



# Marketing



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**ONLINE STORES - THE WORLD  
TREND AND EXPERIENCE  
IN REPUBLIC OF MACEDONIA**

**Abstract**

The rapid development of computer technology and the explicit growth of the Internet imposes a great confidence on people that one day all business transactions, personal and commercial, will be made online. Modern society is characterized by the synergy of many, in appearance different areas of human interest. Today, it is difficult to pull a clear boundary between, for example, mobile phones, mobile computers, modern TV sets.

The good thing about e-commerce is that there are constantly new opportunities opened up in new markets. But main question is: are individuals and companies ready to fight in this field? Globalization requires strong "actors": the ability to provide services throughout the day, in different languages, to meet the demands of

people of different cultures. It is necessary to possess enormous dexterity, knowledge, access to information. The swap swiftly passed the trillions of dollars. E-commerce is expected to become the largest retail channel in the world by 2021, surpassing sales through retail outlets such as supermarkets, independent merchants, clothing and footwear stores, among others.

In this paper, the focus is placed on Internet shops as a contemporary trend in the world, their stagnation and the habits of customers with electronic commerce in our country.

**Key words:** e-commerce, internet, purchasing, product, research, development, representation.

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## **ONLINE ПРОДАВНИЦИ - СВЕТСКИ ТРЕНД И ИСКУСТВОТО ВО РЕПУБЛИКА МАКЕДОНИЈА**

### **Апстракт**

Забрзаниот развој на компјутерската технологија и експоненцијалниот раст на интернетот им влевал голема доверба на луѓето дека еден ден сите деловни трансакции, лични и комерцијални, ќе се извршуваат online. Современото општество се карактеризира со синергија на многу, на изглед различни области на човечки интерес. Тешко е денес да се повлече јасна граница меѓу, на пример, мобилните телефони, мобилните компјутери, современите телевизиски апарати.

Добрата работа околу е-трговијата е тоа што постојано се отвораат нови можности на нови пазари. Но основното прашање е: дали поединците и фирмите се подготвени да се борат на ова поле?

Глобализацијата бара силни „актери“: способност да се даваат услуги по цел ден, на различни јазици, да се задоволат барањата на луѓето од разни култури. Потребно е поседување огромна умешност, знаење, пристап до информации. Размената брзо ги преминува износите во трилиони американски долари. Е-трговија се очекува да стане најголемиот малопродажен канал во светот до 2021 година, надминувајќи ја продажбата преку продажните места, како што се супермаркетите, независни трговци, продавници за облека и обувки. Во овој труд, фокусот е ставен на интернет продавниците како современ тренд во светот, нивната застапеност и навиките на купувачите со електронската трговија во нашата земја.

**Клучни зборови:** електронска трговија, интернет, купување, производ, истражување, развој, застапеност.

### **1.Introduction**

Modern science intensively uses modern achievements in everyday human need. We can say that these achievements are primarily used in modern business. Computers have been used for business purposes for decades, but that area where the business is on the side is the Internet. Until

1998-1999. the use of the Internet was, in addition to science and military purposes, a kind of primary information exchange, and, it can be said, with a large share of fun content. In such conditions, the immaterial factor - the information assumes the main role, ie the replacement of energy, as a development

engine. Or as in the 1980s, the legendary Citibank leader Walter Wriston said: "Information about money is almost as important as money itself." That's the truth for business today.

One of the phrases well known today is: "Wear the world in your shopping bag !!" It does not exaggerate the fact if you say that: the world is now uniting with just one click on our computers. Always, all the alluring materials around are an exodus in the world of the Internet. We do not often think that instead of taking a walk through the market before we buy a mobile phone, we can do a healthy online research that in some cases is followed by online shopping. The script is not limited to mobile phones only. It covers a wide range of products such as household appliances, consumer electronics products, books, clothing, travel packages, etc., and even electronic content itself.

In today's world of increased globalization of the market and economic regionalization, business can not be successful without the use of modern information technology. The networking of companies and public administration and the development of the Internet have led to major changes in the way and efficiency of the business system. The Internet has completely changed the way of doing business, breaking geographical boundaries, language barriers and currency constraints. Simple and fast communication, almost instantaneous transmission of large amounts of data on long-range relationships, easy publishing and updating of multimedia documents and their continued global availability, delivery of digital products and services, direct payment via the Internet, creation of virtual organizations are only a few advantages. All this represents the elements of a new form of business, the so-called. electronic business.

The largest number of young people connected daily on the Internet are in the Netherlands (90%), Denmark and Estonia (88%) and Finland and Sweden (87% each). On the other hand, only 41% of young people in Romania (younger than 25) use the internet daily, while young people in Greece and

Ireland are in better shape, with 57% and 58%. [Темјановски, стр.25]

Electronic business includes e-commerce that describes the process of buying, selling, transferring or exchanging products, services or information through computer networks, including the Internet. Electronic commerce is a set of intangible links maintained by economic agents. This definition implies any transaction that appears online, a telephone, a bank network, etc., as well as any other form of payment, whether real or electronic money is used.

Electronic commerce can most widely be defined as selling and buying goods using computer networks. E-commerce is not a new activity, but its origin dates back to the 1960s, i.e. the emergence of electronic data interchange - EDI.

Online shopping can be the fastest, and most often the cheapest way to buy a product. Internet commerce is considered the most profitable form of trade for simplicity and low cost. Buying is possible at any time of the day or night, 365 days a year, there is no restriction for the customers from the neighborhood, no lease of office space is required etc. Wherever it is, the seller who places his product on the Internet allows other Internet users to see his product even though they are thousands of miles away. The establishment of a classic retail chain requires a major investment in infrastructure, space, employees and auxiliary equipment. Online retailing is much cheaper, as all physical stores replace a website that is popularly called an online store.

Online stores are virtual stores and are the place where buyers can choose the desired products and services, while making minimal effort and spending minimal time. They are the main location for e-commerce and today they are increasingly popular for use and visits by millions and billions of buyers around the world. That's why I chose this topic as a topic for my graduation thesis, because I think it is an area for which many interesting facts can be extracted, numerous criticisms, positive or negative, and research into the factors that influence their use in the



world , but with particular reference to the Republic of Macedonia. For accepting electronic commerce by the masses, it is necessary, first of all, for users to have confidence and a sense of control over the use of their personal data. Then, people have to be sure in the delivery of the products they ordered from the online store.

The goal of this graduation thesis is to investigate and analyze the factors that influence the use of online stores in the world and the Republic of Macedonia and the extent to which they are present and popular in our country. For this purpose, I prepared a survey for respondents who are citizens of the Republic of Macedonia. The survey is so formulated, that it explores all the important variables that relate to the experience with the use of such stores.

The graduation thesis consists of an abstract, an introduction, a major part, a conclusion, and a list of used references. The main part consists of three parts: the first part is dedicated to electronic commerce - in general and in the world, the second part deals with online stores, all their aspects and the most popular online stores in the world. The third part is dedicated to online stores in the Republic of Macedonia. In the end, the conclusion and the list of references that I used for the preparation of the thesis were given.

