eBusiness
MAKING YOUR BUSINESS COMPETITIVE IN THE DIGITAL WORLD
A PRACTICAL GUIDE FOR SERBIAN SMALL AND MEDIUM BUSINESSES AND ENTREPRENEURS
Project: E-business Development
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# CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreword</td>
<td>6</td>
</tr>
<tr>
<td>Introduction</td>
<td>7</td>
</tr>
<tr>
<td>1. <strong>Defining e-business</strong></td>
<td>9</td>
</tr>
<tr>
<td>What is e-business and what is e-commerce?</td>
<td>9</td>
</tr>
<tr>
<td>Why should I care about e-business?</td>
<td>10</td>
</tr>
<tr>
<td>What are the advantages of e-business?</td>
<td>10</td>
</tr>
<tr>
<td>2. <strong>E-services for serbian businesses</strong></td>
<td>12</td>
</tr>
<tr>
<td>B2G Government e-services</td>
<td>12</td>
</tr>
<tr>
<td>B2B: Electronic signature</td>
<td>13</td>
</tr>
<tr>
<td>B2B: Electronic certificates</td>
<td>13</td>
</tr>
<tr>
<td>B2B: Banking services</td>
<td>15</td>
</tr>
<tr>
<td>B2C: Online recruitment</td>
<td>16</td>
</tr>
<tr>
<td>3. <strong>Assessing your needs and readiness for e-business</strong></td>
<td>17</td>
</tr>
<tr>
<td>Am I already using e-business?</td>
<td>17</td>
</tr>
<tr>
<td>Is e-business the right way forward for my business?</td>
<td>17</td>
</tr>
<tr>
<td>Am I ready for e-business?</td>
<td>21</td>
</tr>
<tr>
<td>4. <strong>Investing in e-business</strong></td>
<td>23</td>
</tr>
<tr>
<td>What are the main reasons to invest in e-business?</td>
<td>23</td>
</tr>
<tr>
<td>What is the cost of doing e-business?</td>
<td>25</td>
</tr>
<tr>
<td>5. <strong>Finding business information online</strong></td>
<td>27</td>
</tr>
<tr>
<td>How can I find business information online?</td>
<td>27</td>
</tr>
<tr>
<td>Finding products and services for your business</td>
<td>27</td>
</tr>
<tr>
<td>Online sources for business information</td>
<td>28</td>
</tr>
<tr>
<td>Online market research</td>
<td>28</td>
</tr>
<tr>
<td>6. <strong>Addressing e-business challenges</strong></td>
<td>30</td>
</tr>
<tr>
<td>How can I overcome the challenges of adopting e-business?</td>
<td>30</td>
</tr>
<tr>
<td>7. <strong>Working with e-business providers</strong></td>
<td>32</td>
</tr>
<tr>
<td>Who provides e-business services?</td>
<td>32</td>
</tr>
</tbody>
</table>
8. Protecting your business – privacy, security and legal issues
   - How can I minimise privacy and security risks? 37
   - What are the key legal issues? 39

9. Creating a web presence
   - How do I create a website? 43
   - How can I market my website? 46
   - How can I use social media networks to improve my business? 50
   - How can I market my business to smartphone and tablet owners? 50

10. Online ordering on your website
    - What do I need to consider for online ordering? 52
    - What are my options for payment-processing? 52
    - What are the product delivery methods? 53
    - What are the trading rules? 54

11. Integrating e-business into your overall business activities
    - What do I need to consider? 56
    - “Investors in People interactive” 57
    - Enterprise Resource Planning 58

12. Top five things to do when adopting e-business 60

13. Where can I get support and information to develop e-business?
    - Network of Regional Development Agencies 61

References 63

Other sources of information and free e-business tools 63

Annex Glossary of e-business terms 64
Nowadays, it is impossible to run a business without the use of modern technologies and tools and without a modern way of thinking, regardless of sector or organisational function. E-business is not something that will happen in the future; it is already here and we must be aware of it if we want to be competitive in the domestic and foreign markets.

The rapid growth of the digital economy in recent years has led to many dilemmas among businesses. On the one hand, they can keep their old business model that has functioned well up till now; on the other hand, they can modify the current model by implementing e-tools and technology and make a shift towards embracing the inevitable e-business changes. Keeping the old business model is usually much easier in the short term, but in the long run, it will certainly mean a decline in efficiency and productivity in comparison to other more advanced and more competitive rivals.

This book addresses many topics and provides you with a practical guide with concrete examples and guidelines which will assist you in applying various e-business tools in your organization. E-business is not just about online marketing or e-commerce – it includes the use of technology to make every area of your business more efficient by cutting costs and increasing sales and profits.

The Government of Serbia is committed to building a dynamic business environment where all businesses – especially small and medium-sized enterprises and entrepreneurs – can fully engage in e-business. This book describes a range of leading-edge electronic tools and applications which will help you to do that.

Rasim Ljajić
Deputy Prime Minister and Minister of Trade, Tourism and Telecommunications

Željko Sertić
Minister of Economy
INTRODUCTION

E-business is the use of internet and mobile technology to facilitate doing business. The objective is to improve a business’s efficiency, competitiveness and profitability through the use of technology.

This guide for Serbian small and medium businesses and entrepreneurs shows that e-business activities do not have to be complex or costly to achieve substantial benefits. If you are new to the world of e-business, you will find information and tools to help you get started.

Examples of Serbian small and medium businesses and entrepreneurs successfully using e-business are included and a glossary of common e-business terms is also provided to help you understand the ideas and e-business technology.

This guide will help you to answer the following questions:
- What is e-business?
- Is e-business right for my business?
- Am I ready for e-business?
- What are the main reasons to invest in e-business?
- What are the costs of doing e-business?
- What online services are available for my business?
- How do I find and work with e-business service providers?
- How can I minimise risks with respect to privacy, security and legal issues?
- How do I establish my own website?
- How can I establish online ordering on my website?
- How can I integrate e-business solutions into my overall business?

The way e-business is conducted changes very rapidly because of new technological developments driven by changing technology, so SMEs cannot ignore new trends and possibilities to make their businesses more competitive such as:

- Using social networks to target customers.
- Using video for a variety of purposes from marketing to training.
- Using mobile applications to reach new customers.
- Using cloud computing to save money and increase productivity when out of the office.
1. DEFINING E-BUSINESS

What is e-business and what is e-commerce?

**E-business** is the use of information and communication technologies (ICT) to support business activities. It allows companies to connect business processes and greatly simplify relations with customers and suppliers.

**E-commerce** is a sub-set of e-business which uses the internet as a medium for transactions – the purchase, transfer or exchange of goods, services and/or information over the internet. An example of e-commerce is a web shop, which cannot operate without the internet.

E-business is wider and can include communications, promoting your business, getting business information, buying and selling online, online banking and dealing with the government (such as online tax payment).

E-business is much more than just having a website or portal. The point of e-business is to enhance the competitiveness of a company, extend its market and increase the number of customers. E-business is not just about technology – it combines technology, processes, organisation and a new way of thinking.

Examples of e-business include:
- Improving internal communications through your company’s website.
- Using low-cost models for business marketing such as social networks and Google marketing tools.
- Searching online portals for business information.
- Using already established online shops like [www.nonstopshop.rs](http://www.nonstopshop.rs)
- Tracking shipments of goods.
- Online recruitment of staff.
- Online market research.
Why should I care about e-business?

E-business can:
• Enhance services and access to customers beyond your local market.
• Help you market your business cost-effectively.
• Help you organise your business processes more efficiently.
• Give you fast access to a network of businesses.
• Allow you to compare products and prices to find the best offers.
• Allow your business to keep pace with or overtake your competitors.
• Lower the costs of business transactions.
• Enhance your visibility and accessibility for your customers and suppliers.
• Allow you to communicate or conduct transactions when out of the office.
• Make it easier to order supplies.

What are the advantages of e-business?

The advantages of e-business over non-electronic business models include:
• New business models which increase income,
• Flexibility and efficiency: the ability to handle complex information, product ranges and customer profiles.
• Extended hours: 24 hours a day, 7 days a week, 365 days a year.
• Updated company materials
• Reduced costs and time: less labour, paper, data entry, lead times and deliveries.
• Improved customer relations and sales using marketing techniques on the internet.
• Improved cooperation with business partners.
• Easier business research, analysis and forecasting.
• Two-way communication with customers.
• New markets at home and internationally.
• Reduced communications costs by using VoIP (Voice over Internet Protocol) technology such as Skype (www.skype.com), ooVoo (www.oovoo.com) and Viber (www.viber.com).
The most popular VoIP system is Skype. You can make free video calls from your computer or smart phone to anyone else in the world if they have Skype and access to internet. You can also make conference calls and (for a fee) call landline or mobile numbers. Other features available include:

- SkypeOut: call a "real" phone number from Skype
- SkypeIn: able to call your Skype account from a phone
- File Sharing: file exchange
- Text messaging: use Skype to send text messages to any mobile phone in the world
- Skype Click to Call: customers with Skype click an icon on your website to call you.

Skype is very easy to use – download the software for your computer from www.skype.com or the Skype application for your mobile phone.
2. E-SERVICES FOR SERBIAN SMALL AND MEDIUM BUSINESSES AND ENTREPRENEURS

B2G

Government e-services

A wide range of online services are already available to Serbian businesses from both the public and private sectors. The list of all current e-services can be found on the e-Government Internet Portal of the Republic of Serbia: www.euprava.gov.rs/eusluge
B2B

Electronic signature

Serbian businesses have to comply with government regulations on accounting and finance, including producing invoices in a particular format and documenting all sales using POS (point of sale) technology. They are also required to send regular financial reports to government for taxation purposes and to pay social insurance for employees.

