

Strategic Development Trends of E-commerce in the Republic of Serbia

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Abstract - Strategic development trends of e-commerce relate to the perception and follow-up the dynamic environment with special emphasis on considering consumers' requirements. In case of e-commerce, trends have an extraordinary importance because it stimulates new technologies development, innovativeness, as well the total increase of national economy competitiveness. Formulating successful strategy relates to the estimate of Critical Success Factors (CSF) for the needs of multilevel business model of e-commerce in the Republic of Serbia. Therefore, for Serbia, it is very important to recognize e-commerce development models according to the strategy of national economy development.

I. INTRODUCTION

The strategic development trends of e-commerce in the Republic of Serbia start with identifying the possibilities and risks in commercial firms business. To identify possibilities of e-commerce in Serbia, many enterprises ask questions and try to achieve answers. Among them, special attention is paid to the following:

- What is the efficiency of consumers' services via the Internet technologies?
- What is the possibility to retrieve information on individual consumers with a view of successful interactivity?
- What kind of help based on the experience of e-commerce with other consumers can we give consumers?

These questions point to the presence of many CSF for the needs of e-commerce in Serbia. CSF relates to business, technologic and personnel factors that contribute to realizing set goals of e-commerce.

Leading factors of e-commerce development are competition, technical infrastructure, software solutions, characteristics of products and services, top management support, e-commerce project costs, etc [1].

Based on the cited, we can state how to increase e-commerce possibilities in an enterprise through the strategic approach to technological applications.

II. BUSINESS STRATEGIES OF E-COMMERCE DEVELOPMENT IN THE REPUBLIC OF SERBIA

The essential question for successful e-commerce programs relates to the possibilities of strategic approaches to technological applications in the global market. Possibilities for successful e-marketing channels are created only in the conditions of existing global markets, which enable constant data harmonization defined according to determined standards between business partners.

The Global Data Synchronization Net (GDSN) is based on standards of the global environment, providing all the participants of e-marketing channels consistent data for developing business strategy systems. Business strategies for e-commerce development can be competitive and cooperative business strategies [2].

Competitive business strategies provide the market survival relating to other competition. Competitive strategies are mostly planned to be offensive or even defensive. Offensive strategies provide the competitive position in the market by attacking competition. Large traditional traders assault, through e-commerce, the frontal attack with a view of expelling virtual traders who take a significant part of their market. The other form of attack strategy includes the side maneuver, where it starts with the frontal attack where competition is the weakest.

The defensive strategy takes the place in the framework of the current position, in order to provide defense from competition attacks. Defensive strategies decrease the intensity of attacks and exert influences on its defeat. These competitive strategies lay a foundation for the long-term business profitability.

Cooperative strategies, through cooperation with other companies, strategic associations and partnerships, enable the realization of competitive advantages. Strategic associations in the segment of e-commerce include associations of the largest traditional and virtual traders. Many companies in Serbia should orient their cooperation toward home and foreign partners.

The e-commerce development strategy in Serbia relates to:

- Promotion of products and services through interactive contacts with consumers;

- New electronic marketing channels where the two-way communication is provided;
- Direct savings thanks to the realization of delivery of digitalized products and information on the Internet.
- Reduction of time cycle of digitalized products and services delivery;
- Web activities to stimulate the image of commercial firm brands.

E-commerce realizes competitive advantages by mass adaptation to the global market [3]. The global e-market provides a row of competitive advantages in relation to traditional methods of disposal of goods.

III. THE ESSENTIAL FORMS OF E-TRADE DEVELOPMENT BUSINESS MODELS IN THE REPUBLIC OF SERBIA

There are many e-commerce business models, where we should emphasize that most companies are near two basic business models B2B and B2C.

Therefore, it is important for Serbia to recognize these business models according to the strategy of national economy development, and it proposes the following question:

- How to win in the Serbian market for the strategy of sustainable competitive advantage offering the assortment of products and services in the global electronic market, where every consumer is unique in his/her requirements (1:1)?

The B2B model of e-commerce in Serbia gives the possibility of selling products and services thanks to the Internet technology [4]. The business B2B model of e-commerce has the characteristics of supplier, consumer or intermediary market. Market oriented toward consumers has a special importance in Serbia for large companies, which through e-shops and e-centers research and compare supplies with a view of adequate acquisition of products and services via the Internet.

The following model being interesting for Serbia are e-distributors who represent companies which supply consumers directly with products and services. Money transfer online is a prerequisite and it has grown accustomed to life in Serbia, and in this way the B2B business model gets a chance for its further development.

The B2C e-commerce model includes business transactions between companies and consumers, and it is oriented toward the strengthening of interrelations with consumers through personalization and marketing 1:1 [5].

Thanks to the B2C model, some possibilities of reaching consumers outside of borders of the traditional market appear. The socio-demographic, psychological and social determinants make specific elements in the framework of the consumer policy [6]. Great changes in Serbia with the new global economy create big possibilities to win new consumers' trust.

Besides the cited two e-commerce business models, we can meet other business models as B2A, C2A, C2C,

C2B P2P, mobile commerce, etc. The leading advantage of mobile commerce (also known as M-Commerce) is connected with the approach at anytime and anywhere, thanks to the high degree of interactivity and personalization with consumers. Location-based M-Commerce gives possibilities of an easier approach to information in the environment.

