

IO1/A1 Country report: Greece

Date (23. 03. 2021)

Glossary

| | |
|--------|--|
| EU | European Union |
| PEACOC | Personalised e-Business Coaching for Construction SMEs |
| ... | |

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1 Importance of the construction sector in the country economy.

The number of firms active in the Greek construction sector is around 158.305 according to the last ECSO – European Construction Sector Observatory report, picturing the situation in 2019. The number shows an 11% decline compared to 2010 figures, but it still shows a recovery. It still represents an important part of the Greek economy, contributing to 20.3 billion total turnovers, an increase since 2017 but still an overall decline of around 11% from 2010 levels. Finally, also the number of people employed in the construction sector has decreased considerably in the last few years: 280.280 in 2019, a 25.8% decline from 2010 levels. The report emphasises that the sector, along with the rest of Greek economy, experience a “scarcity of basic digital skills”: ECSO makes clear that around 90% of the jobs require such skills, but only 23% of the employable population showed basic digital skills usage. This aspect also affects the overall productivity of the sector, reaching 19.548€ in 2019, a sharp decrease from 2011 (11%).

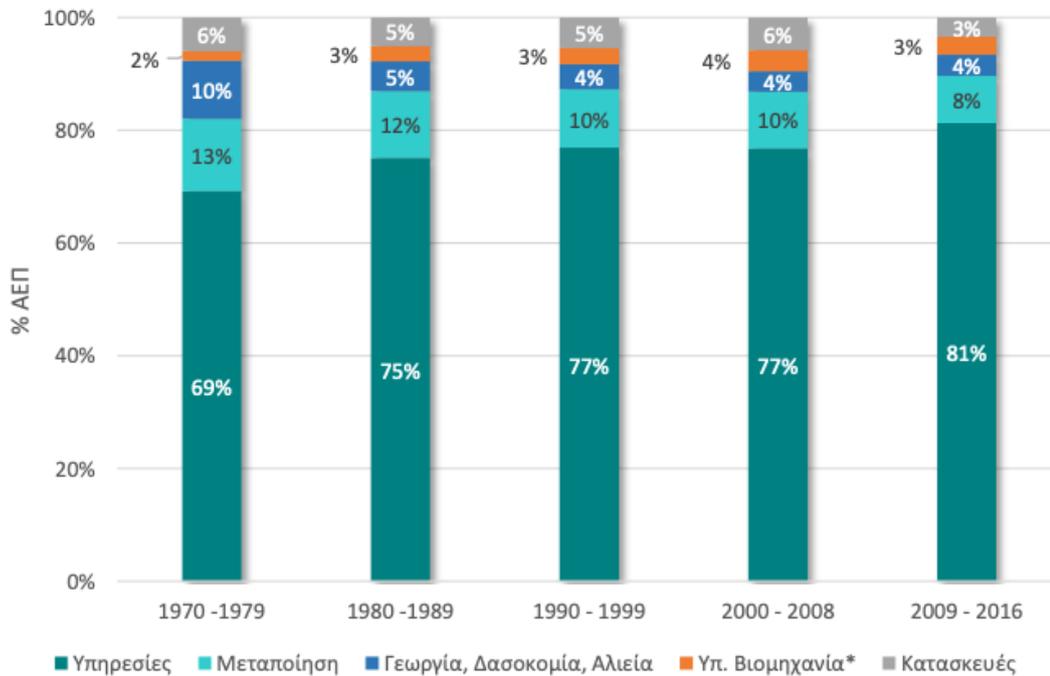
The construction sector can be considered an umbrella definition for very different organisations. In Greece, the division of the sector is as follows:

- Construction: 54.7%
- Architectural and engineering activities: 28.6%
- Manufacturing: 11.1%
- Real estate activities: 5.6%

1.1 What is the weight (in percentage) of SMEs in the construction sector in the country?

Greek SMEs: 63.5% of total valued added to the economy, above the European average (56.4%). They employ 87.9% of the population, also this aspect above the European average (around 66%). However, the contribution of the of the construction sector to the economy has stagnated over the last decades, reaching a record low of gross 3% between 2009-2016, employing around 6% of the population (it has been almost halved over 10 years). The number of companies in the sector were 128.541 in 2008 but experienced a shar drop in the following 8 years (-69%), reaching around 59.762 businesses in 2016 and increasing slightly in the following year, stabilizing around 62.749 (ELSTAT data): they represent 4.4% of all the SMEs in Greece. A similar decrease in turnout (from 402 million to 151 million).

Διάγραμμα 3. Ακαθάριστη Προστιθέμενη Αξία τομέων της οικονομίας ως %ΑΕΠ (σε σταθερές τιμές 2010)



Πηγή: EUROSTAT, Ameco Database

*Περιλαμβάνονται τα Ορυχεία, Λατομεία και η Παροχή Ηλ. Ρεύματος και Νερού

2 State of the digital economy in Greece.

Greece has one of the least advanced digital economies in the EU and many challenges lie ahead as identified by DESI in the areas of connectivity, human capital, use of internet services, integration of digital technology by businesses and digital public services.