All these processes are made easier by using e-business solutions. But a prerequisite is that businesses have digital signatures – a form of identification in the virtual world.

Electronic signature

A digital signature, like a handwritten signature, is used as evidence of authorship or agreement with the content of a signed document. A person who wants to sign a document digitally can do so using his or her private key (known only to that person). A person who receives the document can decode it using the public key of the person who signed it.

An advanced electronic signature is an electronic signature which is associated solely with the signatory and created by means solely under his or her control. Advanced electronic signatures have the same legal force as handwritten signatures or stamps.

Security requirements ensured by a digital signature are:
- **Undeniability**: sender cannot deny that a message was sent.
- **Integrity**: the sent message arrives unchanged from sender to recipient.
- **Authentication**: participants in communication are really who they claim to be.

Electronic certificate

Electronic certificate is an electronic document issued by a certification authority. This is an electronic confirmation which verifies the link between the electronic signature data and the identity of the signatory. The electronic certificate can be perceived as a digital identification document since it contains information about the certificate user as well as the information about its issuer.
The certification authority is a legal entity which provides electronic certificates issuing services to other legal entities and individuals, as well as other services associated with this activity. At the moment, there are four registered certification authorities in the Republic of Serbia, whose websites describe the procedures for electronic certificates issuance, as well as the software necessary for their use.

**Electronic certificate installation**

A prerequisite for electronic certificate installation of the four registered certification authorities is the installed driver for smart card reader or a USB token.

**Issuing of qualified electronic certificates**

By means of Decision of the Ministry of Telecommunications and Information Society (MTID), No. 345-01-00084 / 2009-01, dated 11th September 2009, the Certification Authority of Chamber of Commerce and Industry of Serbia (CCIS CA) was entered in the Register of Certification Authorities for issuing qualified electronic certificates, with the reference number 2 (two).

The certification authority (CA) is a legal entity which issues electronic certificates in accordance with the provisions of the Law on Electronic Signature. Electronic certificates of CCIS CA are intended for all electronic business participants in the Republic of Serbia.

Electronic certificates have been formatted in a standard format (X.509 standard) and they include: the name of the certificate owner, public key (formed on the basis of asymmetric cryptographic systems) and additional information such as the date of issue, expiration date, and the name of the CA that issued the certificate. The CA as an “entrusted third party” which guarantees that a given public key belongs to a defined user and its signature certifies that this is true.

The qualified electronic certificate is issued for a period of three (3) years. CCIS CA concludes the Contract on issuance and use of qualified electronic certificate with a user. The contract regulates the conditions under which the CCIS CA issues the qualified electronic certificate to the user.

**CCIS CA issues the following types of certificates:**

- Qualified electronic certificates
- Electronic certificates for web servers
The users of qualified electronic certificates can be:

- Authorized individuals (natural persons authorized by the responsible person to represent the legal entity in certain cases),
- Natural persons

In addition to e-banking, qualified electronic certificates can also be used for all other applications, as well as for services which require their use within the Republic of Serbia.

The qualified electronic certificates issued by Halcom CA are designed for e-business users for:
- E-banking
- E-invoicing
- SBRA, signing of financial statements
- Tax Administration, E-taxes
- Central Registry of Compulsory Social Insurance
- WARP miniMAX & iCenter - internet bookkeeping
- Republic Fund for Health Insurance, Electronic registration
- eGovernment Portal
- National Bank of Serbia
- Customs Administration, eBusiness
- Ratel, e-counter
- Encryption of documents (MS Office, PDF, Outlook ...)

Banking services

Essential to e-invoicing and also selling online is online banking, now used by most Serbian businesses. Online banking enables customers to make and review their financial transactions and balances via the secure website of the bank. Any company can become an online banking user. E-banking can be used upon obtaining the necessary approval and certificate from the bank.

The benefits of online banking for businesses include:
- Availability 24 hours a day, 7 days a week, 365 days a year
- Accessible from any location in the world by internet
- No waiting times
• Easier to make international payments
• Easier international payment transactions

Some banks also offer certain services (such as checking balances) to mobile phone users. More information on the specific online and mobile services they offer is available on each bank’s website.

B2C

Online recruitment

Recruitment portals give you the opportunity both to advertise for new staff directly to those seeking employment and also search for staff with the specific skills and experience you need.

3. ASSESSING YOUR NEED AND READINESS FOR E-BUSINESS

Am I already using e-business?

You may already be using e-business for business purposes without having given it much thought. That shows how simple getting started in e-business can be. Ask yourself the following questions:

<table>
<thead>
<tr>
<th></th>
<th>Yes / No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Do I use e-mail for business purposes?</td>
<td></td>
</tr>
<tr>
<td>2. Do I search online for products or services for my business?</td>
<td></td>
</tr>
<tr>
<td>3. Do I use online banking services?</td>
<td></td>
</tr>
<tr>
<td>4. Does my company have a website?</td>
<td></td>
</tr>
<tr>
<td>5. Do I use social media like Facebook for promoting my business?</td>
<td></td>
</tr>
<tr>
<td>6. Do I use online networks like Skype to save on telephone bills?</td>
<td></td>
</tr>
<tr>
<td>7. Do I use my mobile phone for more than just phone calls?</td>
<td></td>
</tr>
</tbody>
</table>

If you answered “yes” to some of the above questions, you are already enjoying some of the benefits of e-business and should now consider using it in other areas, as explained in this book.

Is e-business the right way forward for my business?

There are three key reasons why e-business could be the right way forward for your business. It can help you to:
• Organise your internal business and communication processes better.
• Market your business to existing and potential customers more effectively.
• Make easier transactions with other businesses.

The following checklists allow you to test how e-business can help you to meet these three key needs.

**Using e-business for organization of business communication processes**
The following checklist allows you to test how e-business can help you to organize your business communication processes more efficiently.

**Using e-business for communication processes**
To help assess your e-business needs with regard to business communication processes, say whether you agree or disagree with the following statements.

<table>
<thead>
<tr>
<th></th>
<th>Agree/ Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Do I need a business e-mail account?</strong></td>
<td></td>
</tr>
<tr>
<td>1. I want to communicate more efficiently with staff, customers and suppliers.</td>
<td></td>
</tr>
<tr>
<td>2. Employees, customers or suppliers say they want to use e-mail to communicate with me.</td>
<td></td>
</tr>
<tr>
<td><strong>Do I need a computer network?</strong></td>
<td></td>
</tr>
<tr>
<td>3. Staff say they want to share information and ideas more easily.</td>
<td></td>
</tr>
<tr>
<td>4. A computer network would save costs on purchasing software.</td>
<td></td>
</tr>
<tr>
<td>5. A computer network would save costs on purchasing equipment, such as printers.</td>
<td></td>
</tr>
<tr>
<td>6. I want a convenient way of sharing information with staff.</td>
<td></td>
</tr>
<tr>
<td>7. I want staff to be able to work on shared files and easily complete forms.</td>
<td></td>
</tr>
</tbody>
</table>
If you agree with statements 1 or 2, you should set up an e-mail account for your business. If you agree with any statements from 3 to 6, consider introducing a computer network in your company.

**Using e-business to organise business processes**
Please say whether you agree or disagree with the following statements relating to your business processes.

<table>
<thead>
<tr>
<th>Agree/Disagree</th>
<th>1. I want to make my bookkeeping more efficient.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2. I want to make my tax reporting more efficient.</td>
</tr>
<tr>
<td></td>
<td>3. It is difficult to ensure my company’s regular business operations are consistent with the online system.</td>
</tr>
<tr>
<td></td>
<td>4. It is difficult to keep track of phone and online orders.</td>
</tr>
<tr>
<td></td>
<td>5. Online sales are an increasingly important part of my business.</td>
</tr>
<tr>
<td></td>
<td>6. My business has problems tracking shipments.</td>
</tr>
<tr>
<td></td>
<td>7. Customers or suppliers complain that they are receiving online orders late.</td>
</tr>
</tbody>
</table>

If you agree with statement 1 or 2, consider using e-business accounting, financial management and tax software programmes. If you are already conducting e-commerce and you agree with any of the statements 3 to 7, consider how best to integrate your business operations and online systems.

**Using e-business to market your company to customers**
You can market your business through your own website or by advertising on other websites. This checklist will help you assess whether a website is right for your business.

**Establishing a website for customers**
Say whether you agree or disagree with the following statements.
If you agree with any of these statements, you should think about setting up a website for your business.

**Selling online to customers**
You can start with a simple information-based website to test the market before deciding whether you should invest in a more complex website. Use the checklist below to find out if you require more advanced website needs.
If you agree with any of these statements, consider adding an online ordering and sales feature for customers to your website.

<table>
<thead>
<tr>
<th>Agree / Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I want to expand my business beyond the local market.</td>
</tr>
<tr>
<td>2. My competitors have websites.</td>
</tr>
<tr>
<td>3. My customers ask if I have a website.</td>
</tr>
<tr>
<td>4. I want to provide information about my business and products in an efficient manner.</td>
</tr>
<tr>
<td>5. I want to enhance customer service.</td>
</tr>
<tr>
<td>6. I want to make my business easier to contact.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Agree / Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. My current customers want to order and purchase online.</td>
</tr>
<tr>
<td>2. Potential customers may be interested in purchasing online.</td>
</tr>
<tr>
<td>3. I want to increase my sales beyond the local market.</td>
</tr>
<tr>
<td>4. My competitors have websites which allow online ordering and sales.</td>
</tr>
</tbody>
</table>
Using e-business for business-to-business needs
E-business can make your dealings with other businesses easier through increased access to business information, products and services. This can reduce procurement costs.

