# Ecommerce practices and attitudes in Greece:
# A pilot qualitative study of medium-large companies - Part II

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*Abstract:* - This is the second part of the study on eCommerce practices and attitudes in Greece. In this part some more qualitative issues were explored in relation to eCommerce in Greece including level of investment, time-frames, scope of eCommerce solutions. The same management, marketing and ICT executives of the 25 medium and large corporations in Greece were interviewed like in the previous part. It is found that despite the understanding of the need for an organized effort and serious investment in eCommerce seldom quality and effectiveness/attractiveness are an issue. Moreover, the same executives sound quite pessimistic about the near future (next 5 years) of eCommerce in Greece usually blaming the mentality of the local decision makers that calls for the lowest possible investment with the highest return on investment almost always on the expense of quality.

*Key-Words:* **-** Electronic commerce, scope, financial investment, medium-large companies, Greece

## 1   Introduction

One of the conclusions of the first part of the study was that the executives during the interviews showed enough and in a few cases overwhelming knowledge about eCommerce and great appreciation of its value in the future of business activities. Another was they tended to blame the consumers for the poor performance of eCommerce activity in the country.

This is the second part of the study on eCommerce practices and attitudes in Greece. In this part some additional qualitative issues of a more technical nature, though, were explored in relation to eCommerce in Greece including level of investment, time allowed and scope of eCommerce solutions.

## 2   Aims and Objectives

The aim of this second part of the study on eCommerce practices and attitudes is to reveal executives' understanding of how those qualitative but technical issues related to the development of eCommerce solutions should be tackled and what is the reality in the country. More specifically, we sought to find:
- Whom did they assign the task of realizing their eCommerce strategies?
- What is the level of investment relative to eCommerce both in human and in financial resources, initial and annual?
- What is the scope of their strategy in geographic terms?

- Do they have an escape plan?
- How much time they do they believe is enough to enjoy the fruits, if any, of their investment?

## 3   Methodology

This pilot qualitative survey took place between October 2005 and February 2006. Interviews were the chosen instrument conducted either face-to-face or by telephone the choice left to the executives. There were no differences, e.g. number of questions, time restrictions between the two types of interviews. The reason for choosing interviews was the nature of the questions themselves as it was clear that explanations of the various issues covered were needed. Each interview lasted 25 to 45 minutes because of the need in several occasions to explain some of the issues/terms discussed. At the end, each interviewees were given the time to express themselves about eCommerce in Greece and/or internationally without been formally and specifically asked about something.

The target group was medium-large companies and organizations in Greece. The goal was to discuss with the executives from the companies "that influence the economic and business environment in the country, a task left to the executives of the very few but powerful large companies in Greece". (Vlachogiannis of TIM Hellas, interview, January 2006). In particular, the opinions of the management, marketing and information technology executives were sought as these are the ones making the decisions related to eCommerce with all the rest

just implementing and executing policies and decisions from the top management.

A sample of 25 medium or large companies from the greater metropolitan area of Athens and that of Thessaloniki was used. Companies in the Athens Stock Exchange were considered as large companies/organizations, whereas those with human power between 100 and 500 were considered medium size. 7/25 (28%) had more than 1,000 employees, some 4/25 (16%) had between 500 and 999, the majority 11/25 (44%) had 100-499 and just 3/25 (12%) had less than 100 employees. For the sample to be representative the classification of companies in 12 sectors followed by several European Union institutions [3] was used (table 1).