## **1. ELECTRONIC TRADE - A MODERN WAY OF THE FUNCTIONING OF BUSINESSES**

### **1.1. E-commerce - general overview and classification**

Defining e-commerce is not easy, because it is an area that changes quickly. In addition to the technological aspect, it is necessary to emphasize the economic aspect and define electronic commerce as a new market offering new types of goods and services, such as digital products through digital processes. Sellers of physical products are also involved in digital processes, such as online shopping, market research and

payments that represent parts of this new market.

Electronic Commerce (e-commerce) is one of the standard parts of e-commerce. In order to define the concept of e-commerce, we need to rely on knowledge of the concept of commerce as a whole. The word “commerce” comes from the English language which can mean different types of social relations in terms of exchange of ideas, feelings or opinions, as well as a process of strong exchange and transport of goods from place to place. Trade is present all around us in many different forms, and we all participate in trade from different angles.

Electronic Commerce describes the process of buying, selling, exchanging products, services or information through a computer network, including the Internet. E-commerce can be defined in 7 aspects:[Traxler; Temjanovski стр.82-83; Mills Giorgio]

1. Communications from a perspective through the electronic network - electronic commerce is the delivery of goods, services, information or payment through computer networks or by any other electronic means.

2. Trade - from a commercial perspective, electronic commerce provides the opportunity to buy, sell products, services, information online and online services.

3. Business processes - electronic commerce performs electronically by completing business processes via electronic networks, replacing information about physical business processes.

4. Services - E-commerce is a tool that meets the wishes of governments, companies, consumers and management, shortens the costs of services, improves the quality of customer service and increases the speed of the delivery service.

5. Learning - from the perspective of learning, e-commerce is suitable for online commerce, but also education in schools, universities, including educational business incentives.

6. Collaboration - from the perspective of cooperation, electronic commerce is a

framework for inter-organizational and intra-organizational cooperation.

7. **Community** - e-commerce provides a learning community.

The participants in the trade are:

**Buyers** - persons or institutions that have money and who want to replace them for a product or service.

**Sellers** - individuals or institutions that offer products or services to customers. They are usually divided into two major groups: retailers, working directly with end users and wholesalers offering retailing.

**Producers** - persons or institutions that create products or services that are further sold. The manufacturer is always a seller, because he must sell the product wholesale, retail, or even directly to the final consumer.

As in classical commerce, e-commerce also has elements such as: product, place, marketing, ordering method, order acceptance, ordering, product return, warranty, and technical support. For them, it is characteristic that, depending on the degree of development of the company in an electronic sense, some less, and some more, have a recognizable traditional character. The electronic store differs from the classical only according to the means of production. The principle of trade is, of course, the same. Electronic commerce or e-commerce is business communication and transfer of goods and services (buying and selling), through network and computers, and transfer of capital, using digital communications.

Elements of electronic commerce are:

1. **Product** - so that someone can participate in the trading process, there must be something to sell. It is possible to sell two things: a product and a service. Electronic commerce can be seen as a complement to classical trade, i.e. a new form of classical trade, which includes "classical" products and services. There is only a different way of delivery.

2. **Place** - the place of sale at the electronic commerce is the website, or the space for the store, and is part of the web space. In this space, laws of physics are applied in a completely different way,

because it is a matter of immaterial space: the web store is equally visible and accessible, its working hours are unlimited, and its reactions to the client are equally fast.

3. **Marketing** - the purpose of marketing is to increase customer traffic through the store and increase the percentage of visitors who decide to buy the product. As the classical store needs advertising, so the online store requires Internet users to find out about the website, to visit it and find out what the store offers.

4. **The method of receipt of the order** - an electronic store ensures the receipt of orders automatically, through a form on the website, and without the need of personnel in order to deal with the customer contact. The principle of ordering e-commerce is as follows: the term virtual shopping cart is introduced. The user reviews the products (which are sorted by category), each product being offered along with detailed specifications and the like. Also, within the screen of each product there is a possibility of "adding" the product to the "basket". This is usually done using a button (or a regular connection, even though the button is more common in practice) with the "add to cart" tag. When a visitor clicks on that button, it is considered that he has decided to buy that product, and the server keeps a record of it. The visitor (who we can not yet call a buyer) can at any moment consider the current contents of his basket and, if he so wishes, can remove certain (or all) products. He is not obliged to pay until he makes the final decision, and select the link he leads to the payment. The benefits of e-commerce are already seen: the user, besides doing it from his home and being completely inappropriately dressed, can easily choose products without rush. The choice of products can take days, in pauses, because the contents of the cart can be stored until the user himself cancels it. So, the user can carefully consider his choice and make sure he has made smart shopping.

5. **The method of receiving money** - the most efficient way to pay, the quickest for the user and the most convenient is the payment

by credit card. However, since this involves entering a credit card number (which is highly confidential information) and sending that number over the Internet, high security for this payment is required. Therefore, the electronic payment process is left to one of the banks that provide the electronic money transfer service.

6. **Delivery** - In trade without a classic store, it is also necessary to ensure delivery of the product after the order has been made (and, possibly, paid). Delivery or transportation of products from the seller to the buyer is most often left to firms that specialize in this business, such as fast mail. Delivery, as a rule, is not the responsibility of the company that sells.

7. **Opportunity for returning the product** - sometimes the buyer is not satisfied with the product he bought, and wants to return it. This is not about a defective product, but more about the client's inability to assess whether such a product is needed or whether it performs the required function - before buying and testing it in everyday life. Such a service is still considered a luxury in our country, but in developed economic systems it is a daily phenomenon.

8. **Guarantee** - in a small percentage, the device has a factory error or a malfunction occurs within the specified time limit. In this case, it is necessary to provide the opportunity to service the product or replace it with a new one (warranty, warranty period). The guarantee is borne by the manufacturer of the product, and the seller only mediates the process.

9. **Technical support** - technical support, in the form of telephone contacting with employees, is provided by firms that sell technical products that are not easy to use. In order to provide good technical support, especially for companies with high product turnover, it is necessary to provide a number of telephone operators who are well informed and educated regarding the characteristics and use of the spectrum of products for which technical support is provided. Such departments mean large expenditures for the firm. And in this part, the electronic business

brings significant savings through the automation of technical support.

## **1.2. Electronic Commerce as a World Trend - Facts and Expectations**

E-commerce is expected to become the largest retail channel in the world by 2021, according to Euromonitor International [Euromonitor Communications], surpassing sales through retail outlets such as supermarkets, independent merchants, clothing and footwear stores, among others. E-commerce will account for 14% of total retail sales in that year. However, future adoption is not evenly distributed throughout the world. E-commerce is already leading the Asia-Pacific region with a penetration rate of 13%, but will not reach the peak in Western Europe over the next five years. Retailers will need to adequately adjust their digital strategies by region, country, and category.

In 2017, e-commerce became the leading retail channel in the Asia-Pacific region, driven by growth in two countries: South Korea and China. South Korea was the first country in the region where e-commerce became No. 1 in 2013 with a 11% penetration of total retail sales. The world's best digital infrastructure, coupled with the high inclination to adopt the latest technology, led the digital revolution.[Grant M.]