Using e-business to buy online from suppliers
Say whether you agree or disagree with the following statements.

If you agree with any of these statements, then you should consider buying online from your suppliers.

Am I ready for e-business?
Ask yourself the following questions to see if your company is ready for e-business.

Assess your company

| Look at your customers and potential customers. | • Do your customers use the internet? |
| • Do your customers ask if you have a website? |
| • Can you attract new customers through e-business? |
| • What are the potential markets for your products and services? |

| Look at your suppliers. | • Do your suppliers have websites? |
| • Do your suppliers offer online ordering? |
## Assess your company

| Look at your products or services. | • How easy would it be to describe your products or services on the internet?  
• How easy would it be to advertise your products and services online?  
• Could you sell your products or services on the internet? |

## Assess different e-business options

| Assess what you know about e-business. | • Do you understand the different options available?  
• Talk with other local businesses about e-business.  
• Look at websites of similar businesses to see what they are doing.  
• Assess the costs of different e-business options. |

## Assess your competition

| • Look at your competitors’ websites.  
• Think how your website could be better than theirs. |

## Assess how e-business could improve your business

| • Think about what e-business could do for your business (e.g. expand beyond the local market, increase efficiency, reduce costs, provide better customer service and advertise your products).  
• Weigh the potential benefits against the costs of suitable e-business options.  
• Consider starting in small steps that you can build on later. |

## Adopting e-business

| • Do you have internet access?  
• Do you have an e-mail account and a domain name?  
• If you are considering using e-commerce, think about delivery methods, transport costs and scheduling.  
• If you want to attract international customers, think about export requirements such as permits, insurance, tariffs and taxes.  
• Think about how you will attract customers to your website. |

## Assess your staff needs for adopting e-business.

| • Does your staff require additional training?  
• Do you need any additional staff? |

## Assess if you have the right equipment and consider security issues.

| • Do you have the right hardware and software for your e-business needs?  
• Do you have a system to back-up information and protect you from computer viruses? |
INVESTING IN E-BUSINESS

What are the main reasons to invest in e-business?

10. **It can make your business more efficient.** E-business can improve the speed and accuracy of transactions. For example, an online ordering system can eliminate or reduce paperwork and taking orders over the phone.

9. **It can reduce costs.** E-business can reduce costs by decreasing the time taken for business processes and, for example, saving on communications costs by using internet-based tools such as Skype. Invoices can be processed quickly and accurately. Studies show that an automated system can save two-thirds of the costs involved in manually processing customer orders.

8. **It allows small businesses to compete with larger businesses.** For a customer, a professional website can make your business just as attractive as larger competitors and enhance the credibility of your business.

7. **It enables fast and widespread distribution of information.** By using a website that can easily be updated, you will be able to supply customers quickly with current information. For example, you can change your products and prices more quickly and efficiently on your website than with a printed catalogue.

6. **It improves customer service.** E-business lets you offer customers wider choices and easy access to information about your business. For example, putting Frequently Asked Questions (FAQs) and answers on your website is a simple way to improve customer relations. The internet also allows you to serve your clients 24 hours a day, 7 days a week.

5. **It can help your business reach new markets.** E-business can help you target new customers, including those beyond your local market. Even if you do not currently sell anything online, a website makes it easier for potential customers to find you.

4. **It helps improve your marketing strategies.** E-business solutions make it easier to summarise and analyse information about customers visiting and buying from your website. You can use this information to modify promotional strategies and maximise sales.

3. **It can increase your sales.** A website can increase your sales by providing a larger market, by making it easier for customers and suppliers to see, compare, and buy your products or services.
2. **It can help you find better deals.** You can use the internet to find information about products, services and suppliers, including product reviews and cost comparisons.

**The number one reason to invest in e-business:**

1. **You cannot afford not to.** The costs of not doing e-business include loss of customers to competitors with good websites and loss of potential sales. There are many existing tools and software, many designed for small and medium businesses and entrepreneurs, which offer you low-cost solutions to meet your business needs.

The use of e-business is increasing all the time:
- In the European Union there are over 380 million internet users.
- 76% of all EU households are on the internet.
- 53% of EU citizens go online at least once a day.
- Only 29% of EU citizens have never been online.
- Only 33% of EU citizens have no internet access at home.
- 53% of internet users in the EU by goods and services online.
- 52% of EU internet users use social networks.
- 48% use internet banking.
- In Serbia, 100% businesses use computer, 100% businesses have access to internet, and 74% have their own web site.
- 40.4% of Serbian businesses orders products and services online
- 92% of Serbian business use e-government services.

**Examples of Serbian e-business success stories:**

**e-commerce**

**NonStop Shop**
What is the cost of doing e-business?

E-business can involve costs for website design and development, hardware and software (purchase and maintenance costs), internet access and security (back-up in case of data loss, protection from unauthorised access to information, anti-virus protection).

Find out the costs of the features and services you may need. For website design and hosting, do not order more features than you need or will be likely to need in the near future. For example, if you have only a basic information website to complement your regular business operations, then 24-hour telephone support is not necessary.

Consider the costs of the following equipment or services you may need:

<table>
<thead>
<tr>
<th>Equipment/Service</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hardware</strong></td>
<td>The cost of computer systems, devices and supplies.</td>
</tr>
<tr>
<td><strong>Software</strong></td>
<td>This includes computer operating systems and data that is stored electronically. Software can be proprietary (paid-for) or open-source (available free).</td>
</tr>
<tr>
<td><strong>Maintenance</strong></td>
<td>Small businesses often have an on-call maintenance provider who will service technology and software and correct any problems. Find out the costs for this.</td>
</tr>
<tr>
<td><strong>Internet Service Provider</strong></td>
<td>To get started, you will need access to the internet through an Internet service provider (ISP). The costs may vary significantly, depending on whether you choose low- or high-speed internet.</td>
</tr>
<tr>
<td><strong>Website development</strong></td>
<td>You can create a simple website for free using templates available on the internet. However, this requires considerable time and learning on your part. Website design can be done by a freelance expert or design firm. Some website hosting companies also provide these services.</td>
</tr>
<tr>
<td><strong>Online store</strong></td>
<td>This includes shopping cart and payment-processing features on your website. A number of existing software packages offer low-cost e-commerce solutions. As an alternative to paying for a customised design, you could use an e-commerce package that takes commission on sales but does not charge other fees.</td>
</tr>
<tr>
<td><strong>Content creation / development / website maintenance</strong></td>
<td>There will be costs for writing content and scanning pictures unless you do this yourself. If you do not have the skills or time, hire a PR agency to create all your site's content. Annual maintenance of your website will probably cost about 20% of the initial investment. You can use an e-commerce solution to update the content yourself. This is easier with a Content Management System (a system which allows companies to update website content). Website maintenance and update contracts vary depending on the number of hours and the level of updates you need.</td>
</tr>
<tr>
<td><strong>Domain name registration</strong></td>
<td>A single domain name may cost only 840 RSD per year, but you may want to register several names to protect your name or brand. Registration of a domain name often needs to be renewed after a certain period of time.</td>
</tr>
<tr>
<td><strong>Web hosting</strong></td>
<td>A host provides your website with a place on the internet. As an alternative to purchasing a web hosting package, you can choose an e-commerce solution which will host your website for free.</td>
</tr>
</tbody>
</table>
How can I find business information online?

Simply use of a search engine like Google or Bing saves time for businesses who want to find the best prices for supplies. Simply typing “cheap paper” in Google brings up a list of online suppliers whose products may be cheaper because their costs are lower.

In addition, there are many general and specific sector-related business sites where you can compare products or services and prices.

Finding products and services for your business

A more systematic approach than use of search engines is the use of “e-marketplaces”, online markets where buyers and sellers register to conduct business-to-business (B2B) transactions over the internet. Some of these are specific to particular industries, whereas some are general, such as www.ekupi.rs in Serbia and www.ebay.com or www.alibaba.com internationally (the latter concentrates on products from China).

The advantages of this approach include:
- You will save money, since you have access to a large numbers of suppliers competing for your business.
- You will save time in the purchasing process.

A possible disadvantage is the risk involved in dealing with unknown suppliers from other countries, raising issues of legal rights, delivery cost etc. Websites like www.alibaba.com provide safeguards to buyers who wish to deposit the payment with a third party trusted by both parties until the goods are delivered, and also accreditation of suppliers.
Online sources for business information

Useful online sources for business information in Serbia and internationally include the following websites:

**Serbia:**
- E-Government [www.euprava.gov.rs](http://www.euprava.gov.rs)
- Pretraga i provera ([www.pretraga-provera.com](http://www.pretraga-provera.com)): Public Registers - Prevera i provera
- Digital agenda ([www.digitalnaagenda.gov.rs](http://www.digitalnaagenda.gov.rs)) Directorate for E-Government
- Entrepreneurial Service [www.preduzetnickiservis.rs](http://www.preduzetnickiservis.rs)
- Serbian Business Registers Agency [www.apr.gov.rs](http://www.apr.gov.rs)
- Serbian Chamber of Commerce [http://www.pks.rs](http://www.pks.rs)

**International:**
- Europe Enterprise Network ([www.een.rs](http://www.een.rs)): Information on business operations in EU
- e-Commerce Europe ([www.ecommerce-europe.eu](http://www.ecommerce-europe.eu)): includes a free register for cross-border webshops
- Europages ([www.europages.com](http://www.europages.com)): searchable database of companies throughout EU
- Alibaba ([www.alibaba.com](http://www.alibaba.com)): online marketplace for SMEs
- eBay ([www.ebay.com](http://www.ebay.com)): online marketplace

Online market research

The internet gives you opportunity for low-cost market research to test out new products/services and assess potential new markets. Examples include [www.freeonlinesurveys.com](http://www.freeonlinesurveys.com), [www.kwiksurveys.com](http://www.kwiksurveys.com) and [www.surveymonkey.com](http://www.surveymonkey.com).

