

CASE STUDY: SPESACASA.COM

<http://www.spesacasa.com>

FACT FILE				
Company name	Spesacasa.com			
Business Activity	Online specialist supermarket			
Region	Bologna, Italy			
Number of employees	6			
Business Range	Local	Regional	National	International
	Yes	Yes		Yes
Description of market / client /target group	High-Medium yield, professionals and senior citizens			
Description activities / products / services	Online supermarket specializing in food, beverages, also goods for house care, pets, childcare and gardening.			

CASE DESCRIPTION:

The business

Spesacasa.com is an on-line supermarket, specialising in the sale of food and beverages, but also selling goods for homecare, pets, child care and gardening. Through the web site it is also possible to book a ticket for the theatre or to buy a mobile phone. The web site also offers suggestions for recipes and food. The business is very small, has only six employees and three managers, and every person in the business is less than 30 years of age. The number of people working there may change in the second period of the year and the number of deliveries is expected to increase.

The firm is very focused on a specific territorial area. In fact spesacasa.com delivers its products only in Bologna and in some areas of Modena. However, a strategy of expansion is planned, thanks to the very good results obtained during the first year of activity, and this will probably involve strategic alliance with larger and more organised distributors.

Introduction of e-business

Customers can place their order on-line and can choose different ways to pay: by credit card, bancomat, or cash on delivery. There is a shopping-cart facility which customers can use to generate their orders, and purchase lists can be saved such that the customer can place the same order or part of it the next time without wasting time. It is also

possible to place an order directly by telephone or fax through the business's free phone number. This number also provides access to customer assistance for any problems related to the order process. Customers can request a paper catalogue by mail. This catalogue is free of charge.

Spesacasa.com holds a large stock of standard products, but has limited stock of perishable products. After an order has been placed an automatic packaging procedure takes place and the items are shipped twice a day. Customers can choose the time and place of delivery. Price of delivery changes according to the quantity of goods bought and the place of delivery – the bigger the order the less the customer will pay, and the closer the delivery location, the lower the price.

Orders are prepared for shipment in the company, the invoice is printed directly from the order form, and all items are delivered directly by the firm's delivery services using its own transport. When the order has been shipped, an email notification is sent to the customer. Tracking and tracing of an order is possible through the free phone number.

Marketing & Sales activities had consisted of posting advertisements, billboards on local transport, advertisements in local journals, brochures, and catalogues. Little attention is currently being paid to advertising however, as the company is in the process of developing a new strategy soon to be made public.

Maintenance of the website is an in-house activity. In fact the business also operates under the name SPSNET, offering web hosting and multimedia services, which capitalise on its new media capabilities. The web site is on its fourth release with new features derived from experience.

Lessons Learnt

Spesacasa.com's target clients are middle-high income professionals and senior citizens with a basic knowledge of new technology. To date, customers have consisted of 35% occasional clients and 65% repeat clients, with medium quantities of purchase. The original objectives have been met, and more than exceeded. The business sector is continuously expanding and the future programme is to continue in this way for some months, and then to put into effect a territorial expansion.

One negative impact of the introduction of e-business has been that despite one year of training in all the procedures and shipping methods, there were still problems when the business activity began, specifically in terms of relationships between suppliers and customers, preparation time of orders for delivery, and in the management of operational flows.

In terms of marketing and public relations the website has been very well placed in search engines. During the future expansion period the site will be promoted much more in all appropriate media as well as at local level.

One of the important lessons learnt has been that the time spent on maintenance should not be underestimated. Because the website is online 24 hours a day, 7 days a week, continuous improvement is necessary. One big problem at the beginning of the activity was a slow loading time which meant that many customers could not complete their ordering process before the session timed out. Because of this and so as to be closer to the customer, the use of the free phone number was initiated, and the loading times of the web pages have been improved. The company is now moving towards a more efficient CRM (customer relationship management) approach.

This case offers some valuable insights into how a small local retailer, basically organised around very young operators and operating in a niche market, has been able to expand its market very quickly using 'basic' e-commerce applications integrated with traditional technologies such as telephones and fax. The case also describes the practical problems encountered by a small enterprise trying to develop an in-house web site dedicated to ecommerce.

Finally this business case shows that for an SME to find a space in the immense arena of e-commerce, it is absolutely necessary to acquire trust at local level first, before moving to bigger plans and expansion.