According to Euromonitor International's report released alongside the second annual "What's New in Retail: Emerging Global Concepts" Internet retailing is the fastest growing global channel, and with scope of 73 percent to become a larger channel than traditional grocery retail. Within internet retailing, the food and drink category is expected to see the fastest growth at 80 percent. With mobile internet retailing expected to reach 50 percent of total e-commerce sales in 2019, retailers are looking at the next wave of technology to create new ways for consumers to shop.

New market investigation illuminate that Asian markets are now driving ecommerce growth on the international scale. By the end of 2017, ecommerce transactions in the Asia-

Pacific region (including East Asia, Southeast Asia, India and Australia) expected to reach USD 2.352 trillion and more than double to USD 4.058 trillion by 2020. In addition, Asian countries are considered the pioneers in m-commerce (sales via mobile devices including smartphones and tablets) and s-commerce (sales via social networks). Leading retailers in China, Alibaba and JD.com, have built retail ecosystems with the best choice and range of pricing while addressing logistics and payment challenges. Both continue to improve proportionally to digital experience, speeding up delivery and expanding product categories.

E-commerce in the US and Canada, in combination, will be the largest channel in 2020, accounting for 16% of retail sales - not too far behind the Asia-Pacific region. Retailers in both countries eliminate friction in digital commerce. The focus of retailers in both countries is to offer more shipping options, such as shopping in stores, lockers or hourly delivery / delivery on the same day.

E-commerce will be the largest channel in 2019 for the United Kingdom with 18% of total retail sales, Denmark (17% e-commerce penetration) and Finland (14% penetration of e-commerce) after 2020 and 2021, respectively. In other countries, e-commerce will not be a top spot in the next 5 years. Although the third largest retail market in Western Europe (behind Germany and France), the UK, was the largest e-commerce market in 2017-50%, greater than second place - Germany. This leadership is thanks to the rapid adoption of UK online grocery shopping compared to Germany and France. Germany is expected to reduce the gap through larger movements of clothing and footwear sales online.

The rise of e-commerce affects retailers in terms of a range of issues, from investments to organization of sales planning. Retailers need to be prepared on how quickly this channel will become a significant part of their sales. At the same time, retailers need to understand how digital commerce will develop by country and type of category. Western Europe is a great example of how

countries and categories move on the Internet at different speeds: food and groceries are leading digital commerce towards the UK's third largest retail market, while clothing and footwear will help the largest market, Germany, to close the gap between the two countries.

## **2. ONLINE STORES**

### **2.1. Generally for online stores**

When we talk about online stores, we can only be sure that they are gaining momentum and definitely represent the most sought-after and the most used tool in the present world. Many ask the question "How do I open an online store?"

#### **2.1.1. Who can open an online store?**

An Internet shop can be opened by individuals and legal entities. There are many more limitations, if you are an individual. Individuals can easily sell products that independently produce them or services they perform independently. Legal entities on the other hand can sell their own products and services, but also sell them from other suppliers.

There are also small limitations for legal entities when it comes to products from other suppliers by foreign payment card processing providers. Those cards require reliable contracts with suppliers that clearly state that they allow their products to be sold in an online store. With domestic banks in Macedonia, the level of control of suppliers is much lower and with our banks it is much easier to make an agreement for processing card payments. All payment providers do not allow the sale of unreasonable products or products that are prohibited for sale by law.

#### **2.1.2. With which domestic payment providers can an agreement be concluded?**

With all commercial banks that offer payment processing service over the internet. In the Republic of Macedonia, the stores have positive experiences with Stopanska Banka, NLB Banka, Komercijalna Banka, Halk Bank and others.

### **2.1.3. Where does the owner host the store?**

It is best to choose hosting from the offered hosting partners for the solution, because with the purchase of hosting you will also get the opportunity to install a few clicks and open your online store. Otherwise you will need to engage an expert person or company to do it for you. If you intend to sell only in the territory of one country and expect a large number of visitors to consider the option to host in that country, as this will give you much faster speed for your online store. Higher speeds allow visitors to decide to visit you more often.

### **2.1.4. How to connect the online store with the bank?**

For this purpose, a module or connection for processing payment through the payment provider is required. Basic needs are: software - an online store, hosting, fixed IP address, security certificate, module (connection) for processing card payments, agreement with a bank for realization of card payments.

### **2.1.5. How should the online store look like?**

Every Internet shop should have a well thought-out design, because the design is one of the key elements of the attractiveness of visitors. Each store should basically have the following elements: cover page, header, footer, group page, detailed page, basket, buyers announcement, orders.

These are the basic elements of the page layout for end-users. An online store requires having an administrator part through which the owner will edit the content of the online store and will record and organize orders,

payments and supplies. Almost every online store in the "market place" section has a choice of free designs (themes). The owner should look at it and choose the appropriate topic to implement it. When selecting it, it needs to keep an eye on the version of the theme to fit the version of the online store.

Among the most popular on-line stores in the world, we distinguish: "Ebay", "Amazon", "Sports direct", "Ali Express".

Online shopping is a type of e-commerce that allows the user to directly purchase services or products using an internet and web browser.

### **2.1.6. What are the beginnings of online purchases?**

The first steps in online purchase were made by Michael Aldrich. In 1979, he set up the first teleshopping - shopping at a distance by connecting a domestic TV receiver to a real-time telephone line for information transmission. Today, this type of purchase is known to us as e-commerce, e-shopping and online shopping - a multi-million-dollar fast-growing business that completely changed the way of trading. By 1979, there was nothing like online buying. From the beginnings of the online store in 1980, to this day, it has been perfected to the extent that has caused high expectations from customers in terms of the service they need to get online purchase. Ebay and Amazon are among the first online stores that have been dating since 1995 and currently have around one million users on a daily basis, but also have a wide selection of products.

For the satisfaction of its online shoppers, one of the crucial factors for a successful online market is its good organization. The easy search for products by type and brand is also a service that should be offered by an online marketplace. With this service you can find the product you need in just a few seconds.

Recent research shows that most online shoppers visit online markets firstly to save time. A market offering its "click and order" service along with home delivery, already

occupies a high position on the market with great attendance by online users.

### **2.1.7. Products that are best sold on the Internet**

The Internet provides an environment with a vast trading area. It is precisely because of online commerce that today all things take place faster, life is faster than it ever was. With the emergence of online benefits, dreams and aspirations many people have become a reality. People who had several items to sell, but did not make high profits due to slow processes, felt relief from the on-line sales.