You simply create your questionnaire on their website and then place a link to the survey on your own website. You can also distribute the link by e-mail and social media to increase responses. As the results come in, you can analyse them in real time.

If you already have a website, Google Analytics ([www.google.com/analytics](http://www.google.com/analytics)) is free software that allows you to track and analyse visits to your website. Among many things, it tells you
how many visitors your website has had, which pages they viewed, how they got to your site (e.g. from a search engine) and how much time they spent on your site. The advantages of using this type of software include:

• You will be familiar with the visitors to your site (actual or potential customers).
• You will be able to see what essential information is and what is not.
• You will find out how effective your website is.
How can I overcome the challenges of adopting e-business?

The following table highlights some of the common challenges to adopting e-business. Privacy, legal and security challenges are addressed in the next section.

<table>
<thead>
<tr>
<th>E-Business Challenges</th>
<th>Possible Solutions</th>
</tr>
</thead>
</table>
| I do not have the time                                    | • Plan your project in small, achievable steps.  
• Start with just some aspects of e-business and add to them later.  
• Start-up time will be needed, but you will save a lot of time once e-business is implemented.  
• Consider outsourcing the e-business development work.  
• Find out if there are existing tools or software that will save you time.                      |
| I do not have the money                                   | • Consider the costs of not doing e-business.  
• Weigh the costs against the potential benefits.  
• Consider using simpler and cheaper solutions.  
• Identify your specific needs and priorities.                                                     |
| I do not feel comfortable with computers. I do not know enough about the internet | • Familiarise yourself with the key concepts and terms.  
• Increase your knowledge with the help of an expert.  
• Get training from a local Enterprise Support Institution or check with your local chamber for seminars and training opportunities. |
<table>
<thead>
<tr>
<th>It is not important to my business</th>
</tr>
</thead>
<tbody>
<tr>
<td>• See what your competitors are doing. Take a look at their websites.</td>
</tr>
<tr>
<td>• See if your suppliers are actively using the internet.</td>
</tr>
<tr>
<td>• Consult with your local Enterprise Support Institution to understand the benefits of e-business.</td>
</tr>
<tr>
<td>• Consider if your customers are already buying online.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>I am not ready to implement e business. I do not have a complete plan in place</th>
</tr>
</thead>
<tbody>
<tr>
<td>• If you are considering simpler solutions to e-business it is not necessary to have a complete strategy in place.</td>
</tr>
<tr>
<td>• Implement e-business on a step-by-step basis.</td>
</tr>
<tr>
<td>• Recruit someone with the required skills.</td>
</tr>
<tr>
<td>• Have employees take a course offered by your local Enterprise Support Institution, chamber or college.</td>
</tr>
</tbody>
</table>
## WORKING WITH E-BUSINESS PROVIDERS

### Who provides e-business services?

If you are just starting in e-business, first identify the types of services provided by e-business service providers. Service providers usually have a specific set of skills. Make sure you understand what those skills are and how they can best meet your needs.

**One service provider may provide you with more than one type of service.** For example, an Internet Service Provider may have web hosting services. E-business service providers offer the following types of services:

### E-Business Service Providers

<table>
<thead>
<tr>
<th>What they do</th>
<th>What you should look for</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Internet Service Provider (ISP)</strong></td>
<td>• Connects your computers and other devices to the internet.</td>
</tr>
<tr>
<td></td>
<td>• Provides access to browse websites and use e-mails.</td>
</tr>
<tr>
<td></td>
<td>• A reliable and fast internet service.</td>
</tr>
<tr>
<td></td>
<td>• A contract that guarantees a certain level of service</td>
</tr>
<tr>
<td></td>
<td>• The level and type of support provided.</td>
</tr>
<tr>
<td><strong>Website Developer/Designer/Architect</strong></td>
<td>• Designs the look and structure of the website.</td>
</tr>
<tr>
<td></td>
<td>• Programmes your website to make sure that it works.</td>
</tr>
<tr>
<td></td>
<td>• Formats and organises the content (you may develop the content yourself or hire someone to prepare it).</td>
</tr>
<tr>
<td></td>
<td>• Programmes any special functions you may want on your website.</td>
</tr>
<tr>
<td></td>
<td>• Prepares a website that meets your business needs [e.g. information, marketing, selling, need to update product information].</td>
</tr>
<tr>
<td></td>
<td>• Provides security measures [e.g. protection against viruses, back-up procedures, payment and data protection].</td>
</tr>
<tr>
<td></td>
<td>• Provides contract specifying payments, services, online support and maintenance.</td>
</tr>
<tr>
<td></td>
<td>• Clarifies who will maintain and update the website [in-house or external service provider].</td>
</tr>
</tbody>
</table>
### Web host

- Provides your website with a location on the internet.
- Hosting services range from simple to more complex.
- There are free and paid hosting services.
- Hosting reliability – down-time will cost you business.
- Consider whether disk space, bandwidth and server software meet your website needs. Basic websites do not require large amounts of disk space or high bandwidth.
- For a basic information website, you will not need a lot of extra features (e.g. Flash animation).
- For a paid hosting service, a Service Level Agreement should specify the level of service that you will receive and refunds or reduced costs if the level is not met.
- Consider whether the proposal meets your needs (e.g. e-mail for business domain, type and amount of support provided, number of e-mail accounts, Content Management System).
- Consider whether free web hosting services meet your needs. These are usually not suitable for more complex sites and may have reliability issues and little or no customer support.

### Application Service Provider (ASP)

- A cloud-based solution provides online access to software applications for a fee.
- The service provider fully owns and operates the software applications.
- They operate and maintain the servers that support the software.
- An ASP can provide one type of service (e.g. online credit card payment processing) or a broad range of application services.
- Maintenance of up-to-date services.
- Sufficient technical support.
- Security measures are in place.
- A Service Level Agreement should guarantee a certain level of service.
- Invoicing that will meet your needs ("per-use" basis or a monthly or annual fee).
- The more customised the software, the more expensive it will be. There are many existing applications that meet the needs of most small businesses.
- Some ASPs offer low-cost packaged solutions through their websites.
What is “cloud computing”?

“Cloud computing” is now an essential e-business tool. It means keeping your software and data on internet servers (“the cloud”) rather than on your own computer or office server. For example, instead of buying your own copy of a software package, you access it online when you need it. A good example is Microsoft Office 365, offering all the features of computer-based software.

The concept is not new – for many years people have used cloud-based e-mail systems like Gmail and Hotmail. Now cloud computing is rapidly expanding to cover other aspects of e-business. One fast-growing aspect has been data storage and sharing through “cloud” servers like Microsoft SkyDrive, Google Drive and Dropbox.

With the use of cloud computing and mobile internet access, you can work from multiple locations at any time. This concept allows greater flexibility. It also means that all maintenance is looked after by the provider and you do not have to worry about upgrades, servers or having your own IT expertise.

A business that uses cloud computing only needs a computer or smartphone with an internet connection. Everything else is made available by a cloud service provider, including an operating system, data storage, software programmes and applications.

Advantages of cloud computing include:

- No need for regular software upgrades.
- Reduced IT maintenance costs.
- Data is available anytime and anywhere.
- You can focus on your core business without wasting time on IT-related problems.

How can I find the right e-business services provider?

Finding the right service provider is critical to success. Here are some tips for helping you with this task:

**Tips for finding the right e-business service provider**

- Clarify your e-business needs. Determine what services, products and skills you need.
- Ask other businesses what companies they have used.
- Look at examples of the company’s work. A company should be able to provide you with examples and references.
- Ask for bids from a number of service providers to compare prices and pricing models (fixed price, by deliverable, by time spent).
- Use search engines or directories on the internet to find service providers.
- Use search engines to read reviews of service providers.

Assess the potential service provider in terms of the following:

- What are their key skills?
- Are their clients satisfied with their work?
- Has the service provider developed a product similar to the one you require?
- How long has the service provider been in business?
- Is the service provider clear about how the work will be carried out?
- Can the service provider describe what the product or services will look like and how much they will cost?
- If you clearly outline your requirements, a company may quote you a fixed price.

Some of the web hosting service providers in Serbia are: Eunet hosting [www.eunethosting.com](http://www.eunethosting.com), Contra Team [www.contrateam.com](http://www.contrateam.com), Hosting Srbija [www.hostingsrbija.com](http://www.hostingsrbija.com), Adria Host [www.adriahost.rs](http://www.adriahost.rs), Hosting 90 [www.hosting90.rs](http://www.hosting90.rs) SBB [www.sbb.rs](http://www.sbb.rs).
How can I work effectively with my e-business service provider?

