

STUDY ON THE INTERNET AS A SELLING CHANNEL FOR CONSTRUCTION MATERIALS IN ROMANIA

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The construction and construction materials sectors are considered laggards as regarding the ICT adoption, for their specific particularities like high fragmentation level, adversarial relationships developed between the participants, project nature of the contracts and relationships established in the sector. At the same time there is another belief among specialists regarding the lag of the construction related sectors, concerning the fact that the particular characteristics of these sectors demand specific tailored business solutions, so the lag may not be caused by the companies from the construction sector, but by the ICT developers, that could not satisfy these particular needs.

Regarding the online sales, the channel is dominated by tourism, clothing, computers and the automobiles sector, while electronics, books, cosmetics, toys, flowers and gifts are in a second wave as the importance and share of the total market they represent. The construction materials are not among the top sellers in the Internet sales channel, despite the countless papers on the benefits and necessity of IT adoption and the online medium as communication and sales channel.

In 2008 in Romania in the construction materials trade were involved over 8.500 companies, with more than 54.000 employees, generating a total revenue of 6,5 billion Euros. 87% of these companies had an average of 2 employees, confirming the observations found in literature regarding fragmentation and the large number of small and very small companies. And while in the last years there was a constant growth of the construction materials market, reaching a peak in 2007 when the demand was higher than the offer, 2009 meant the full development of the financial and economic crisis with an ever growing pressure on the distributors of construction materials, and on the prices and margins of the specific products.

Generally speaking, the construction materials are characterized by a high degree of standardization, a feature that makes them fit for online sales, while there should be taken into account the particularities of the finishes products, where the buying process involves different levels of subjectivity in terms of taste and preferences, and the importance of the location through the high costs of transport for a large part of these materials.

In 2008, in a study that covered the e-commerce in Romania, there was no mention of a construction materials online store among the 875 functional online stores identified by that study. This paper focuses on the development level of the construction materials online stores in Romania. To evaluate the existence of an e-commerce segment dedicated to the construction materials, in the January-February 2010 period an online study was conducted, to identify all websites that sold construction materials and that met 2 criteria: had prices for the products they presented, and offered a way of ordering these products, whether online or offline. Using search engines, general and specialized web directories, price comparison websites and free online stores platforms, 100 online stores that offered construction materials were found, of which 19 were on free platforms and under a subdomain. The study, that gathered data directly from the identified websites, offers an overview of what appears to be a growing segment, indicating that the majority of these websites still lack advanced forms of interaction with customers, and are somewhat behind the general e-commerce level of development in terms of actual trends and online payments.

The paper met with the two objectives set in the beginning, namely to evaluate the compatibility of the construction materials with the electronic world, and to identify the existence of construction materials oriented online stores. The online stores were not evaluated on their usability, or advanced functionalities, but were rather accepted in the study on a simple criteria basis. The results indicate that there is an online market for construction materials, even if it's a market that still needs to grow to reach the average level of development of the Romanian e-tail. This study opens the path for more in-depth research, on the identity of the companies that own these online stores – whether it's about click-and-bricks or pure-plays, on the revenues obtained through the online channel, the conversion rates and average order level or advantages and barriers perceived in the development of the electronic side of this business sector.