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E-MARKETING

E-envrionment

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The accelerated development of digital devices has enabled their use in various fields of electronic business. Along with the widespread use of digital devices, various abuses and frauds have been enabled. Meanwhile, internet technologies, protection systems, and online payment systems have significantly developed. These aspects of electronic business required urgent legal regulation.



Environment for the introduction of electronic business.

The environment for the introduction of electronic business encompasses political, legal, technical-organizational, semantic, and contextual infrastructure aspects.

Political Context

The political context is the result of aligning different visions and goals of organizations. Based on the political context, common priorities can be identified, joint activities can be planned, and limitations for the successful establishment of electronic business can be defined. The European Union declared its policy in the field of electronic business in 1997 as the "European Initiative in Electronic Business."

The EU has aimed to politically enforce legal control in this area, and there is a drive for each country to integrate certain parts of European laws into local requirements.



Legal Context

The legal context is essential for the successful development of electronic business and requires the existence of adequate legal frameworks.

Technical-Organizational Aspects

The technical-organizational aspects include technological innovations, primarily newer generations of computer technology. They enable the acceleration of business operations and real-time market connectivity. Regarding the technical aspects of modern business, organizational structuring is also carried out within organizations, so that each organization has its own IT support consisting of specialists from various fields of information technology who maintain organizational interoperability.

Organizational interoperability encompasses the collaboration of diverse applications in providing final electronic services.



Semantic Context

The semantic context of electronic business is reflected in semantic interoperability. Semantic interoperability is the ability of different systems in the process of electronic business to interpret the meanings of the information they exchange in the same way. It refers to the establishment of knowledge that helps business entities involved in the electronic business process overcome semantic conflicts when exchanging data. Semantic conflicts arise from differences in the terminologies used to express business concepts and contexts, or the domain in which concepts and data are interpreted. Semantics is related to the understanding and interpretation of the meaning of data, while syntax is related to the understanding and interpretation of the structure of data.



Communication Infrastructure

The communication infrastructure should ensure technical interoperability and secure and protected transmission of information (content signing, content encryption, communication encryption). The network is specially segmented at all levels into separate protected zones for each operational segment. Communication nodes are specifically distinguished according to communication centers that are visible to other participants, while communication centers are in specially closed networks where the participants are known and follow certain rules.

When designing hardware components, attention is paid to ensuring that each hardware component is duplicated. In the event of a component failure, the system continues to operate normally. The system of hardware components should be designed in a way that it can be scaled if there is a need to increase capacity.



Legal Framework for Electronic Business in the European Union

The first step in regulating the field of electronic business was taken by the European Union in 1997 with an initiative called the "European Initiative for Electronic Commerce." This initiative served as a model for member states in creating individual frameworks for regulating areas such as digital signatures, encryption systems, and authenticity verification. The EU has many directives, proposals, and recommendations that attempt to regulate the legal framework. Among the most significant parts are: the Directive on Electronic Signatures (1999/93/EC), the Directive on Electronic Commerce (2000/31/EC), the Directive on Data Protection, and the Directive on Consumer Rights.



Directive on Electronic Signatures

Directive 1999/93/EC of the European Parliament and Council, dated December 13, 1999, on a common framework for electronic signatures, aims to facilitate the use of electronic signatures and establish criteria that will serve as the basis for the legal recognition of electronic signatures in member states. The main provisions define that electronic and handwritten signatures must meet the same legal requirements. An electronic signature should be accepted as evidence in legal proceedings. The certification body is responsible for any damage caused to a legal or physical person relying on the certificate.



Directive on Electronic Commerce

In the European Union, there is a stance that legal certainty and consumer trust in electronic business must be ensured. The first step in regulating this area was the creation and adoption of the Directive on Electronic Commerce. This directive aims to contribute to the proper functioning of the internal market by ensuring the free movement of electronic products and services between member states. The directive contains provisions related to electronic services concerning the internal market, service providers, commercial communication, electronic contracts, codes of conduct, and judicial and extrajudicial procedures.



Directive on Data Protection

The Directive on Data Protection is based on the respect for fundamental rights and principles proclaimed in the Charter of Fundamental Rights of the European Union. This directive is grounded in the fact that the development of the information society is characterized by the introduction of new electronic services accessible to a large number of people. As a result, specific requirements arise concerning the protection of personal data and the privacy of users. The legal, regulatory, and technical provisions adopted by member states should be harmonized. Article 1 states that member states should ensure and align an appropriate level of protection for fundamental rights and freedoms, particularly guaranteeing the right to privacy in the context of mass electronic communications.



Marketing Environment

The marketing environment is constantly changing and, as such, offers numerous opportunities for the development of new products and services, new markets, and new media for communication with consumers, as well as new channels for connecting with business partners.

At the same time, the environment also presents a number of threats arising from the economic environment (market-related factors), as well as the legal and technological environments.

One of the tools used in management to analyze the strengths and weaknesses of a company, along with the opportunities and threats arising from the environment, is the SWOT analysis.



Developing countries, such as those in the Western Balkans, are experiencing rapid growth in the internet economy sector.

The task of marketing management is to attract consumers and build relationships with them by creating value for consumers and ensuring their satisfaction.

To achieve this, factors within the company's microenvironment, such as other departments within the company, suppliers, marketing intermediaries, consumers, competitors, and various forms of the public, have an impact.



Considering the impact of competition, to achieve customer satisfaction, it is necessary to gain a strategic advantage over competitors by clearly positioning one's offering in the minds of consumers relative to competitors.

Competition analysis first involves identifying the company's main competitors using both industry-based and market-based analysis. Unlike industry analysis, which includes all companies offering the same product/service within the same industry, market-based analysis involves identifying other competitors—companies that seek to meet the same consumer needs.

There are various ways to achieve tracking and differentiation from the competition.



Most companies, when analyzing competitive forces, use Porter's Five Forces model, which determines the intensity of competition in a market and, consequently, its attractiveness in terms of greater opportunities for profit. This model suggests that an effective strategy must consider not only the actions and reactions of direct competitors but also the role of suppliers and buyers, alternative products/services that meet the same basic need, as well as the likelihood of new entrants appearing in the market.



Akkermans (2001) highlights three different logics that determine competitive advantage in the e-business environment:

- **Technological Logic**
- **Business Logic**
- **Market Logic**

Technological logic refers to technology and its functionality, as well as the ability of companies to adopt and utilize it. Business logic refers to business processes and the possible roles of companies that together define value chains within an industry. Market logic refers to customers and suppliers.



Consumer power in the online environment is greater, as they can more easily, quickly, and with minimal costs compare prices. As a result, companies must make additional efforts to differentiate their products and set prices wisely.

In the online environment, competitors in the industry can easily and at minimal cost collect information and marketing materials about others, which is not the case in the offline world. This highlights the need and importance of online competitive analysis. There are a number of specialized agencies that conduct research and gather data, from which it is even possible to purchase data, thereby monitoring and analyzing the competition.



Thank you for your attention!





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Questions & Answers

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Network of centers for regional short study programs in the countries of the Western

Balkans Call: ERASMUS-EDU-2023-CBHE

Project number: 101128813



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