The key to working effectively with your service provider is to stay actively involved in the project. Your involvement is important to ensure that the service provider adequately understands your needs and you receive quality service. The following list highlights some key tips for working successfully with your e-business service provider.

Tips for working successfully with e-business service providers

- Start with a clear contract that specifies the scope of work. The contract should clarify who is responsible for what and include costs, key deliverables and timelines.
- Clarify your expectations. Make sure your expectations are in line with the scope and budget of the project.
- Ask the service provider to develop a work plan that outlines how the work will be carried out and clearly describes the deliverables and timelines.
- If the service provider is providing you with a product (e.g. website) make sure you test the product.
- Have customers test out the website and provide their feedback before the project is complete.
- Agree with the service provider what will happen if commitments are not met.
- Provide the service provider with any necessary information and materials.
- Regularly communicate with the service provider and monitor progress to ensure targets and deliverables are being met.
How can I minimise privacy and security risks?

Security and privacy are very important considerations for e-business. Safeguards are required to protect customer information and sensitive business information. Some common security threats include:

- Spam: unsolicited e-mail messages.
- Viruses: programmes that are designed to harm other programmes on your computer.
- Phishing: an e-mail message that looks like it comes from an official source but links go to a phony site which may steal personal information.
- Theft of computers and/or information.

Ensure that you and your service providers follow these guidelines to minimise security risks:

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes / No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have you checked what security safeguards are included in the contracts with your ISP, website host, website developer and other e-service providers?</td>
<td></td>
</tr>
<tr>
<td>Do you have a firewall installed and support to prevent unauthorised access to the computer and server?</td>
<td></td>
</tr>
<tr>
<td>Do you use spam filters?</td>
<td></td>
</tr>
<tr>
<td>Are you careful to open e-mails (and attachments) only from known sources?</td>
<td></td>
</tr>
<tr>
<td>Do you regularly back up important data? Do you regularly test your back-up system?</td>
<td></td>
</tr>
<tr>
<td>Question</td>
<td>Answer</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>--------</td>
</tr>
<tr>
<td>Do your business computers have passwords which are not easy to guess to protect them against unauthorised access?</td>
<td></td>
</tr>
<tr>
<td>Do you have an anti-virus programme installed on your computers?</td>
<td></td>
</tr>
<tr>
<td>Is this kept up to date?</td>
<td></td>
</tr>
<tr>
<td>Do you regularly back-up your software?</td>
<td></td>
</tr>
<tr>
<td>Do you have a security policy in place?</td>
<td></td>
</tr>
<tr>
<td>Do you adequately protect your computers from theft?</td>
<td></td>
</tr>
<tr>
<td>Do you use the internet safely (e.g. browse only trusted websites)?</td>
<td></td>
</tr>
</tbody>
</table>

**E-business service providers** generally provide a number of security safeguards to help protect information.

You need to be aware of these features. Examples of typical security features and services include:

- Anti-virus installation and support.
- Firewall installation and support (a firewall separates one part of a network from another).
- Hardening servers and computers (ensuring that system and computer settings are set at appropriate security levels).
- Detecting spam or intrusions.
- Service Level Agreement that identifies how quickly the service provider will respond to security problems and the types and level of follow-up support.
- Encryption - sensitive information should be encrypted or coded to protect it.

**Security Policy**
You should have a security policy that details how personal information and critical business information will be protected. It should describe how data will be collected and used.

**Privacy**
By law, your customer’s privacy must be protected. For example, if you contact your customers on a regular basis through an e-newsletter, you should give them the option to opt-out from receiving this correspondence.
What are the key legal issues?

Intellectual Property
Intellectual Property (IP) is an area of law that protects ideas. For the internet, there are generally four areas of intellectual property: copyright, trademarks, domain names and patents. Further information is available from the State Intellectual Property Office of the Republic of Serbia (www.zis.gov.rs) and Serbian Authors Agency (www.autorska-agencija.com).

Copyright
Copyright is the right to make a copy and applies to pictures and written materials on your website. In Serbia, people who create original works automatically have copyright protection over their work. It can also relate to computer codes used to create computer programmes.

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes / No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you have the right to use all the materials [including text and images] on your website?</td>
<td></td>
</tr>
<tr>
<td>Have you obtained permission for the use of any copyright material [including information found on the internet]?</td>
<td></td>
</tr>
<tr>
<td>Do you have an agreement with your web developer regarding copyright? Your web developer may have copyright over the material [information and images]. If you want to own the copyright to the work contained on your website, you need a written agreement transferring copyright to you.</td>
<td></td>
</tr>
</tbody>
</table>

Trademarks
Trademarks are names or marks that are associated with your products and services. While trademark rights are acquired by use, registering your trademark with the State Intellectual Property Office will enhance your rights. If you have a unique name for your business or product, you should seek advice from an experienced trademark lawyer.

Domain Names
Domain names should be carefully selected so that you do not violate the trademark of another business. Consult a lawyer if you think you might be infringing another company’s trademark. Your domain name should not include the name of another company or product.
Jurisdiction
Your business is subject to the laws of any country or jurisdiction in which you try to sell your products or services.

The rules for agreeing a contract can differ from one jurisdiction to another, and there may be special rules for online contracts. It is important to consider those requirements when deciding where to do business online and with whom.

Checklist: Jurisdiction Considerations

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes / No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does your website define the geographical area of your sales?</td>
<td></td>
</tr>
<tr>
<td>Are you aware of the laws in the countries or jurisdictions where you want to sell? For example, in some countries when a credit card is used, the purchaser can cancel the agreement during a certain period. This can result in costs to you if the customer asks the credit card company to reverse the charges.</td>
<td></td>
</tr>
<tr>
<td>Are you aware of the rules for agreeing contracts online in the countries or jurisdictions where you want to sell?</td>
<td></td>
</tr>
<tr>
<td>Have you obtained accounting, tax and legal advice for the countries or jurisdictions where you want to sell?</td>
<td></td>
</tr>
</tbody>
</table>

Consumer Protection
Most countries have legislation to protect consumers from unethical business practices. In Serbia, the Consumer Protection Act places obligations on suppliers and outlines consumer rights in undertaking business transactions on the internet. The details on consumer protection can be found at: [http://zastitapotrosaca.gov.rs](http://zastitapotrosaca.gov.rs)

Distance Contracts
Distance contracts are purchase contracts with consumers which have been transacted through an organized distance sale (e.g. when there is no live contact with the buyer) by means of:

- Internet
- Telephone (with human interaction or without)
- E-mail
- Fax
- Standard letter
Your responsibilities as an SME are:

- Providing information to customers before concluding the contract
- Delivery of written confirmation of the contract to the customers
- Providing option to terminate or cancel the contract to the customers
- Product / service delivery
- Post-sale care about the product / service

**Termination of distance contracts**

The consumer has a period of fourteen days to withdraw from a distance or off-premises contract without stating any reason.

If the trader informed the consumer of his right to unilaterally terminate the purchase contract, the deadline of 14 days shall be calculated starting from the day on which the consumer or a third party other than the carrier and indicated by the consumer acquires physical possession of the goods. In the case of multiple goods ordered by the consumer in one order and delivered separately, the withdrawal period of fourteen days shall be calculated starting from the day on which the consumer or a third party other than the carrier and indicated by the consumer acquires physical possession of the last delivery.

In the case of contracts for the periodic delivery of goods during an indefinite period of time, the withdrawal period of fourteen days shall be calculated starting from the day on which the consumer or a third party other than the carrier and indicated by the consumer acquires physical possession of the first delivery.

In cases of service contracts, contracts for the delivery of water, gas or electricity where they are not put up for sale in a limited volume or set quantity, or of district heating, as well as in the case of the contract whose subject is the digital content which is not supplied on physical media, the period of 14 days for the unilateral termination of the contract shall be calculated starting from the date of conclusion of the contract.

**Taxation**

It is important you know what taxes may apply to the products and services you sell.

**Taxation Considerations**

<table>
<thead>
<tr>
<th>Yes / No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have you obtained tax advice on which taxes apply to the product or service in the countries or jurisdictions where you want to sell?</td>
</tr>
</tbody>
</table>
9. CREATING A WEB PRESENCE

Websites can range from simple, information-based websites to more complex e-commerce websites that are well integrated with your business. Your website should be compelling enough to increase customer interest, leading to increased revenues.

Determining your website’s purpose

Use the following table to help you decide what type of website is right for you.