Thousands of products are available on the web from numerous vendors. The most popular categories are:

- **Computer hardware and software.** Dell and Gateway are among the most famous online sellers of computer hardware and software.
- **Electronics.** According to the Consumer Electronic Association, 10 to 15% of electronics are purchased by consumers online. Examples include: digital cameras, printers, scanners, wireless devices, etc.
- **Books and music.** Amazon and Barnesandnoble are one of the major world book sellers.
- **Health and beauty.** Versatile products for health and beauty are sold online by the most famous retailers and specialized stores.
- **Clothing.** Through the costuming of pants, t-shirts and even shoes, online sales of clothing is on a steady increase.
- **Jewellery.** Following the example of those who sell jewellery through TV, a number of companies now sell jewellery online.
- **Cars.** Car sales via Internet began in 2004 and increased considerably by 2007.
- **Services.** Sales of the service industry, especially transport, banking, insurance are on the rise

## **2.2. Legal aspects of online stores**

### **2.2.1. What is needed from a legal point of view to establish and register an Internet merchant?**

In order to start functioning and e-commerce, the internet trader (legal entity) should initially register as a trading company in the Central Registry. Those companies that are already registered in the Central Registry and operate as "offline" traders, but want to expand the way of sales of goods and services do not need to re-register or supplement the registration.

The Law on Electronic Commerce prohibits a certain state or other body to request a special permit or approval of the trader who wants to deal with Internet commerce.

### **2.2.2. What spatial and staffing conditions should the internet trader fulfill?**

In contrast to the physical stores for which according to the regulations it is necessary fulfillment of certain minimum technical requirements and standards of the premise so that the trader can trade through it, the possession and operation of the Internet shop does not require physical premises. Also, the internet merchant should not have his own offline store at all, but can work exclusively through online sales.

In physical stores, according to the regulations, a certain minimum number of employees is required, depending on the shop's working hours (one or two shifts). The Internet shop can, from a theoretical point of view, work with only one employee and thus meet the legal requirements, regardless of the working hours is 24/7, since most of the processes are automated and do not require the operation of persons in shifts. The Internet trader should not have any fiscal equipment if the payments are made via Internet.

### **3. ONLINE STORES IN THE REPUBLIC OF MACEDONIA**

#### **3.1. The development of e-commerce and online stores in the Republic of Macedonia**

Daily online shopping in the United States and Europe is slowly, but surely accomplished in Macedonia. In 2010, only 6% of the population made an online transaction, and at that time there were only a dozen electronic stores in Macedonia. One of the "revolutionaries" in the opening of an online store in Macedonia is "Grouper", a company that is on the Macedonian market since 2011. They managed to reach sales of 500,000 coupons in August 2016 and today they count more than 130,000 users. They provide discounts of up to 90% for travel, products, restaurants, theaters, fitness centers, shops, beauty salons, spa centers, products and more.

The number of online stores is different from the one 6 years ago. The latest information from the State Statistical Office of Macedonia is that there are currently 669 registered online stores [Eftimova Ema, Janeska-Sarkanjac Smilka, Trajanov Dimitar, 2018.p.4.], and in relation to the percentage of buyers, it has been increased threefold, amounting to 19.3%. Regarding whether Macedonians buy more than Macedonian or online stores that are not in this country, the figures indicate that 73% of transactions are made to foreign stores, and only 27% in Macedonian. In the period from January to September, in Macedonia 63 million euros were spent on online transactions, with an average value of 1650 denars per transaction.

Online buyers as the main advantage of this type of shopping emphasize saving time, but also a great choice and range of products. As an accompanying factor leading to an e-shopping decision, delivery to a home address as well as discounts that are an integral part of every online store. Internet shopping for EU residents is most attractive for the British, where as many as 81% of the population are e-beneficiaries, and however,

this way of shopping is least represented in Romania, Bulgaria and Cyprus. Although there is still a great deal of skepticism among Macedonian population, the trend of increasing the Macedonian Internet buyers in the future is predicted to have more growth than the present one. Although the general impression is that there are no serious problems or obstacles to the development of online commerce, there are several limiting factors:

- Poor promotion of Internet traders themselves and e-commerce in general. Rarely who knows that there are over 400 domestic web shops, although some of these may not be active.
- There is no single place located in an authority to regularly monitor the status and development of e-commerce, to provide statistical information or information to potential Internet traders and consumers.
- Interbank provisions when paying with payment cards are still high and are borne by the Internet merchant.
- Since May 2014, PayPal has entered the Macedonian market, but with a limited number of services - Macedonian citizens can open an account, but domestic Internet merchants can't do this, that is, they can't offer their online stores payment via this system.
- The occurrence of "wild" web pages, that is, unregistered and disloyal "merchants" who sell products through certain Internet channels (Facebook), is more common.
- The competent inspection bodies aren't sufficiently familiar with the issues and almost don't control the operations of Internet retailers in terms of respecting the Law on e-commerce.

#### **3.2. Methodology of data investigation and analysis**

In order to explore the situation and the level of development of e-commerce, as well as the extent of online shopping and e-commerce in the Republic of Macedonia, I conducted research on respondents who are citizens of the Republic of Macedonia. Macedonia. The sample included 130

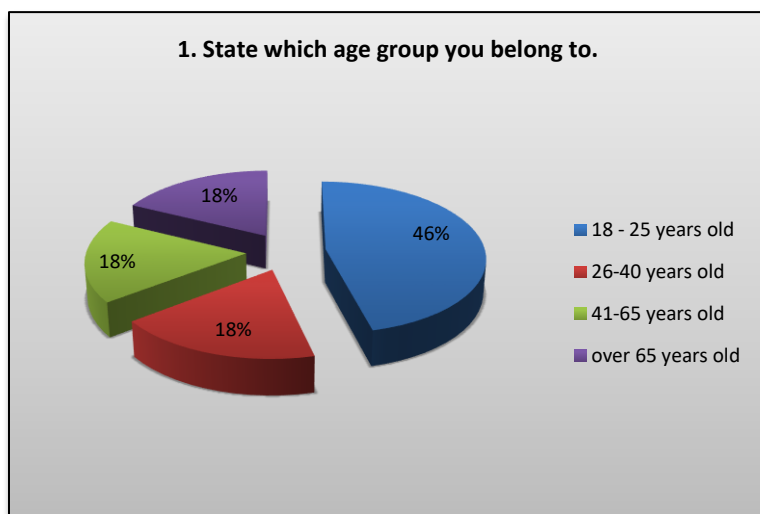
respondents from different age structures, different income groups and different levels of education, in order to clearly and accurately analyze the dependence of the presence of online stores of these variables and to analyze in what extent their presence on the territory of the country as e-commerce sites is representing each individual age group, income group and degree of education. The survey was conducted for a period of 1 month, from 12.12.2018 - 12.01.2019, and the results obtained by the survey are thoroughly analyzed and they are

compatible and confidential for making conclusions. The results are quantified in numbers and in percentages, placed in graphs, so that all the necessary components can be analyzed “in plastic”. The survey is based on the confidentiality of the information for the respondent, with the anonymity of the respondent being respected in the collection of the data. The survey is composed of two parts: questions about the characteristics of the respondents and questions related to the research.