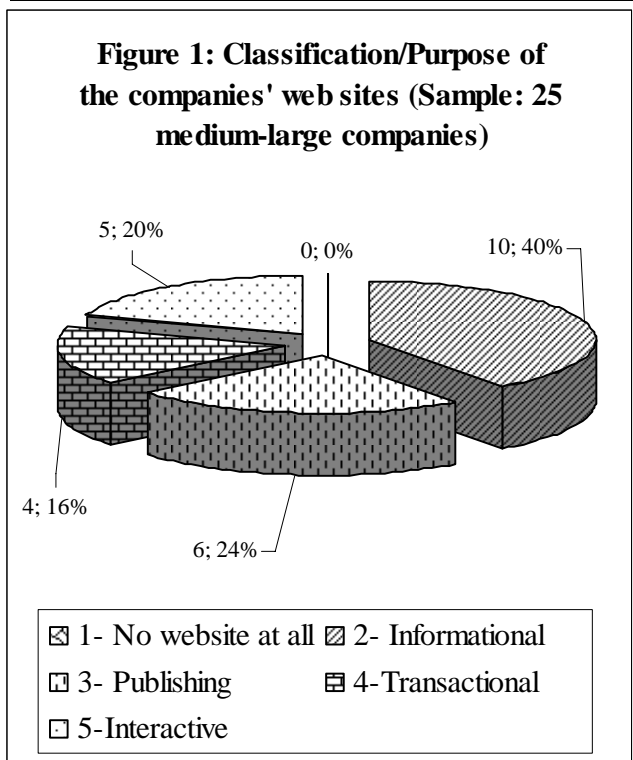| Table 1: The sectors and organizations of the study |
| --- |
| 1. Food, beverages and tobacco industry |
| 2. Transport equipment manufacturing |
| 3. Financial sector |
| 4. IT services |
| 5. Communications & Telecommunications services |
| 6. Health & Social services |
| 7. Media & Printing |
| 8. Metal/machinery manufacturing – Mineral & Cement |
| 9. Education |
| 10. Retail |
| 11. Tourism |
| 12. Government |

- 57 interviews were conducted during the study, 22 with management executives, 14 with marketing and 21 with IT/IS experts. A number of companies (14/25) were represented by 1 or 2 persons due to the centralization of decision making (marketing, management, IT/IS, and other). Most of executives (30/57; 52%) were in the current or related appointments for the past 10 years at least, a few (6/57; 11%) had 8 to 10 years experience, a large number (13/57; 23%) between 4 and 7 years and a noteworthy 6/57 (14%) less than 3 years. Only 4 professionals did not hold a bachelor's degree or above, the vast majority holding a bachelor's or master's degree (44/57) and a significant number 9/57 with a research degree (PhD) but mainly in the education sector.

## 4   Findings
### 4.1 Classification of the Web sites examined
The executives provided a classification of their companies'/organizations' online presence based on the categories listed in table 2.

| Table 2: Categories of online presence [1, 2, 3, 4, 5, 6] |
| --- |
| Category 1: No website at all |
| Category 2: informational: company profile, general catalog of products/services, an email link. |
| Category 3: publishing: advertise of the company's comprehensive catalog of products/services specifications in addition to the previous. |
| Category 4: transactional: offer the opportunity for secure online transactions, suggest delivery method/channel on- or off-line, provide trucking of the status of the orders and their, all these in addition to the previous. |
| Category 5: interactive: integration of the Internet technology to every day's business activities. |



Figure 1: Classification/Purpose of the companies' web sites (Sample: 25 medium-large companies)

⊠ 1- No website at all   ▨ 2- Informational
▱ 3- Publishing          ⊞ 4-Transactional
☐ 5-Interactive

Although it was verified that all the businesses of the sample had an online presence, the vast majority of them would be classified either as informational (10/25; 40%), or as publishing (6/25; 24%) at most. Only 4/25 (16%) had web sites with transactional functionalities (mainly B2B systems) and 5/25 (20%) were classified by the execs as interactive but was found eventually that half of them did not quite meet the requirements set for the category and probably should be classified in the previous category. These are disappointing numbers as they represent the leading companies/organizations in Greece, hence, no room for optimism on what happens in the hundreds of thousands of small and a few thousands of small-medium businesses in the country (figure 1).

## 4.2 Geographic scope of the Web sites

In contrast, most execs have set as their web sites' scope all the globe (12/24; 50%); an overestimated idea of their sites' design and functionality indeed. Just 1/24 (4%) web sites was meant to serve visitors from the European Union countries, some (3/24; 13%) were developed with the Mediterranean region in mind and a very significant number (8/24; 33%) were local in scope. In just one case, the executives either did not know or were not willing to specify their site's geographic scope, hence the sample was 24 web sites (figure 2).



Figure 2: Geographic Scope of the Web sites (Sample: 24 web sites)