<table>
<thead>
<tr>
<th>Type of Website</th>
<th>Considerations for Use</th>
</tr>
</thead>
</table>
| **Informational Website** | • Appropriate for providing information about your business, products and services.  
• Typically requires a small investment.  
• Appropriate starting point for adopting e-business using a phased approach.  
• A good vehicle for promoting your business and expanding beyond the local market.  
• A good method for improving customer service for your existing clients.  
• There are effective marketing strategies to ensure sufficient visitors come to your website.  
• There are cost-effective solutions for maintenance of information-based websites. |
|                         | **Interactive Website**  
Examples of interactive features include a "Contact Us" section that allows users to send e-mails to your company; online forms; a section where customers can provide regular commentary (e.g. forum or blog). | • Customers and suppliers would welcome these features.  
• Enhances customer service.  
• Customers will be able to send e-mails to your business through the website.  
• Appropriate for providing fast access to forms.  
• E-business tools are available to implement these features. |
<table>
<thead>
<tr>
<th>Type of Website</th>
<th>Considerations for Use</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transactional Website</strong></td>
<td>• Consider how e-business fits with your overall sales practices and business needs.</td>
</tr>
<tr>
<td></td>
<td>• See what your competitors are doing.</td>
</tr>
<tr>
<td></td>
<td>• See if your suppliers are actively using the internet.</td>
</tr>
<tr>
<td></td>
<td>• Plan how you will distribute products and complete sales.</td>
</tr>
<tr>
<td></td>
<td>• Some low-cost e-commerce software packages may meet your needs.</td>
</tr>
<tr>
<td><strong>Integrated Website</strong></td>
<td>• Your website allows customers to buy online.</td>
</tr>
<tr>
<td></td>
<td>• Helps to reduce extra work needed to make sure regular business operations are consistent with online system.</td>
</tr>
<tr>
<td></td>
<td>• Requires a greater degree of investment and maintenance of systems.</td>
</tr>
</tbody>
</table>

**How do I create a website?**

The success of your website will depend on its design, how it is marketed and ongoing maintenance. There are five main steps to creating a web presence.

1. Selecting and registering your domain name
2. Developing the website
3. Hosting the website
4. Marketing your website
5. Maintaining your website

Each step is explained below.

**Step 1: Selecting and registering your domain name**

Selecting and registering your domain name does not have to be your first step. Some web hosts do this service for you. However, if you want a distinctive name that will set you apart from competitors, it is important to think about this and reserve your domain name in advance.
A domain name is a name that identifies your website on the internet. This name is your website’s address, or URL (uniform resource locator). Domain names for Serbian businesses typically end with .rs, but others such as .com or .eu can also be used. The domain name you select has to be unique. The following considerations should help you select a domain name:

- The domain name should relate to your business.
- The domain name should be easy to remember, preferably short, and use common words.
- Try to pick a domain name that is easy to distinguish from other domain names.
- The domain name should help to brand your business.

Your domain name should establish your online identity. You may choose to buy more than one name to protect your brand and encourage more internet users to visit your website (for example you could use two domain names – one ending in .rs and the other ending in .eu).

Once you have chosen a number of possible domain names, you can check online to see if those domain names are already taken. Domain registration sites usually have a search function that allows you to do this.

Typical costs for registration of domain names are as follows

- .rs address: 2000 RSD or more
- .com, .net, .org, .biz, .name, .ws, .eu addresses: 1500 RSD or more.

**Step 2: Developing the website**

There are two options available to you for website design:

1. Design the website yourself using desktop or online software. Many web hosts provide software with templates or charge a nominal fee for website design.
2. Outsource the design of the website to a website developer/designer.

Whether you create your own website or hire someone, you will need to decide the look and content. The site may be purely informational or it may allow you to sell your products online. You can also still develop your own website content even if you hire a web developer to design the look and structure.
Five mistakes to avoid when creating a website

Just as important as knowing what to do to create a website is knowing what problems to avoid. A list of five common mistakes to avoid is highlighted below.

1. A cluttered website
   A website should have a clean, uncluttered appearance. There should not be too much text on each page. The website should have a consistent look (colours, fonts and text sizes). While pictures and graphics are great, avoid having too many. Break up the text with appropriate headings and subheadings. If you have too much animation, it could be distracting and slow down access to your site.

2. Not being able to find information
   Customers should be able to find the information they need easily. Buttons and menu items should be self-explanatory, and links should look like links.

3. Not having the right information
   It is frustrating to visit a website and not find what you are looking for. Customers usually want to know about a company’s location, business hours, contact information, products and services.

4. Failing to highlight the benefits of your products and services
   People want your products or services to help them in some way. Be sure to highlight the advantages and benefits of your products or services.

5. Outdated information about your business and products
   Regularly update information about your products, services, prices and other key information. Make sure all links are working properly.

Step 3: Hosting the website

A web host houses, services and maintains files for websites. Unless you decide to host your own website (not recommended for internet beginners), you will need to select a web host to get your site online. As indicated in Step 1, your host can also serve as your registrar, thus avoiding contracting with two different companies.

There are many different web hosting packages available online, and prices vary widely. When deciding on a web hosting package, evaluate your particular business needs before you buy. As your business grows and your needs change, you can upgrade your package as required.
Step 4: Marketing your website

It is not enough to just create a website. It is important to market your website to ensure you attract enough visitors to your site. Marketing your site may simply involve displaying your website address on all your promotional materials. You could also monitor the number of visitors ("traffic") your website receives and market your business through online advertising.

The marketing strategies you use depend on your target audience and the nature of your business. While there are some low cost e-marketing strategies, online advertising can be very expensive. It is important to shop around for strategies that suit your budget and your business needs.

Serbian e-business success stories: Air transport
Air Serbia
How can I market my website?

Strategies for Marketing Your Website

- You can market your website offline (traditional marketing). For example, you can put your website address and QR (Quick Response) code on your printed promotional materials, locations and vehicles.

- You can submit your website to search engines and directories. Directories generally review your website to ensure it is relevant to their site. Some directories charge you a fee for this review.

- Consider asking other businesses and community and industry associations to include your website address on their site. Be prepared to do the same for them (this is referred to as reciprocal links).

- You can advertise through search engines. You can buy guaranteed search engine listings by purchasing keywords. **Google AdWords (adwords.google.com)** provides one option for cost-effective boosting of website traffic and therefore sales.

- Advertise your website through third parties. You can pay a fee to have banner advertisements or pop-ups appear on other websites. For this, you may pay a fee every time someone clicks on your advertisement, or every time you make a sale as a result of the advertisement.

- Submit articles about your business to e-newsletters or to information-based websites. Be sure to include your website address.

- Use social networking sites (e.g. Facebook, Twitter and LinkedIn) and blogs. Business blogs can be used to discuss and showcase products or services or specific business topics. In terms of social media, adverts on Facebook can be very cost effective.

- Use online video to market your products/services. Short videos are not expensive to make and can have a huge impact if, in addition to putting them on your website, you upload them to YouTube.

- You should build your website with search engine needs in mind. If your site contains the right keywords, then more people will visit your site. If you already have a website, consider using e business service providers to modify your website to increase your website traffic.

The term **Search Engine Optimisation** refers to improving a website so that it is ranked highly by search engines, resulting in increased visits.

A well designed website can market your business. For example, each website page should contain the major points of information without too much scrolling down.
Google Maps is an excellent tool for promoting your business. You can view basic or customised maps and local business information, including business locations, contact information and directions. You can click and drag maps to view adjacent sections and view satellite images of your desired location.
Customer relationship management (CRM) and e-business
Good customer service is an essential ingredient of any marketing strategy. CRM involves understanding, managing and improving a company’s interactions with its customers. To have an effective relationship with your customers, it is important to understand their needs and preferences. In an e-business environment, customers tend to expect fast access to information about your business and products. Determine what your customers expect from your website.

You may also want to track how customers use your website to help you adjust your business practices. By better understanding your customers, you can determine whether your website is meeting their needs.

Step 5: Maintaining your website
Website maintenance includes a variety of tasks such as modification of content, regular submission of your site to search engines, software updates and checking to ensure links are functional.

You can set up a maintenance agreement with your ISP or website developer. There is generally a monthly or annual fee for this service. Consider this option if your website needs frequent updates. You can also hire a service provider to update your website as required if you only require occasional updates. Be aware that updating a website yourself can be a labour-intensive process.

However, there are a number of user-friendly content management system (CMS) tools that can help you update your website. CMS is a software programme that allows non-technical users to create, edit, update and maintain a website using prepared templates. There are many good free CMS packages available – examples include www.wordpress.org, www.joomla.org and www.opensourcecms.com.

Success and your website
The success of your website as a business tool depends on its design, promotion, regular updating and how well the site attracts users and makes it easy for them to do business with you.
How can I use social media networks to improve my business?

Just having a presence on social networks such as Facebook, Google+, YouTube and LinkedIn will dramatically increase your online visibility. These networks are rapidly becoming more important than websites for the dissemination of information.

Setting up a Facebook, Google+, LinkedIn (basic) profile or a YouTube channel costs nothing. All of them, however, offer advanced, paid-for options for advertising and promotion of your business. Compare the costs with other forms of advertising: for example, for less than 20 000 RSD an advert on Facebook could reach the over 300 000 Serbs who use Facebook.

With modern technology, it is also possible to create short promotional videos about your products or services at a reasonable cost which can be uploaded onto your website and YouTube. Short video clips can also serve as guides for customers on how to use your products.

How can I market my business to smart phone and tablet owners?

A major part of e-business is now mobile computing. Devices that are not fixed to the desk – such as tablets, mobile phones or laptops – use wireless or mobile networks to conduct online business. This is transforming e-business as the continuously increasing numbers of hand-held devices makes them an ideal channel for offering advanced services to mobile users.

Five secrets of website success

1. Your website is interesting and informative.
2. It is easy to find information on your website.
3. Your website meets your customers’ needs.
4. Your website is always up-to-date.
5. Your website is well marketed.
Mobile computing has a dramatic effect on marketing, in that users of smartphones and tablets are online most of the time, so that businesses can provide customers with time and location sensitive, personalised information.

There are many smart phone business applications available free or for little cost. For example, Salespod (www.salespod.net) is an application which helps salespeople track activities online and exchange data on the spot.

Equally dramatic is the effect on payments systems – payment can now be made with a mobile device. Applications that make this possible include “Mobile Money” and “Mobile Wallet”. The customer can use a mobile phone to pay for different services and goods, instead of paying with cash or cards.