### 3.2.1. Processing the results

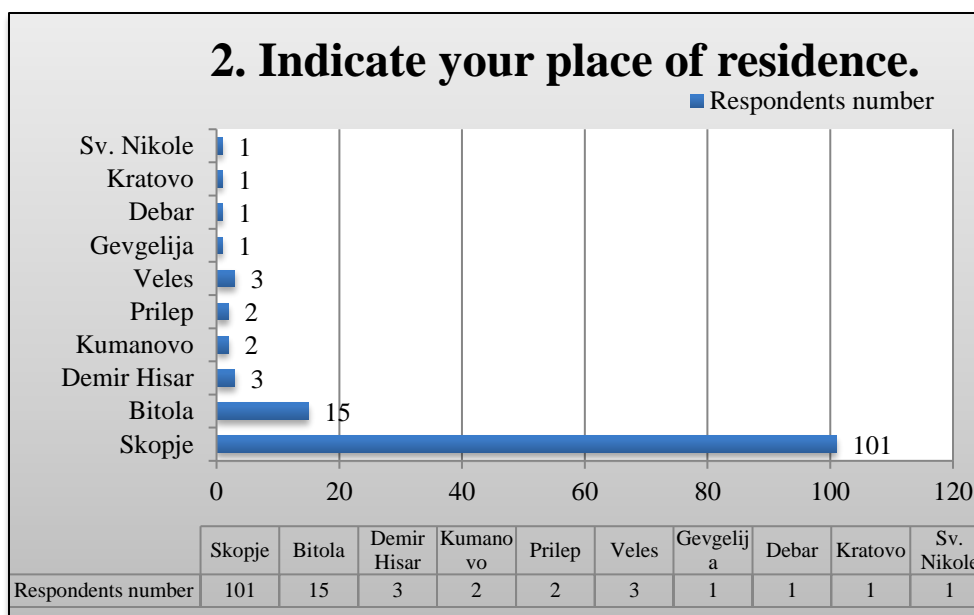
Below are the results of the survey presented in the graphs for each particular questions.

Graph 3.1. Question no. 1 from the survey "Internet shops and e-commerce in the Republic of Macedonia - section 1



Graph 3.2. Question no. 2 from the survey "Internet shops and e-commerce in the Republic of Macedonia - section 1





Graph 3.3. Question no. 3 from the survey "Internet shops and e-commerce in the R. of Macedonia - section

1

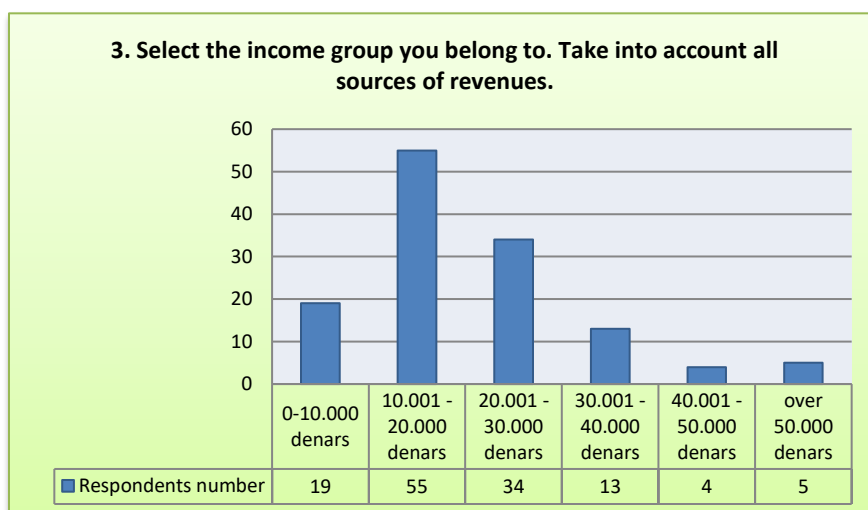
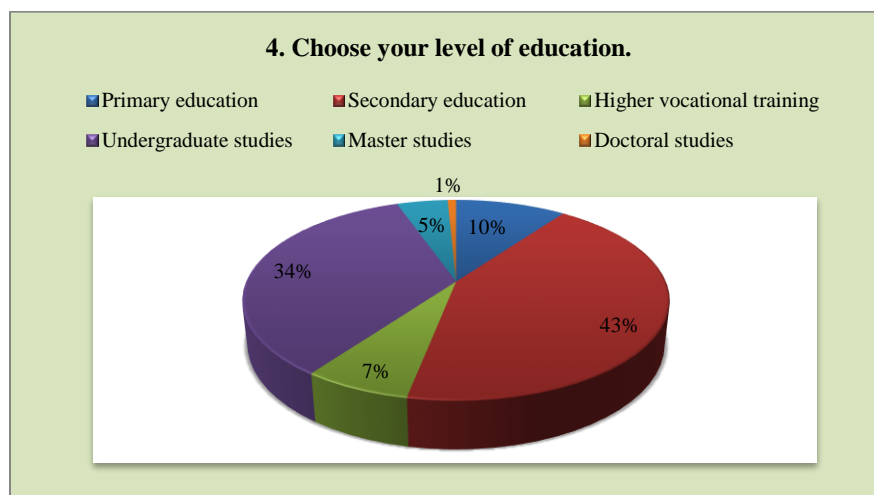


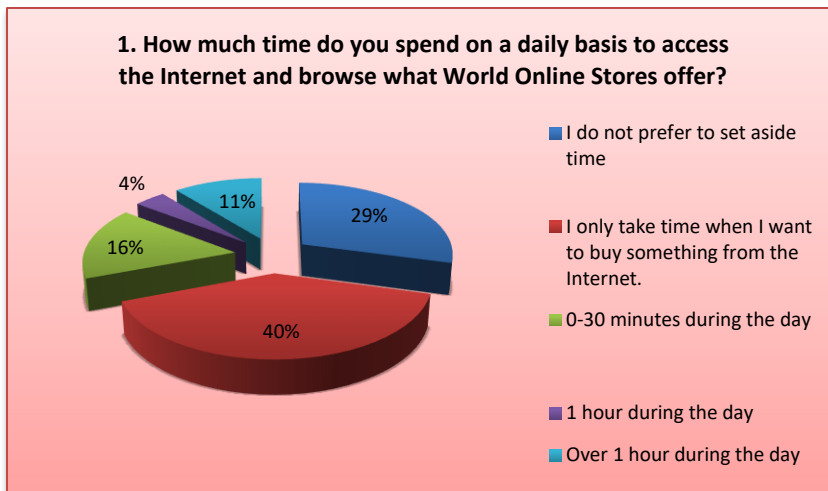
Chart 3.4. Question no. 4 from the survey "Internet shops and e-commerce in the R. of Macedonia - section

1



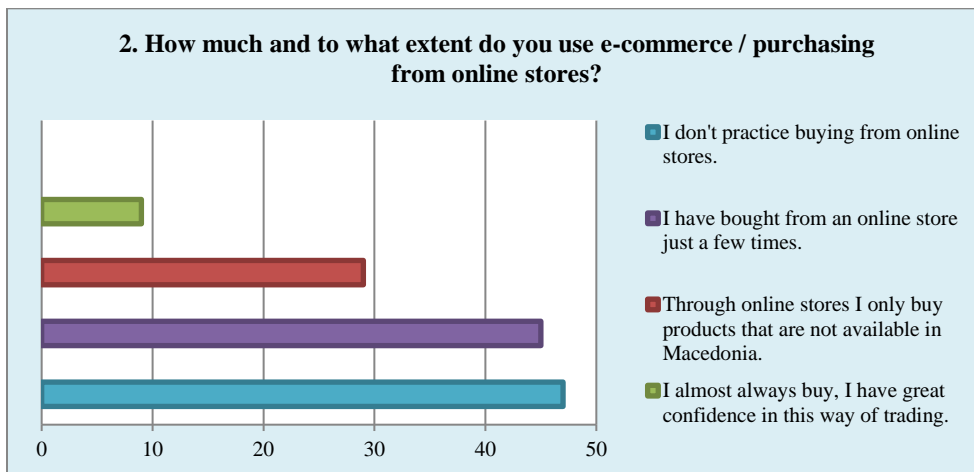
Graph 3.5. Question no. 1 from the survey "Internet shops and e-commerce in the R. of Macedonia - section