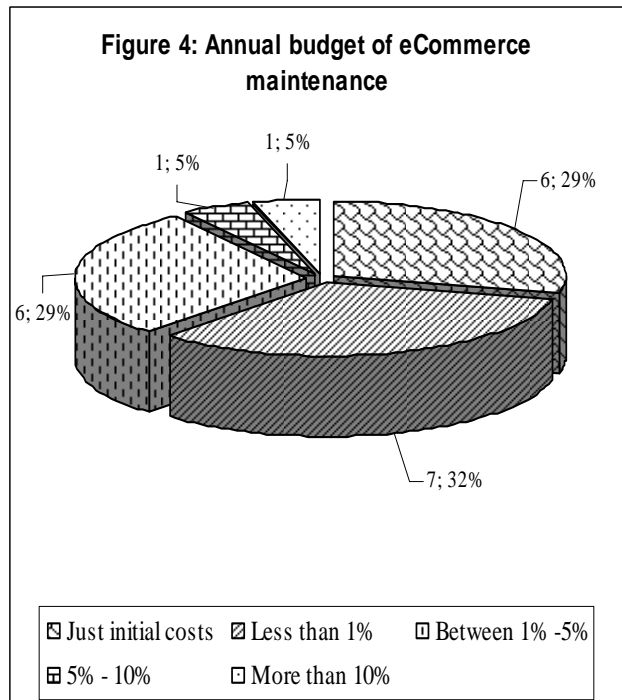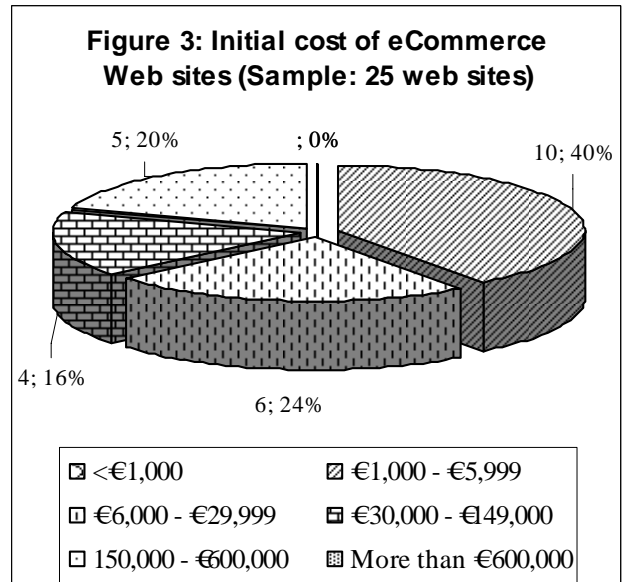Local · country · Mediterranean · European Union · Global
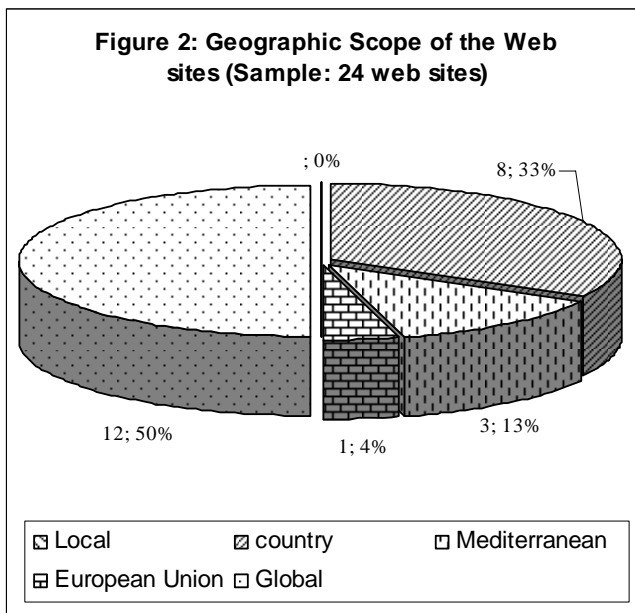
## 4.3 Financial investments

These quite conservative eCommerce strategies are verified by the financial investments, both initial and annual, and the human resources devoted for the support (if any) of the eCommerce solutions. The initial investment, in most cases (10/25; 40%), was in the range of €1,000 - €5,999(!). Quite a few (6/25; 24%) companies appeared to have spent some €6,000 – €29,999. Even fewer (4/25; 16%) sites' cost was less than €149,000, and only 5/25 executives approved an initial budget of more than €150,000 (and far less than €600,000) (figure 3).