Online interactive communications realize the possibilities of applying new marketing business strategies oriented toward the new seller-buyer relation, with a view of realizing competitive advantages. Creating the strategy of interdependent relations with consumers enables to become acquainted and interactive relationship on the individual basis.

Adapting to the global market conditions is realized through the answer to question:

- How to answer consumers in the new e-market in a profitable way?

Establishing interactive relationships between sellers and buyers (consumers), new relationships are built, where an unbreakable connection between participants in marketing channels creates. New online communications give new chances with the emphasis on the individual strategy through Customer Experience Management (CEM). New points of contacts through online communications in e-commerce business models are realized by advertizing in electronic media, which must be two-way ones.

The key component of relationships between suppliers and buyers is information technology, which, thanks to globalization, brings to integrated two-way interactive communications. Feedback information from buyers through the experience of online buying and website visits advances the quality of products and services. The strategy of CEM enables unbreakable connections of all the participants in e-commerce business models, by which competitive advantage in the global e-market realizes.

IV. WEB ACTIVITIES IN MANAGEMENT OF E-COMMERCE MARKETING

E-commerce gives significant possibilities for implementing brand strategy. In other words, brand management goes to the virtual environment, and it is followed by new challenges for its creators. Challenges are primarily present in finding new forms for the personalization of "offer package" to individual consumers. It is based on high-quality information about consumer behavior on the Internet. Present differences in consumer behavior in traditional trading in relation to the consumers in online shopping require the change, i.e. the redefinition of brand performance and its brand promise.

Brand performance advance in e-commerce supposes the application of some principles:

- Listening to communities rather than telling customers;
- Recognizing that communities co-create brand value, rather than passively consuming brands;

- Becoming more community focused and rapidly responding to new suggestions;
- Relaxing control over brands.

The analyses of beginning experiences of e-commerce during brand introduction on Internet marketing points to prevailing strategic approaches in accordance with policy making of low prices and price percent for brands relating to different geographical market segments. The possibilities of comparing brand prices on the Internet represent the basis for e-brand strategy development adapted to price-oriented consumers.

The segment of price-oriented consumers, although dominant, does not represent the limiting factor for e-brand development planned on the value added of products/services. The strategy of price-oriented e-brand is suitable for the initial consumers' attraction, while for their loyalty, it is necessary to develop e-brand based on the concept of value added for consumers.

The weaknesses of price-oriented e-brand strategies are visible in their blunder of the fact that consumers exchange information on brand prices and their own experiences on perception and satisfaction of e-brand buying through different forum groups and social nets.

It is interesting to emphasize the results of web researches of Marketing proof 2011 [7], according to which 53% of enterprises plan social media marketing, while 26% of them plan the implementation of these web activities in the next 12 months. At the same time, enterprises show the high interest to the application of m-commerce; 44% already apply mobile applications, and 31% plan its introduction in the course of 2011.

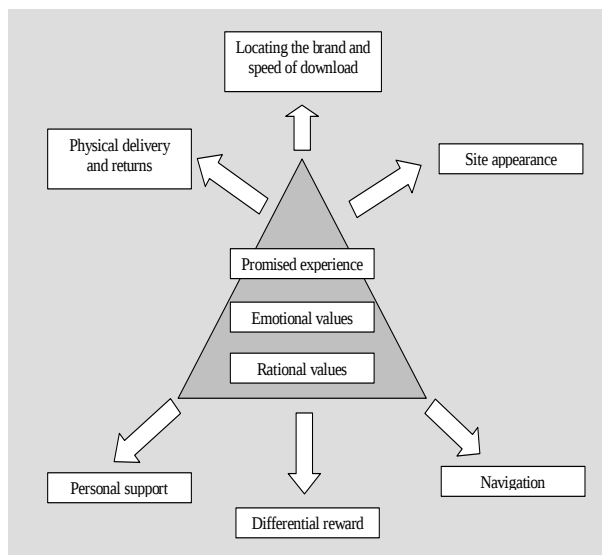


Figure 1. Promise brand management in online environment

The basic task of e-brand creators is to define the characteristics of brand promise in relation to the rational value – emotional value. The strategic framework for e-brand development is the choice of optimal element combination, the so-called Brand triangle, illustrated in Figure 1.

E-brand differentiation points to the choice of the essence of its value added and determination of the way for its positioning into three types – services, search goods and experience goods [9].

V. CONCLUSION

The strategic trends of e-commerce in the Republic of Serbia show the high degree of compatibility with the global e-commerce trends. Following up the requirements of Internet consumers and the personalization of relationships with them, represent the key point of innovative performance of e-commerce. Formulating the successful e-commerce strategy is necessary to realize through the choice of optimal business models as the answer to the present Critical Factor Success (CFS). All available business models offer possibilities for positioning e-commerce offer/brand, which should be in accordance with recognized expectations of online consumers. Among available models applying in Serbian markets, mobile commerce is distinguished. The reason for it is its advantage in relation to other business models. It also relates to an unlimited approach and territorial availability originating from the high interactivity and personalization with consumers.

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