2



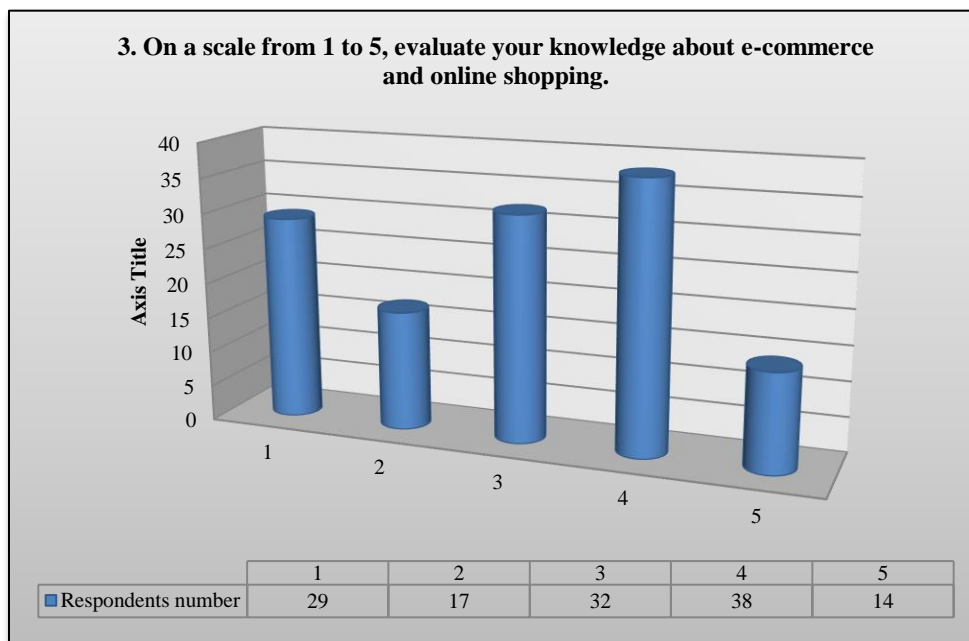
Graph 3.6. Question no. 2 from the survey "Internet shops and e-commerce in the R.of Macedonia - section

2



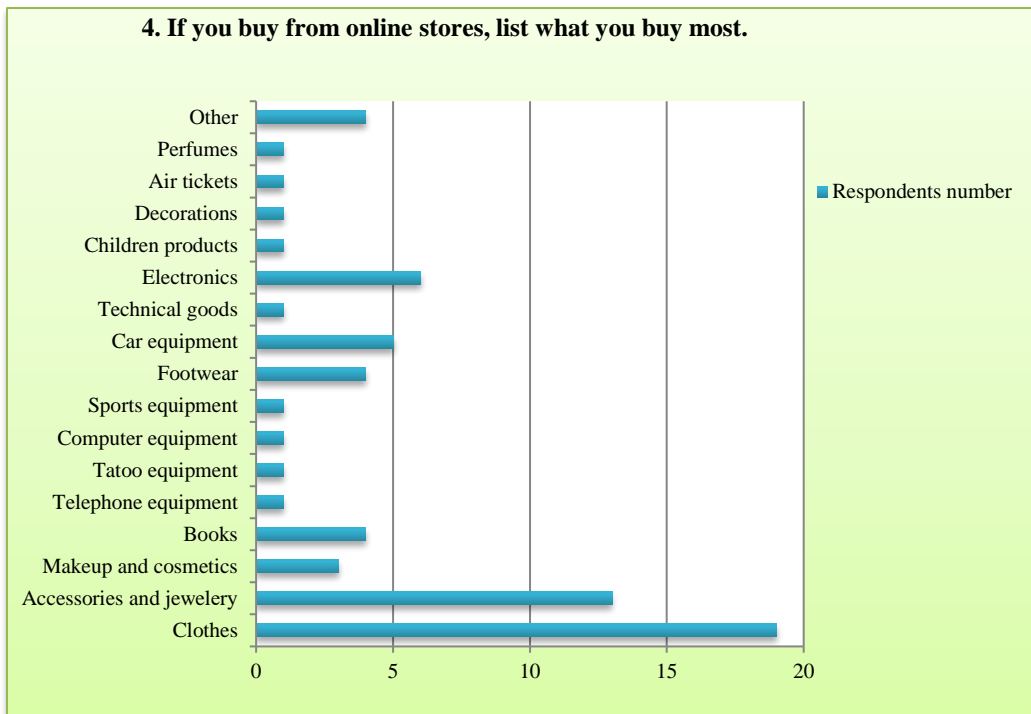
Graph 3.7. Question no. 3 from the survey "Internet shops and e-commerce in the R.of Macedonia - section

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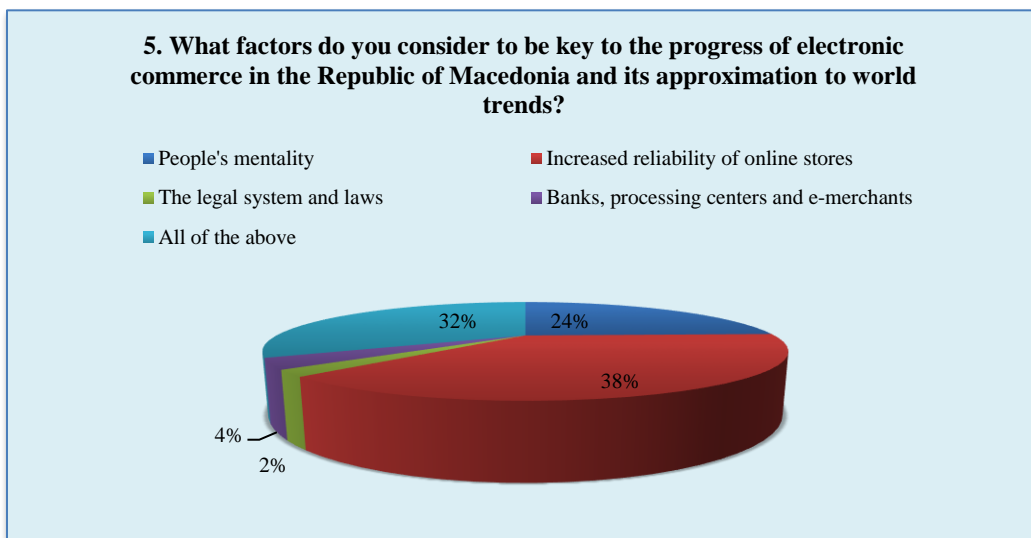
Graph 3.8. Question no. 4 from the survey "Internet shops and e-commerce in the R.of Macedonia - section

