors or views they have within a day, a week or a month

**URL** – A web address or location of a resource within the Internet; also known as Universal Resource Location. URLs have to be unique in order to generate a hit and are often short so people will remember them.

**User** – Users are generally defined as people or visitors who have registered or signed up for a website/service/catalog

**User curation** – Websites where the content is largely user-generated. Users decide what the top content is. They do this by regularly submitting links and through systems that "vote" the links up.

## V

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**Validation** –The process by which a user validates his or her identity, usually by clicking on a link sent to their registered email

**Visitor** – Someone who visits a websites but makes no purchase or does not create an account. However, visitors often browse content and can turn into users

**Vlog** – a blog that consists primarily of videos uploaded by the user, popular on websites like YouTube.

## W

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**Web design** - A large factor in ecommerce, web design refers to the overall look and feel of a website and its ease of use, as well as how attractive it is to the average visitor

**Wishlist** - An Amazon.com feature that can be integrated into different ecommerce websites that allows users to add goods or services to a list of things they want/wish for

## Y

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**YouTube** – A free to use website that allows user to upload short videos for Viewing

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Alex Major

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