The use of **QR codes** (Quick Response codes) is becoming increasingly popular. These square barcodes contain information about a product or service that can be scanned and read by a smart phone. Currently this is usually a link to a website containing more information, but in the near future there is expected to be a huge growth in the use of QR codes in the retail sector, enabling ordering and payment using a smart phone.

**Serbian e-business success stories:**

**Trade**

**eLakolije**
What do I need to consider for online ordering?

There are a number of things to consider when setting up an online ordering system. These considerations include:

- Is there an online market for your products or services? Think beyond the local market.
- What are your competitors doing? How are your products different? Do your competitors have an online ordering system? How do they market their products?
- Will you need to develop an online catalogue of products or services? How will you process payments?

What are my options for payment-processing?

There are a number of options for payment processing:

1. Manual (or offline) payment-processing.
2. Credit card payment-processing through financial institutions.
3. Using a third party online service provider of payment-processing software.

Manual payment-processing is only appropriate when you expect a small number of orders from your website. For the second option (credit card payments), you will have to apply through your bank or another financial institution.

In addition to setting up a merchant account, you will also need to obtain the software to allow credit card processing. Once you set up an internet merchant account, you will be able to accept credit and debit card payments on your e-commerce site.

A popular third approach is to process payments through a third-party online service provider. The service provider collects payments, processes the transactions, and deposits the payments into your account. The service provider charges you a transaction fee for each transaction. It is critical to consider security and privacy issues when considering the use of a third-party online service provider. For example, how does the system protect customer information? PayPal (www.paypal.com) is the most popular third-party online service provider.
Online shopping carts
The term “shopping cart” is used to describe software that allows the user to select from a catalogue and to add items to their cart. A shopping cart normally includes:
• A database that stores information such as product details, customer data, order history, etc.
• A storefront that displays this information to visitors.
• An administration area for managing your store.

There are hundreds of shopping carts available. They range from simple solutions – which can be customised to meet your needs – to complete e-commerce solutions. There are a number of options regarding shopping cart solutions. These are:
• Licensed shopping cart software (involves a one-time fee). The fee does not include a web hosting service or maintaining the software.
• Hosted application leased from an Application Service Provider (ASP), which typically involves monthly payments. The ASP installs and maintains the software.
• Open source shopping cart software (freely available, for example www.zen-cart.com). Obtaining adequate technical support can be an issue.

Considerations for choosing shopping cart software include:
• Consider your current customer needs. Who are your potential future customers?
• Will the software be able to handle increased orders and product lines?
• What features does the software include?
• Go online and look at examples of shopping carts. Read shopping cart reviews online.
• Consult with other businesses that have implemented shopping cart solutions.
• What are the security features of the software?
• What kind of technical support does the software include?
• What are the commission fees?

What are the product delivery methods?

The usual delivery methods are:

1. Delivery to the address of the purchaser
2. Delivery in the shop
   a. Delivery in the central shop
   b. Delivery in any shop (if there are more than one)
In any case, you should enable all delivery options to ensure multichannel purchases to your customers, i.e. purchase through multiple channels.

If you have more than one store and you want to enable the delivery of the ordered products in each of them, you should keep in mind that there will be some distribution costs, no matter if you already have organized internal distribution or if you are going to outsource a courier service. Therefore, having in mind those costs, you should decide whether you are going to offer this option for free or the fee will be included.

**Serbian e-business success stories:**

**Tourism**

**Travelland**

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**What are the trading rules?**

Every business is based on certain laws; therefore, there are laws that are directly related to e-business:
• Law on e-commerce
• Consumer Protection Law
• Law on personal data protection
• Law on electronic document
• Law on electronic signature
• Law on Trade (trade and distance contracts)
• Law on payment services (2015)

Simply put, the implementation of these laws in the context of e-commerce would mean that a website must contain:

• Information about your company (name, address, TIN, telephone, responsible person ...)
• Instructions on how to use website
• Instructions on ordering
• Instructions on filing consumer complaints
• Instructions on delivery methods and delivery fees
• Clearly defined retail price (wholesale price + VAT in B2B systems)

In addition, unless you have received users’ permission

• Private users’ data must not be retained
• Any advertising messages should not be sent

All transactions involving the confidentiality of data must be encrypted – e.g. credit card processing / online payments

Every trader must issue a receipt. Depending on the registered business activity, a fiscal cash register may be required. For example, if it is a non-specialized retail trade registered under activity code 4711, the trader must have a fiscal cash register. However, if the trader is registered under the activity code 47.91 (retail shop for sale via mail or the internet, which is exempt from the obligation of using fiscal cash registers in accordance with the Decree on determining activities which do not require turnover recording through the fiscal cash registers [Official Gazette of RS, No. 61/10, 101/10, 94/11, 83/12, 59/13, 100/14]), he/she will not be obliged to issue a fiscal receipt. All products must have a prominently displayed price in accordance with the Law on Trade, Article 41.
What do I need to consider?

If you have established a website with e-commerce options and most of your sales are derived from your online business, you may want to think about integrating the online shop with your in-house processes such as inventory control and accounting.

Having a more complex web presence means you also need to be prepared to deal with the following by integrating your web system with your business:

- Requisitions.
- Purchase approvals.
- Purchase orders.
- Back-orders.
- Shipment tracking: Shipment service providers such as Serbian Post, DHL, United Parcel Service or Federal Express offer advanced methods for electronic tracking. You will be able to give your customers the tracking number of their purchases.
- Shipment Delays and other Delivery Problems: Many online shopping systems are not set up to handle the communication necessary between purchaser and seller in case something goes wrong with delivery. In such cases, you will have to extract this information from your online system and deal with them in the usual way.
- Invoicing: A full-service online shop will usually send out an automatic invoice to customers. This invoice will probably be different from your standard invoice and will have different numbering. This can be an issue for your accounting and inventory systems.
- Payments: Payments made online may end up in a different account than your offline payments. You may have to consolidate the information on buyers and products sold in one place to meet your accounting and record-keeping needs.
- Pricing: Some businesses rely heavily on daily prices of natural resources or exchange rates for their foreign-bought supplies. It may be difficult to continually update your prices and make sure that your online prices are in line with your offline prices.
• Charge-backs: Customer disagreements about payments can happen online and offline. Credit card companies like Visa and MasterCard have improved their online security checks in order to keep fraudulent purchases to a minimum. The online information you have about your customers (e-mail address, IP number) may need to be used in a dispute.

• Integrating your back-end computer systems (e.g. stock control systems) with your web system: There are a number of technical options for integrating back-end systems with your online system. If you are at this stage, you should consult an e-business service provider for advice.

If you already have an e-commerce system in place, you probably notice that you have to do a lot of double entries for each transaction. The online sales are recorded and approved online, but you still have to fill out your usual set of records for accounting and ordering purposes. You will want to minimise this extra work.

As another example, if you run out of a particular item in your store, you should temporarily stop selling it online so as not to frustrate shoppers with long delivery and waiting times. But how does your online shop know that you have sold out? You will have to update sales both online and offline. If you integrate these two systems, you will minimise a lot of the work required to keep your information co-ordinated.

“Investors in People interactive”

Integration of e-business with other business activities includes the use of e-business tools for improving areas of your business that are not based on internet technologies. In that way, you can use e-business tools to develop your overall business strategy and planning.

An excellent example is a free and internationally-recognised tool for improving business, “Investors in People Interactive”. It is used to assess your existing business activities and determine ways to improve your efficiency and competitiveness.

The tool enables you to evaluate your organisational excellence through a questionnaire covering key areas, such as:

• Strategic planning
• Effective management
• Developing people
• Culture and communication
• Managing performance

This analysis enables every entrepreneur to identify strengths and areas in need of improvement. A library of resources is provided of ways to address those areas requiring development. Motivation and employee involvement in business processes increases their efficiency and thus the company’s competitiveness.

Good management creates a positive work (organisational) culture. “Investors in People Interactive” shows how people should be involved in all aspects of management, since that contributes to the creation of trust, accountability and better efficiency.

Enterprise Resource Planning (ERP)

ERP (Enterprise Resource Planning) is a set of software applications which integrate business processes such as accounting, planning and sales/orders and thus improve the business’s performance. Put simply, ERP is a central application which contains the company’s data about everything – products, partners, purchasing, logistics, accounting, invoicing, etc.

ERP systems can offer businesses the following advantages:
• Integration of all business activities, reducing paper work, unnecessary documentation, repeated entries, etc.
• ERP software can be modular, so businesses can choose modules according their needs
• Using ERP should result in cost reduction, better tracking of processes in the company and give information in real time, enabling better planning.
• If you are in manufacturing, ERP enables you to schedule the entire production process to increase overall efficiency.
• ERP follows inventory levels and tracks their status at any given moment.

An ERP system has two main features – a group of integrated software modules and a shared, central database. Users feed in data and the database updates the other modules, so any piece of data needs be entered only once and information is always up-to-date.

ERP systems can be expensive, so if you think ERP could be useful for your business, compare costs and think about which modules are necessary.
12. TOP FIVE THINGS TO DO WHEN STARTING IN E-BUSINESS

To summarise, these are the most important steps you should take to get started in e-business:

1. Identify how e-business matches your business needs and what types of e-tools would be most suitable.
2. Talk to local Enterprise Support Institutions and business associations about e-business.
3. Take small steps first. Start with simple tools such as an information-based website.
4. Determine what investment is required and what the potential advantages are.
5. Consider what challenges you might face in implementing e-business and how best to address them.
WHERE CAN I GET SUPPORT AND INFORMATION TO DEVELOP E-BUSINESS?