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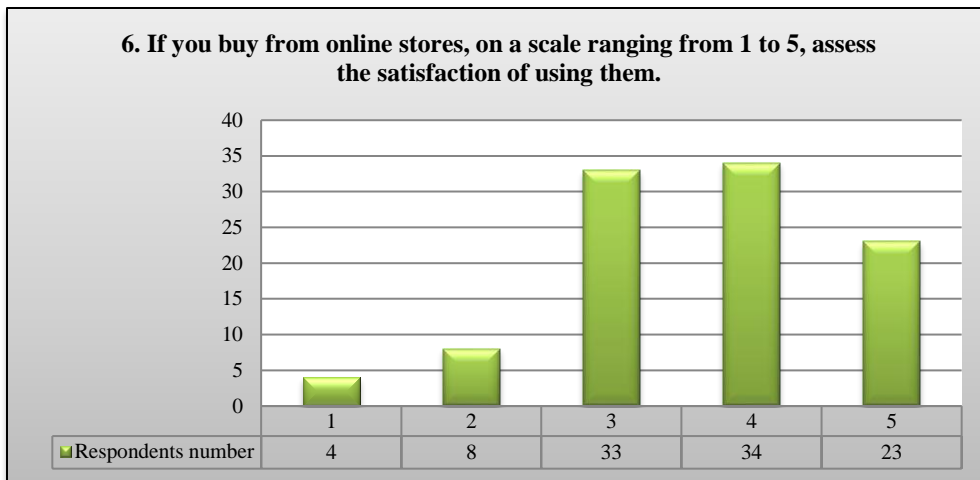
Graph 3.9. Question no. 5 from the survey "Internet shops and e-commerce in the R.of Macedonia - section

2



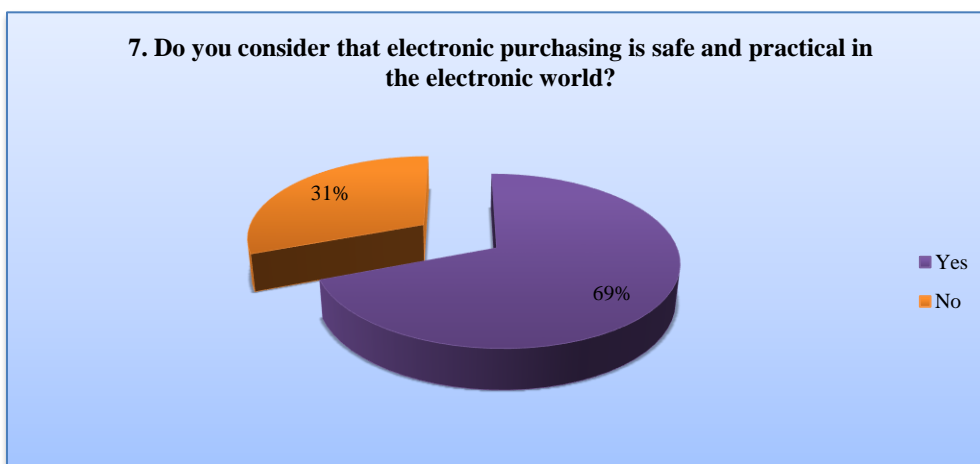
Graph 3.10. Question no. 6 from the survey "Internet shops and e-commerce in the R.of Macedonia - section

2



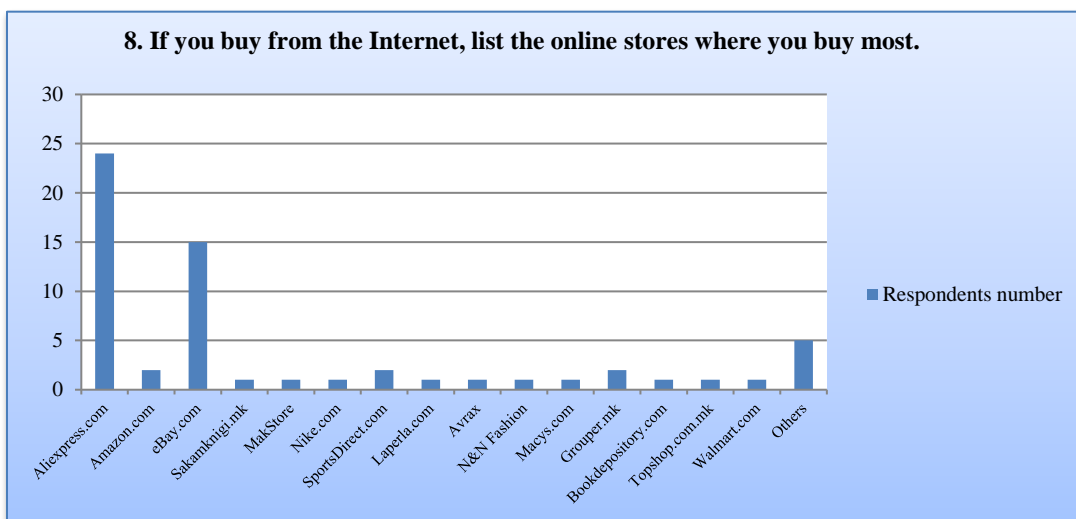
Graph 3.11. Question no. 7 from the survey "Internet shops and e-commerce in the R.of Macedonia - section

2



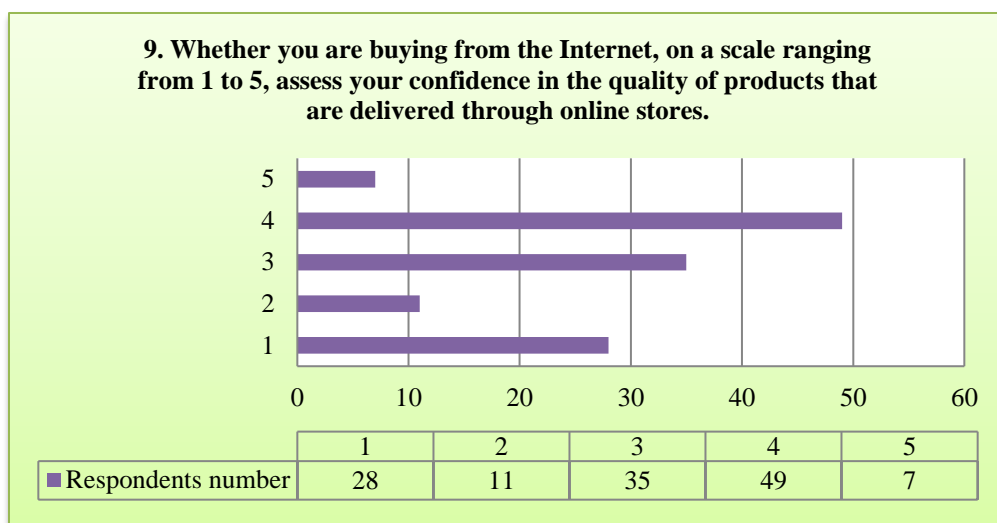
Graph 3.12. Question no. 8 from the survey "Internet shops and e-commerce in the R.of Macedonia - section

2



Graph 3.13. Question no. 9 from the survey "Internet shops and e-commerce in the R.of Macedonia - section

2



Graph 3.14. Question no. 10 from the survey "Internet shops and e-commerce in the R.of Macedonia - section

2



### 3.2.2. Discussion

- The largest number of respondents allocate time to buy from online stores only when they want to buy something (52), while those who do not prefer to buy via online stores are lagging behind (38). In the Republic of Macedonia, people do not yet have the habit of allocating part of the time for reviewing bids and selecting the most favorable one, as is the case with other countries in the world.

