



CASE STUDY: OPENSHOP

<http://www.openshop.gr>

FACT FILE				
Company name	Openshop			
Business Activity	Electronic trade center			
Region	Greece			
Number of employees	-			
Business Range	Local	Regional	National	International
	Yes	Yes	Yes	Yes
Description of market / client / target group	The target clients are SMEs who are offered a turnkey e-commerce solution, providing a reliable environment that allows their customers to buy a large number of products from the stores presented via Openshop (e-mall).			
Description activities / products / services	Consumers buy products from the electronic stores accommodated by Openshop. Such products may relate to music, books, drinks, new technologies etc.			

CASE DESCRIPTION:

The business

Openshop was created by the OTEnet Internet Services Provider (ISP) in order to provide services in the field of electronic trade centers. The development of the portal began in August of 2000 carried out by OTEnet in cooperation with HUB S.A. In April of 2001 Openshop operated in a pilot mode and a month later it started to operate on a regular basis.

Openshop is designed to create an e-commerce turn-key solution for SMEs, with on-line credit card certification and a product distribution system that allows small enterprises, to introduce and start applying e-commerce. Through Openshop the SME clients are able to create and manage their own electronic store online easily and quickly, without needing any specific knowledge of programming techniques.

Introduction of e-business

Openshop gives its clients the chance to present a brief profile of their company, to highlight 1-1,000 products and to categorize these. Furthermore, the retailers are given the possibility to show their products on the first page of the mall. Besides a friendly and practical interface, the portal allows the client SMEs to manage the presentation of their electronic store themselves. In addition, analytical statistics allow the retailers to see how many visitors have visited their store recently or how often they visit it. Finally, the retailers are automatically informed of any orders placed.

At the other end of the Openshop service, the visitors-customers of the store can use a search-engine in order to quickly and easily find the products of their choice. A shopping cart is also available. Furthermore, the cost of delivery is calculated automatically and incorporated into the final price immediately. Credit card authentication takes place on-line and in real time. The ordering history of customers is stored for future reference.

The implementation of Openshop is based on the use of specially designed software, which is integrated with the e-commerce application and the on-line payments system. The programs used are Interworld Commerce Exchange 4.0 (e-commerce application) and MS SQL 7.0 Payware e-Stores (software for on-line transactions management). A matter of prime importance for the users of the electronic trade centre is the security of transactions. Openshop has already taken measures to secure transactions. It uses a firewall as well as the protocol 128 bit SSL. It also cooperates with WinBank, which has significant experience in on-line banking and in applying secure on-line transactions.

With Openshop, users can make secure on-line purchases 24 hours per day, and have their purchases delivered to a chosen destination. The existence and operation of Openshop is also beneficial for the retailers, as they are given a complete, integrated e-commerce solution with on-line credit card authentication and a complete distribution system for their commodities. Furthermore, retailers are able to create and manage the electronic store without having extensive technical knowledge.

Openshop's philosophy is based on accomplishing the optimum result with the minimum cost. It is also worth noting that it is supported by OTEnet, the biggest ISP of the Greek market.

At the moment Openshop accommodates 18 stores that sell products concerning music, countryside & garden, books, food, drinks and new technologies. It is estimated that more than 20,000 users visit it a month. There are a number of conditions that companies signing up to Openshop must accept such as:

- responsibility for managing the content of their own electronic store;
- use of the Openshop preferred suppliers or partners as far as the basic operations of Openshop are concerned, including on-line authentication of credit cards;
- responsibility for pricing the products in their own virtual store.

The service is promoted both by the individual retailers who have signed up to Openshop and by OTEnet.

There are two types of subscriptions available to retailers: a six-month fee of € 320 or an annual fee of € 565 (VAT excluded). Besides the annual fee, a small percentage is retained for each product sold via Openshop. This amount corresponds to the commission charged by the banking organization used for credit card authentication and the administrative cost of running the service.

Lessons learnt

Openshop is one of the first electronic trade centers to have appeared in Greece and it is supported by OTEnet. There are 18 electronic stores already operating through

Openshop. This is quite a small number, however the infrastructure and plans for future applications and functions indicate the possibility for more stores to be hosted. This will of course also increase the number of visitors to the site, which is already significant (more than 20,000 per month). The promotion of Openshop through the OTEnet Web site can also be considered a significant factor influencing the number of visitors. The fee paid by the retailer is relatively low which allows even very small stores to be hosted and to promote their products online.

However, the success of this enterprise depends on a sustained increase in the number of stores hosted. This may be achieved through future marketing plans and the implementation of new functionalities to both the retailers and their clientele.