Contact your nearest Regional Development Agency from the list below.

**Regional Development Agency for Eastern Serbia RARIS**
Address: Trg oslobodenja bb, Zaječar
Phone: 019/426-376, 019/426-377
E-mail: office@raris.org
www.raris.org

**Regional Center for socio-economic development BANAT**
Address: Čarnojevićeva 1, Zrenjanin
Phone: 023/510-567, 023/561-064
E-mail: office@rcrbanat.rs
www.banat.rs

**Center for development of Jablanica and Pcinja Counties**
Address: Pana Đukića 42, Leskovac
Phone: 016/233-440
E-mail: info@centarzarazvoj.org
www.centarzarazvoj.org

**Regional agency for spatial and economic development of Raska and Morava county**
Address: Cara Dušana 77, Kraljevo
Phone: 036/397-777
E-mail: office@kv-rda.org
www.kv-rda.org

**Regional Development Agency “JUG”**
Address: Obrenovićeva 38/I, Niš
Phone: 018/515-447, 018/522-659
E-mail: info@rra-jug.rs
www.rra-jug.rs

**Regional Development Agency “Zlatibor”**
Address: Petra Ćelovića bb, Užice
Phone: 031/523-065, 031/510-098
E-mail: office@rrazlatibor.rs
www.rrazlatibor.co.rs

**Regional Development Agency “Backa”**
Address: Bulevar Mihajla Pupina 20/II sprat, Novi Sad
Phone: 021/557-781
E-mail: office@rdag-backa.rs
www.rda-backa.rs

**Regional Development Agency “Srem”**
Address: Glavna 172, Ruma
Phone: 022/470-910
E-mail: info@rrasrem.rs
www.rrasrem.rs

**Regional Development Agency Sandzak - SEDA**
Address: 7. jula bb, Novi Pazar
Phone: 020/332-700, 031/317-551
E-mail: office@sedacg.org.rs
www.seda.org.rs
Regional Agency for economic development of Sumadija and Pomoravlje Region
Address: Kralja Petra I broj 22, Kragujevac
Phone: 034/302-701; 302-702
E-mail: officekg@redasp.rs
www.redasp.rs

Regional Development and EU integration Agency Belgrade
Address: Topličin venac 11/4, Beograd
Phone: 011/2186-730
E-mail: office@rrabeograd.rs
www.rrabeograd.rs

Regional Development Agency for Podrinja, Podgorina and Radjevina
Address: Jovana Cvijića 20, Loznica
Phone: 015/876-096
E-mail: office@rrappr.rs
www.rrappr.rs

Regional Development Agency Branicevo-Podunavlje
Address: Stari korzo 30/3, Požarevac
Phone: 012/510-824
E-mail: office@rra-bp.rs
www.rra-bp.rs

Regional Development Agency PANONREG
Address: Trg Cara Jovana Nenada 15, Subotica
Phone: 024/554-107
E-mail: office@panonreg.rs
www.panonreg.rs

Regional Development Agency for municipalities of Kolubara county - ARROKO
Address: Omladinski trg 1, Lajkovac
Phone: 014/3433-196
E-mail: arrokolajkovac@gmail.com
www.arroko.rs

Regional Development Agency of Rasinska county
Address: Balkanska 63, Kruševac
Phone: 037/418-520
E-mail: rakrusevac@gmail.com

Regional Agency for economic development and entrepreneurship of Pcinja county - VEEDA
Address: 22. decembra bb, Vranje
Phone: 017/405-641
E-mail: info@veeda.rs
www.veeda.rs
References

E-business Development website  www.eposlovanje.biz
Ministry of Trade, Tourism and Telecommunications:  www.mtt.gov.rs
National Agency for Regional Development:  www.narr.gov.rs
Entrepreneurial service:  www.preduzetnickiservis.rs
Digital agenda  www.digitalnaagenda.gov.rs
Serbian Business Registers Agency  www.apr.gov.rs
Serbian Chamber of Commerce  www.pks.rs
Consumer Protection  www.zastitapotrosaca.gov.rs

The materials from the project IPA — EuropeAid/127939/D/SER/HR have been used for the writing of this book.

Other sources of information and free tools include:

Open Office: free office software package:  www.openoffice.org
Open Office: free office software package:  www.libreoffice.org
File Hippo – free software downloads and software update checker:  www.filehippo.com
Ninite – free software downloads and automatic updates with installer:  www.ninite.com
CNET – free software downloads:  www.download.cnet.com
AVG – free anti-virus software:  www.free.avg.com/eu-en/homepage
Skype – free video calls and other services:  www.skype.com
ooVoo – free video calls and messenger:  www.oovoo.com
Viber – free calls and messages to other users:  www.viber.com
Adobe Acrobat Reader – free PDF reader:  www.get.adobe.com/reader
PDF Creator – free PDF creator:  www.sourceforge.net/projects/pdfcreator
WordPress – free website design and content management software:  https://sr.wordpress.org/
Google Analytics – free software to track and analyse website visits:  www.google.com/analytics
Free online surveys – create and analyse your own survey:  www.freeonlinesurveys.com
**B2B** (Business to Business): businesses selling to other businesses.

**B2C** (Business to Consumer): businesses selling directly to consumers.

**B2G** (Business-to-government) is a business model that refers to businesses selling products, services or information to governments or government agencies. B2G is also referred to as public sector marketing.

**Blog**: an online diary or other regularly updated information/opinion placed online by an individual or organisation.

**Browsers** (or web browsers): tools for accessing websites easily (e.g. Microsoft Internet Explorer, Mozilla Firefox, Opera, Google Chrome).

**Cloud computing** means keeping your software and data on internet servers (“the cloud”) rather than on your own computer or office server.

**CPC** (Cost Per Click) is the amount paid by an advertiser to a search engine or other internet publishers for every time an advertisement viewer makes a click on a link in an advertisement.

**CPI** (Cost per impression) refers to the rate that an advertiser has agreed to pay per 1,000 views of a particular advertisement.

**CRM** (Customer Relationship Management): a comprehensive approach to developing and maintaining long-term relationships with customers.

**Database**: an organised collection of related information.

**Digital signature**: A digital signature is an electronic equivalent of a written signature that can be used to authenticate the identity of the sender of a message or the signer of a document, and possibly to ensure that the original content of the message or document that has been sent is unchanged.

**DMS** (Document Management System): a system for storing, cataloguing and searching of documents in electronic form.

**E-business**: all electronic tools/methods supporting the activities of the business (Anything from a mobile phone to a fully functioning website).

**E-commerce**: all activities relating to electronic transactions between an organisation and its customers (e.g. buying and selling online).

**ERP** (Enterprise Resource Planning): a comprehensive electronic system used to manage information about an organisation (e.g. materials, products/services, people) in order to deliver products/services.
Firewall: a system which protects an individual’s or an organisation’s data from unauthorised access by outsiders.

Hardware: the physical objects which support e-business (e.g. computers, internet servers, printers).

ICT (Information and communication technology): the software, hardware and communications systems that support e-business.

Internet: a global system of interconnected computer networks which are linked by a broad array of electronic, wireless and optical networking technologies and which serve users worldwide.

Intranet: a network like the internet, but only available to users within a single organisation.

Mobile e-commerce (m-commerce) is a term that describes online sales transactions that use wireless electronic devices such as hand-held computers, mobile phones or laptops.

Mobile payment refers to payment services operated under financial regulation and performed from or via a mobile device.

Open Source is a philosophy that promotes the free access and distribution of an end product, usually software or a programme, although it may extend to the implementation and design of other objects.

QR code (Quick Response Code): a machine-readable barcode or optical label that contains information about the item to which it is attached.

Search Engines: websites used to search information on the internet, using keywords.

SEM: Search Engine Marketing is a process to improve market visibility and exposure for a brand, product or service. SEM mechanisms include Search Engine Optimisation (SEO), social networking, bid placement, pay-per-click (PPC), contextual advertising, paid inclusion, geo-mapping, AdSense and AdWords, as well as multiple media formats, such as YouTube, and geo-specific marketing, like Foursquare.

SEO (Search Engine Optimisation): a technique to make it easier for search engine users to find your website.

Server (or web server): facilities which store and make available web pages.

Social media marketing refers to techniques that target social networks and applications to spread brand awareness or promote particular products or services.

Social network: an online service that helps people to develop relationships based on common interests (e.g. friendship, business contacts). Examples are Facebook, Twitter, Google+ and (for business networking) LinkedIn.

Software: instructions that control computer systems, in the form of programmes (e.g. Word and Excel).

Spyware is infiltration software that secretly monitors unsuspecting users. It can enable a hacker to obtain sensitive information.

Supply Chain Management: co-ordinating all a business’ supply activities from its suppliers to its customers.

URL (universal resource locator): a string of characters that serves as a web address (for example www.eposlovanje.biz
**Viral marketing:** individuals transmitting a marketing message to each other by e-mail or social media (the online equivalent of “word of mouth”).

**VOIP** (Voice Over IP): technology for phone calls over the internet, typically cheaper than conventional phone calls (Skype is the best known business based on VOIP).

**World Wide Web** (WWW): the commonest system for publishing information on the internet, accessed through web browsers.
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