- Respondents belonging to the age group of 18-25 years (52) most prefer to allocate time to review the offers of online shops, but at the same time they buy the most (48), while at the very least those respondents over 65 (5) - only when they need to buy

something, while the other part of them don't buy from the Internet at all - 18 respondents.

- Most of the respondents belonging to the income group 10.001 - 20.000 denars prefer to allocate time to review the offers of online stores (35), while at the same time they mostly buy from the Internet (30), while at least those who belong to 40.001-50.000 and above 50,000 denars (3), while those respondents with income over 50,000 at least buy (2). The relationship between income and the propensity to buy from online stores is inversely proportional - as income grows, the propensity decreases. The reason for this is most likely the possibility for people with higher income to have greater access to a variety of products that they can purchase at any price (whether high or low), while people

with lower incomes are constantly looking for opportunities to substitute for more expensive products for cheaper.

- An equal number of respondents with high (undergraduate studies) and secondary education prefer to allocate time to review online offers (39), while at the same time they mostly buy online (35), while respondents who have only primary education don't prefer to allocate time at all, and at the same time they said they don't buy from the Internet (0). The reason for this is that respondents who have primary education are not sufficiently informed, primarily about the advantages of Internet stores and are also people belonging to the age group over 65 years.

- Most respondents rated their knowledge about Internet shops with 4 (38), while the least respondents rated 5 (14). Also, one should not neglect the fact that the gap between the total number of respondents who have assessed their knowledge with an appropriate grade is small, which means that the perception of the Macedonians for assessment enables the respondent to be unable to decide how to evaluate his / her knowledge (if the respondent hesitates to evaluate it with 2 or 3, and he can't decide how much his knowledge is worth, the respondent will be no matter whether he will evaluate it as 2 or 3, and will evaluate it with any of these assessments. The average assessment of the knowledge of Macedonian citizens is 3.7, which is relatively good in terms of the progress and development of electronic commerce in the world.

- Graph 3.8. shows that in the Republic of Macedonia clothes are mostly bought from internet stores (19). After the clothing, accessories and jewelery are followed (13 respondents) and also electronics (6 respondents). The graph shows, among other things, the diversity of products that Macedonian citizens buy from online stores: children products, books, automobile equipment, sports equipment, computer equipment, footwear, etc. It only confirms the fact that the citizens of the Republic of Macedonia have a wide range of needs that

satisfy them with products from online stores and that online shops through the diversity of products they offer are increasingly popular in our country. Respondents whose answer is "other" buy different products or don't have product they buy most.

- Regarding the factors that influence the development of electronic commerce in the Republic of Macedonia, the majority of respondents answered that the increased reliability of online stores is a key factor (54). This points to the skepticism that in some part, the Macedonian citizens still have, regarding the security of the deals with the Internet stores.

- Within the respondents who buy online, most of them rated satisfaction with the use of the purchased products by 4 (34). This means that products purchased from the Internet mostly meet the needs for which they are purchased, but still don't completely fulfill their functions. This may be due to their quality, the quality of the functionality, the quality of the delivery or the skepticism and the expectations of the Macedonian citizens that the products will be exactly the same as those from the physical shop.

- The majority of the respondents believe that the internet purchase is safe and practical in today's world (90 respondents or 69.2%). Most of them are respondents who belong to the age group of 18-25 years, the income group 10,001 - 20,000 denars and respondents with higher and secondary education, which is also confirmed by the fact that those respondents who buy online are the same who believe in his security, while those who do not buy are those who are skeptical and do not believe in this way of meeting the needs (40 respondents or 30.8%).

- The most visited online store or store in which Macedonian respondents have the greatest confidence is Aliexpress.com. (24), but also eBay.com, visited and practiced by 15 respondents. From the graph 3.12. it can be clearly seen the variety of stores that are visited by Macedonian citizens. These include: Amazon, MakStore, Walmart, Bookdepository.com, Grouper, Avrax, etc. This once again confirms the fact of the

growing popularity of e-commerce in the Republic of Macedonia.

- The respondents mostly trust the quality of products that are bought online, and most respondents rated their trust with 4 (39). Also, the majority of respondents answered that the quality of the products depends on the country of origin, ie from the place where the internet store is located (79). However, the fact that a consecutive number of respondents (29) consider that the products are not high quality and can not completely replace the products from the physical shop is not lagging behind. Distrust in electronic commerce is still present.

- Another conclusion that can be drawn from the research is that the development of the electronic commerce trend in the Republic of Macedonia is conditioned exclusively by the mentality of people and security in the Internet stores. The dependence of trend development on individual variables such as income, years of old age and education is partly present, but not as much as the experience with the conclusion of deals from online stores. People who have online store experiences and who buy from the Internet are inclined to repeat such experiences, while those who have not bought and are skeptical, it is likely that they will not buy from an online store in the future.

## Conclusion

Since the online purchase in July 1980, until now, the criteria to be met for the satisfaction of the intruders have been altered. Internet shopping is a multimillion-dollar business with a rapid growth trend and constant rivalry between companies, where each is trying to offer the best service to its customers. With the growth in the number of Macedonian online stores, the number of users grows, and as a result, the percentage of buyers grows.

Internet commerce in Macedonia is still poorly developed. In Macedonia, there are already models of e-commerce that are used in small scale without defined conditions for safety and security of users. Online credit

card shopping has become a reality about a year ago, but companies almost do not apply it. The number of companies offering an opportunity to sell online is still very small. About 35 companies electronically sell computer equipment, pharmaceuticals and books. Businessmen from the information chamber say banks are the biggest culprit for the underdevelopment of e-commerce because they want a large part of their earnings and take huge provisions. In order to build consumer confidence, it is necessary to have an effective means of enforcing contracts, both in written and in electronic form, that is, the legal framework to ensure that electronic documents have the same meaning as written documents. This imposes the need for the adoption of adequate electronic commerce regulations that will define the security and safety requirements for the provision of already existing electronic services in the field of e-commerce. Also, as determined by the survey, it is necessary to increase awareness among people, that there are many more efficient and effective ways of concluding and negotiating deals. For that purpose, effective advertising, propaganda, organization of seminars, presentations and other marketing means for persuasion are necessary, which will help increase people's awareness. Combined with excellently delivered high quality products by online stores, this would be perfectly realized.

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