Greece holds a low record in terms of internet penetration speed among companies, thus hindering the further development of the digital economy, an aspect of a more generalised phenomenon of the slow transition to fast and ultrafast broadband in the country.

In terms of digital technology integration, the country lag behind in many aspects except the use of big data and the electronic information sharing, two areas closely interlinked.

On the part of digital education, as highlighted above, only 23% of the employable population show basic digital competences: to tackle this low level of education, the programme "Digital skills for digital Greece" was launched in February 2019. At the same time, the Panhellenic Association of Engineers Contractors of Public Works

(PEDMEDE) launches several training activities in different digital areas for the construction sector.

The improvement are yet to be seen: the Digital Economy and Society Index (DESI) stood at 33.4 for 2020 for connectivity, an improvement from 2019 but still well below the EU-28 countries' average (50.1).

Finally, only 7% of business in Greece use cloud computing compared to 18% in the EU, and only a very low share of SMEs sells online (11%), whose operations only account for 4% of total turnover.

3 An overview of the construction sector e-commerce market

3.1 - Statistics about internet usage and online sales.

Individual internet connections: 80.4% of the Greek households have access at home to the internet, with still somewhat differences regionally. Great progresses have been made in the last years, effectively doubling the level of broadband internet connections (from 2010). 78.1% of the people in the age range between 16 and 74. Regarding internet sales and e-commerce, 1 out of 2 persons in the same age range have concluded an online purchase in the first quarter of 2020. The number is sharply increasing over the years, more than doubling the numbers during the last decade (from 18.4% to 47.8% in 2020).

3.2 - E-commerce Regulation in Greece (Data Protection policies; Consumers' Rights...)

The legal framework is regulated by the general consumer protection law (law 2251/1994) and the specific legislation regulating electronic commerce (PD 131/2003, incorporating Directive 2000/31/EC and Joint Ministerial Decision Z1-891/13-06-2013 incorporating Directive 2011/83/EU on consumer rights). Accordingly, Greek businesses are able to deliver free and unlicensed e-commerce services and to produce valid contracts by electronic means. Regarding the privacy of users, Regulation (EU) 2019/1150 introduced rules regarding the relation between online platforms and their business users: it regulates the conduct of online platforms (thus also e-commerce marketplaces).

3.3 How do most companies use e-commerce and for what kind of services? what services do they sell online? (products, services for construction/rehabilitation such as local work, design, consulting and diagnostic services, ...)

Most businesses in Greece are still not ready to reap to a larger extent the benefits of e-commerce, let alone in the construction sector. Most bought individual goods are clothes and digital equipment (almost 95%). Please see the following table:

Table 2. Internet activities – 1st quarter 2020

| INTERNET ACTIVITIES | Share % of population aged 16-74 years having accessed the internet during the 1st quarter of 2020 |
|--|--|
| Finding information about goods or services | 88.9 |
| Reading online news sites/ newspapers / news magazines | 88.5 |
| Participating in social networks (Facebook, Twitter, Instagram, Snapchat etc.) | 76.0 |
| Using instant messaging i.e. exchanging messages, for example, via Skype, Messenger, WhatsApp, Viber, Snapchat | 74.3 |
| Sending / receiving e-mails | 74.2 |
| Listening to music (e.g. web radio, music streaming, from you-tube, etc.) | 73.0 |
| Making calls (including video calls) over the internet (Skype, Messenger, Facetime, Viber, Whats App, Snapchat, etc.) | 72.3 |
| Seeking health-related information (e.g. injury, disease, nutrition, improving health, etc.) | 66.6 |
| Watching video content from sharing services (e.g. YouTube) | 59.7 |
| Sharing or publishing self-created videos, photos, music, texts etc. on a website or via app | 48.0 |
| Internet Banking via website or app | 46.8 |
| Watching Video On Demand from commercial services, for example, Nova Go, Cosmote TV Go, Netflix, HBOGo, Amazon | 32.6 |
| Playing or downloading games | 32.4 |
| Watching internet streamed TV (live or catch-up) from TV broadcasters | 21.0 |
| Making an appointment with a practitioner via a website or app (e.g. of a hospital or a health care centre) | 10.5 |
| Accessing personal health records online (e.g. laboratory results for medical examinations) | 7.5 |
| Using other health services via a website or app instead of having to go to the hospital or visit a doctor (e.g. by getting a prescription or a consultation online) | 6.7 |
| Selling goods or services via a website or app (e.g. eBay, Facebook Marketplace, shpock) | 5.1 |

3.4 - How dynamic and interactive are the websites from most companies? (Try to give a perspective of the best and the worst that you can find at the moment)

Very common and popular websites used in Greece for ecommerce are eFood and Skrutz: the first one meant for purchasing takeaway food (especially during the lockdown but not only): this website is mostly used from mobile devices and it has recently started hosting, within the same platform, supermarkets that grant the possibility to end users to order groceries. It is very user friendly and smooth, although it doesn't always provide information in English. Differently, Skrutz is a platform for generalised ecommerce, and it offers many different products according to the shops it hosts. It is user friendly and quite smooth from both mobile and desktop.

