



Canadashop.com showcases diverse retailers with one-stop virtual mall.

Application	One-stop Internet shopping mall featuring multiple Canadian merchants
Business Benefits	Revenues growing at 200% per month; 100% payback estimated in one year; 100,000 hits daily
Software	IBM Net.Commerce IBM Net.Data® IBM DB2® Universal Database™ for Windows NT® Lotus® Domino™ Lotus Notes®
Hardware	IBM Netfinity®
Business Partners	Interdynamix Systems Corporation Caledon Card Services

Shopping online means no crowds, parking hassles or long lines, compared to visiting a brick-and-mortar mall. But what if you wanted to fill your virtual shopping cart with items from different vendors? Well, then you need to visit an online shopping mall like Canadashop.com. Hosting a marketplace of more than two dozen merchants, Canadashop.com is growing rapidly. The mall brings true convenience to the online shopping experience by enabling customers to order products from any number of its stores—and check out only once.

“Revenues have been growing at 200 percent each month since we deployed the IBM e-business solution. At this rate, we expect we’ll achieve 100 percent payback in one year.”

*— John Putters, President,
Canadashop.com*



At Canadashop.com, shoppers need only one virtual shopping cart as they browse the storefronts of different merchants.

It's about business, not just technology.



Top off your morning waffles with real maple syrup found at A Taste of Canada, located at Canadashop.com.

“What’s really nice about DB2 is that, right out of the box, it’s suitable for a small project and gives you the foundation for a much larger and more complex system.”

—Michael Peckham, Head Technologist, Canadashop.com

Canadashop.com offers shoppers a uniquely Canadian flair, featuring bookstores, gift retailers, clothiers, a music store, camping gear retailers, toy shops and even a pet store. Many of these are small, specialty businesses taking their first steps into the e-commerce world. And, they’re attracting tremendous attention—each day, customers generate 100,000 hits. With a customer base of thousands—and growing—Canadashop.com is poised for success.

Parent company CSM Systems Inc.—an e-commerce systems developer—teamed up with IBM Business Partner Interdynamix Systems Corporation to build the shopping portal using IBM Net.Commerce START, IBM Net.Data and IBM DB2 Universal Database running on two IBM Netfinity 7000 servers. Interdynamix, a high-end systems integrator, designed and architected the solution. The site’s graphical elements were developed by CSM Systems’ in-house technical team and implemented by Interdynamix. “When you have the right technology behind your application, it can really make a difference to the bottom line,” says John Putters, president of Canadashop.com. “Revenues have been growing at 200 percent each month since we deployed the IBM e-business solution. At this rate, we expect we’ll achieve 100 percent payback in one year.”

Ordering is a click away

Canadashop.com provides search capabilities by keyword, mall category or specific store. Following a one-time registration on the site, customers may shop from various merchants at the online mall, checking out only when they’re ready to make their purchases. Conveniences provided by Net.Commerce add to the shopping experience at Canadashop.com. “Net.Commerce enabled us to easily create value-added customer-service features like customizable address books—in a matter of clicks, our customers can have a gift delivered right to Mom’s door,” notes Putters.

For merchants, Canadashop.com is designed to provide affordable entry into e-commerce, as Net.Commerce offers a set-up that is relatively inexpensive, eliminating the need for merchants to hire information technology (IT) experts to maintain the online store. A business that has 250 products to sell on the Web, for instance, pays Canadashop.com a one-time set up fee that’s as low as \$500. “This was a bargain—a lot less than it would be if we had to hire outside vendors to launch our own e-commerce site,” says Brad Greenwood, owner of Greenwood’s Bookshoppe, one of the newest stores at the online mall. “Canadashop.com makes it easy for small businesses like ours to sell online, and not be left out of the thriving Internet community.”