The picture is getting much worse when one considers the annual budgets spent for the maintenance of eCommerce deployment as a percentage of the whole companies' budgets. The numbers speak for themselves. In most cases the annual budget for maintenance is less than 1% (7/25; 28%) or none at all (6/25; 24%). In 6/25 cases (24%) 1%-5% of the companies' budget was spent for this cause (actually usually closer to the lower
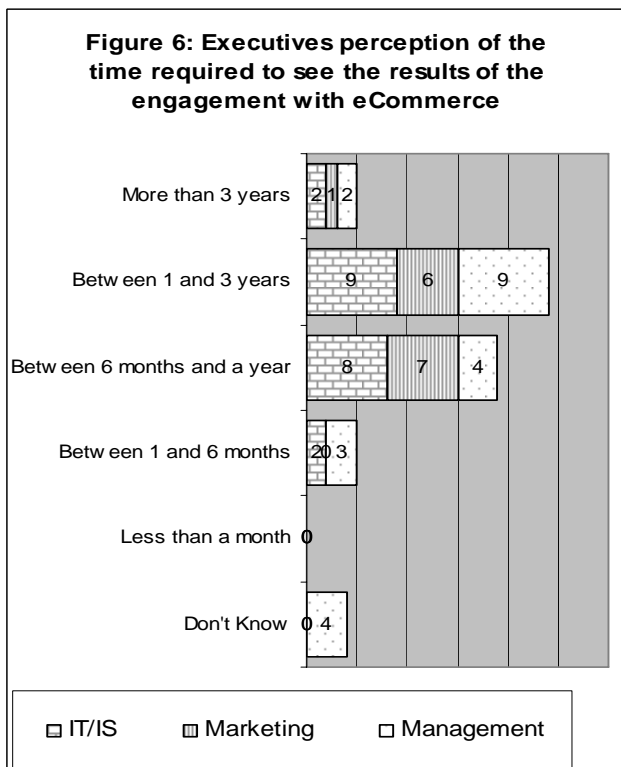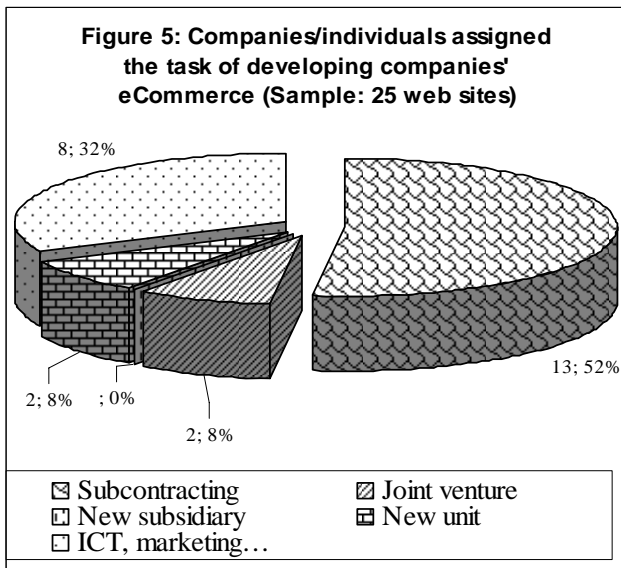
limit of the range). Just in two cases an organized and financially supported effort was made to maintain the eCommerce solutions; one case (4%) with an annual budget of 1%-5% and another (4%) with an annual budget of 5%-10% spent for this cause (figure 4).



Figure 3: Initial cost of eCommerce Web sites (Sample: 25 web sites)

· < €1,000    · €1,000 - €5,999
· €6,000 - €29,999    · €30,000 - €149,000
· 150,000 - €600,000    · More than €600,000



Figure 4: Annual budget of eCommerce maintenance

· Just initial costs  · Less than 1%   · Between 1% -5%
· 5% - 10%    · More than 10%

## 4.4 Ecommerce developers' identity and relationship to the companies

The majority of the sites were developed by subcontractors outside the companies (13/25; 52%), a large number of them internally by experts (ICT, marketing…) within the organizations (8/25; 32%).

Only in 2/25 (8%) cases the task was accomplished by joint ventures with specialized companies and in another 2/25 (8%) cases by a new unit created within the organizations themselves and manned by people within with different expertise (figure 5).

**Figure 5: Companies/individuals assigned the task of developing companies' eCommerce (Sample: 25 web sites)**



- ☒ Subcontracting      ☑ Joint venture
- ▨ New subsidiary      ⊞ New unit
- ☐ ICT, marketing…

**Figure 6: Executives perception of the time required to see the results of the engagement with eCommerce**



- ☐ IT/IS     ⊞ Marketing     ☐ Management

### 4.5 Time required to enjoy the fruits of eCommerce deployment

The vast majority of the executives, regardless of their backgrounds, believe that it takes no less than 6 months up to a year (19/57; 34%) or even more up to 3 years (24/57; 43%) for the benefits of eCommerce deployment to become visible. Some

(5/57; 9%) put the time limit even further into the future willing to wait more than 3 years for this purpose. Also, some 5/57 (9%) would not wait more than 6 months and there were 4 management people (4/57; 7%) not having any opinion on that. None of the executives accepted the time limit of 1 month before results of eCommerce start appearing; which of course is common sense (figure 6).