3.5 - What kind of software and technology is mostly used?

Regarding payments, debit cards represent now the most popular means of payment (64% of online buyers use it), followed by Cash on delivery (57%) and credit cards (42%). Nowadays, 98% of Greek online consumers access the internet daily, and mostly they use search engines to compare prices and electronic banking for various operations.

3.6 - What is the weight of the international sales?

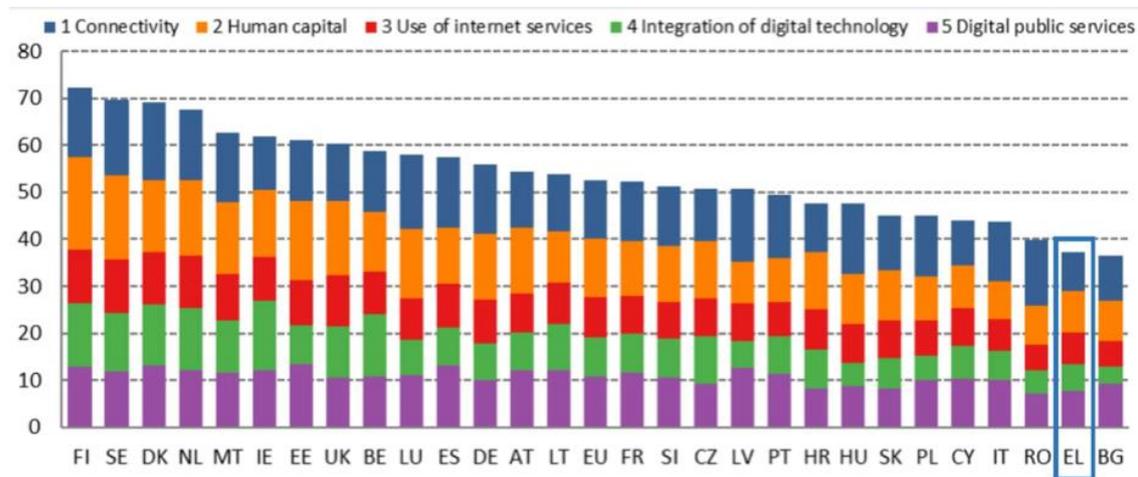
It is very low: 93.1% of the consumers prefer online domestic sellers, a number that even increased from 2019 to 2020 (before it was 86.7%). ELSTAT does not provide specific numbers on the sale though. They are provided by the International Trade Administration of the United States, stating that although they represent 25% of total online purchases, they have decreased by 5% last year. Currently, only 24% of Greek businesses offer their goods abroad via e-commerce (mostly to the EU or the US).

4 E-commerce main barriers for the SMEs of the construction sector

4.1 - How complex is it to start an e-Business?

The first aspect that needs to be highlighted is that the ecommerce market weight is not extremely appealing: so, at least for the first part during the development of the market, the newly established business will have to face an immature market. In terms of legislation, the directives appear to be clear and in line with those given by the European Union. On the other hand, witnesses from entrepreneurs' report that the bureaucracy represent still an important obstacle for the time it takes to be completed. Overall, the digitalisation of businesses in the country still faces

important structural challenges, which are easy to understand if we look at the following table from DESI. (2020).



4.2 - Is there enough information and training available on the topic?

There are courses on digital skills available in Greece, some offered even by IDEC itself. Important to say is that VET schools have quickly adapted to the pandemic for offering distance learning-based classes (a 95% of adaptation was reported). Furthermore, the Digital Strategy 2021-2025 explicitly mentions the possibility to organise courses with modern educational tools for training in digital skills for SMEs' employees in certain areas, among them also e-commerce businesses.

These are some examples. The first one presented is provided by **The National and Kapodistrian University of Athens** and has ECVET credits associated to it, which might represent a good example for the project.