For each online sale by its merchants, Canadashop.com earns a commission of seven percent. When a customer submits an order, an e-mail notification is sent to Canadashop.com, the merchant and the customer. In the meantime, the customer's credit card is authorized and funds deposited into Canadashop.com's bank account using an authorization process developed by IBM Business Partner Caledon Card Services and implemented by Interdynamix. The merchant then processes the order and, after shipping the product, logs on to their account to update the order status. At this point, another e-mail notification is sent to Canadashop.com and to the customer.

"Then, we initiate a seamless electronic fund transfer process that calculates and deducts our commission and transfers the remaining funds from our account to the merchant account," explains Putters. "It's a good system for the customers, because it means we hold their money until their purchases are actually shipped, providing a pledge of delivery. And, for the merchant, it's an incentive to fill the order expeditiously."

IBM the clear winner

There was a time, however, when it appeared as if this e-commerce site wouldn't be able to accommodate the growth that Putters and his team envisioned. When CSM initially launched Canadashop.com in early 1996, the site—created with proprietary software—lacked the scalability and flexibility the company desired. CSM had hoped for a site that would be virtually limitless in accommodating merchants, while offering retailers enough customization to stand apart from the crowd.

When Putters and his team began considering a relaunch in 1998, they also evaluated e-business solutions from Oracle, Microsoft and several other vendors. "After mulling over a list of pros and cons of each solution and the experience of each vendor, IBM came up the clear winner," notes Putters.

Net.Commerce is the central application powering Canadashop.com. "Net.Commerce is really quite an amazing system," notes Michael Peckham, Canadashop.com's head technologist. "It puts everything in the right place for building your online storefront. We've found the administrator function of Net.Commerce particularly useful in linking front-end applications to multiple database tables on the back end."

Packaged with Net.Commerce are DB2 Universal Database and Net.Data. DB2 is the data management system that stores Canadashop.com's merchant catalogs. Interdynamix deployed Net.Data to dynamically generate each Web page, pulling information from DB2 and displaying it on users' screens. Net.Commerce is integrated with Lotus

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—Michael Peckham



Teddy bears are abundant at Binkley Toys, a teddy bear factory hosted at Canadashop.com.

Domino, which provides the e-mail notification capability, using Lotus Notes.

“Net.Data is one of the most valuable components of our solution. It’s extraordinarily fast for formatting and displaying pages,” says Peckham. “Another bonus is DB2—a robust product that I am particularly fond of for its ability to create, customize, configure and optimize the database with absolutely no road blocks.” Adds Peckham, “What’s really nice about DB2 is that, right out of the box, it’s suitable for a small project and gives you the foundation for a much larger and more complex system.”

Yet another powerful motivator, says Putters, was the IBM e-business Mark, which graces the site’s home page. He notes that the e-business Mark not only brings the company great credibility, giving customers the confidence they need to shop online, but also provides savings from the free ethical hack scans included in the program.

No limits

Pleased with its IBM e-business solution, Canadashop.com is planning to launch an online factory-outlet mall soon using a similar solution, including Net.Commerce and DB2. Factorymart.com is envisioned to be an online clearinghouse where large retailers, wholesalers and manufacturers can sell clearance items and auction off big-ticket clearance goods. Rather than the individual storefront format of Canadashop.com, Factorymart.com will enable retailers to upload products onto pages with appropriate categories, such as computers or furniture.

As Canadashop.com enlists more companies to join its online venture, the company will continue to enhance the online shopping experience. Currently, Putters and his team are evaluating IBM Intelligent Miner™ for Data to add data mining capabilities to Canadashop.com, which would enable Canadashop.com to develop targeted marketing campaigns based on customer information. They are also looking into using IBM Payment Suite to enable security-rich electronic payment processing.

With IBM e-business solutions powering their online venture, Putters and his team are confident they can meet their goal of hosting at least 100 merchants at Canadashop.com by April, 2000. And after that, they say, there’s really no limit to where their e-commerce business can go.

“As with any other e-commerce venture, our biggest challenge is to build and retain customer loyalty,” says Putters. “By using proven e-business solutions from IBM—and with the expertise of the IBM Business Partners—we are confident we have a unique model that equips us to meet this challenge.”

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