## 5   Discussion-Conclusions

As a continuation to part I of this study a number of conclusions related to more technical issues came out. First, executives were found to blame the consumers and the poor public communications infrastructure for the poor performance of eCommerce in the country. Indeed, after all these interviews it was clear that ICT experts were not to blame for this situation as they had the expertise to build and maintain eCommerce solutions. The products however, offered by the relevant developers/companies they work for, are expensive, of low quality and usually not maintained, are under operated and the technology is eventually wasted.

One of the pioneers of information technology in Greece, Haris Manakos of the Greek Sugar Industries, expressed it succinctly although in a radical way when he told us "eCommerce is not yet used in Greece. It is in idle situation and wherever present always misused in that area; everything is done in a non-organized or, even worse, badly organized way; business people are following the 'zero-sum game' (going just for the money) strategy when engaging to it."

Then who is to blame? Some put all the responsibility to the marketing people who, they claim, did not find new ways to use eCommerce as a marketing tool. One of the first priorities they expect marketing people to set is go beyond the "hype" and enthusiasm and find ways to use it effectively. Kyriakides Anastasios, general manager of Kleeman – one of the major industries in Greece – pointed the truth about its misuse: "Most people don't know in Greece what eCommerce is. They believe that with just a web site, they are done but this is wrong. We are investing and believe in eCommerce".

Others tend to explain the whole situation as a negative aspect of the Greek society and culture manifested in a number of different ways. It is how the Greeks like to communicate even when purchasing things, the way the previous generations' business people think and behave (reluctantly to any new technology), the new people's fear of financial transaction on the web (fear of fraud and the like),

etc. It is mainly a matter of mentality. Alekos Mouratides of ALCO food industries, a major supplier in Northern Greece, underlined this common problem of Greek "thinking": "We are still in the "Ice Age" as far as eCommerce. Furthermore, I believe there will be shrinking of retail stores and merging of many of them under the eCommerce umbrella. This will happen after a few years. As far as eCommerce we are still far behind. Most business people in Greece are seeking for ways to 'make easy money' playing the 'zero-sum game'. No plans and of course no strategy for the near or far future. The business world in Greece these days is in great need of 'ants' (i.e. workers) and not of 'grasshoppers' meaning 'smart' fake business people".

Another category of executives conscientiously struggle to bring the whole issue down to earth, without underestimating eCommerce. Andrianakis Petros of BYTE Computer A.E.V.E keeps on stressing to every direction that eCommerce is not everything but should be looked at as a powerful tool together with other to help businesses achieve their goals: "Don't get crazy about it. It should be used by in sectors where it is really needed. It is not needed in the retail sector. It's a scary scenario to have people not getting out of their home and just buy everything they need through the Net."

Finally, there are those executives who blame the weak information and communications technology infrastructure in the country for the low scores of eCommerce in Greece. They believe things will get much better when costs (including connectivity) are reduced and more people get involved with the Internet (a level of 60%-65%). Enomonides Kyriakos from Telepassport, a major telecommunications player in Greece stressed it enough and to the extreme: "eCommerce doesn't exist; the main reasons for that are the lack of supportive mechanisms which is mainly because of the nonexistent public infrastructure, the inefficient and ineffective legal framework which does not support the new technologies like electronic signatures, the lack of proper education and training of the greater population. It will happen when broadband service becomes available at a reasonable cost. For now it is used only for emailing and information exchange; Governments run several 'incentive' programs' for 'their' people, the 'few' but this is just it. Mentality has to change from top government executives to lower clerks in all companies."

The good news is, according to Kosmides Damianos former mr. Forthnet – one of the major ISPs in Greece - IT/IS consultant to the governor of Thessaloniki, that the technology is there. There is only the need for education/training of the masses (perhaps a goal to be set by the governments in the country): "We are in the cutting edge as far as knowing the technology; eCommerce is not mature as far as its usage and growth but in two/three years it will reach the international levels. In general it is limited to its deployment because the people don't use it. It could (and will) offer opportunities to citizens, consumers but so far people hesitate to use it. There is the need for training to all, but mainly a need for the development of the proper infrastructure which exists but must be improved and offered to the public at low cost ".

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