The focus of this course is on the management of the actual e-business, whereas no programming skills or knowledge are required. The learners will be able to manage in a flexible manner the content and objectives of the online shop. These are following topics:

- Online store management with Magento (an Adobe open source service for e-commerce)
- Introduction to e-commerce
- Introduction to Magento work environment
- Product and catalogue management
- Customer management
- Sales & order management
- Promotion and marketing

- Multiple websites & stores management
- Reports & analytics
- Content & design management

The duration of the course is set at 60 hours over 3 months, for an allocation of 2.4 ECVET points. The full price of the course is around 500€, with different discount rates applicable. The course is hosted here ([https://elearninguoa.org/?utm_source=elearningekpa.gr&utm_medium=referral&utm_campaign=Click From EN Version Website Header Right](https://elearninguoa.org/?utm_source=elearningekpa.gr&utm_medium=referral&utm_campaign=Click+From+EN+Version+Website+Header+Right)), the Supplementary Distance Education Programme (E-learning) of the Center of Continuing Education and Lifelong Learning in cooperation, as mentioned before, with the National and Kapodistrian University of Athens.

<https://elearningekpa.gr/courses/magento-gia-ecommerce-hlektroniko-emporio-oi-ptuxes-tou-ecommerce>

Computer START – "Certified E-commerce Consultant (CEC)"

The learning outcomes of this course, the duration of which is 15 hours, is to be able to imagine and implement a web platform for online commerce. Choosing electronic payment methods, coordinate the web developing team, strategically evaluate the website and promote it on appropriate channels. Intended as vocational training, with the possibility to blend the face-to-face component with e-learning methods. Among the topics discussed in the course, except for those already mentioned, there are: evaluation of e-commerce models, online security and cryptography, website design, others.

<https://www.semifind.gr/seminaria/view/Seminario/9208/Certified-E-commerce-Consultant-CEC-pistopoiimenos-symvoylos-ilektroni>

University of Piraeus: "E-Commerce (e-learning)"

The topics touched by the e-commerce course provided by the University of Piraeus are: product and services marketing, delivery management, online auction, direct sales to the consumers and after-sales service. The core aspects of this course, similar to the previous one, mostly revolve around the business model for an e-commerce, the use of advertisement for online promotion, security transactions and others.

<https://www.semifind.gr/seminaria/view/Seminario/8488/E-learning-ilektroniko-emporio>

4.3 - What are the reservations or concerns that prevent entrepreneurs from adopting new behaviours and using new tools regarding e-commerce?

In terms of concerns for the entrepreneurs, there is definitely the fear that bureaucratic pressure might be too big to handle, especially in the case of SMEs. Many months to get all the necessary permits from office (tax office, Chambers of commerce etc.), before even approaching the payment question with the banks. Entrepreneurs have reported that the banks, in order to allow online payments on the ecommerce platform, required an important share of data collection from the end users and that the website is completely in Greek language. Possibly the conditions for setting up an e-shop have improved since that witness because now it is a requirement to access the "e-Retail" fund (see below)

4.4 - Is the security of online transactions still a concern?

This aspect does not represent a major concern for buyers in Greece as long as well-known carrier for online transactions are supported. In fact, in the last few years, debit cards have surpassed cash on delivery as the preferred method of payment, which proves further that people's preferences are switching to online purchasing (this is also due to banking control over capitals).

4.5 - What are potential disadvantages of e-commerce in the construction sector when compared to other sectors and how might they be surpassed?

For the construction sector, given its quite bad shape after many years of employee and capital haemorrhage, there might be important challenges to overcome in this area compares to other sectors' SMEs. The first one is to lack liquidity to invest in setting up an e-shop. Even more so if the company does not have the necessary digital skills in-house and necessitates to outsource them to a consulting company or hire e-commerce manager.

5 National initiatives and incentives for digitization and more specifically for e-commerce

Greece recently launched a "Bible" in this sense: it is the strategy for the Digital Transformation of the country. Although available only in Greek at the moment, the main features of this digitization strategy are its holistic approach (so encompassing all areas of the digital world for a complete digital society) and the cooperation between all stakeholders (public, private, businesses, universities, civil society etc.). The first point relating to the ease of doing business is the even wider access of the population to the internet. Then, the strategy has a specific point on the digitization of business, namely to "facilitate the transformation to digital enterprise": this entails the creation of a central network for digital invoices, the promotion of online

training programs and the support of electronic commercial solutions. The strategy itself acknowledges that SMEs are more and more involved in the digitization process, but mostly for the national market.

Most importantly, it has been announced that a fund for supporting businesses to open an e-shop will soon be active thanks to the European Structural Funds. The financial subsidy will cover 100% of costs until 5000€ for setting up e-commerce platforms for SMEs. It's called "e-Retail".

6 Training courses currently available in the country to support e-commerce in the construction sector.

Not that I could find.

7 Aspects to be improved – importance of training.

The education of digital skills. As highlighted above, most of the employable population in Greece lack the basic digital skills, in a market where by now 90% of the jobs require such skills. The Greek government is aware of the challenges regarding the structural obstacles (infrastructures, internet connection etc.), so it is important to develop quality training material that can be exploited, with the Greek Ministry of Digital Governance representing a great stakeholder for the project.

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