

Challenges of the Company in the New Economy and Development of E-business Strategy

Monika Angeloska-Dichovska

Faculty of Economics Prilep, St. Clement of Ohrid University Bitola, Republic of Macedonia

Tatjana Petkovska Mirchevska

Institute of Economics, Ss. Cyril and Methodius University Skopje, Republic of Macedonia

Abstract

The rapid development of technology and the Internet drastically alter both the consumers and companies' environment. The Internet is widely accepted by consumers, which manifestly changes their behavior. The rapid and profound changes in the environment, especially the technological changes, have a huge impact on the contemporary transformation of many business entities as well as on the adoption of new business models. The changeable and unstable environment in the new economy urges business entities not only to constantly adjust, but also to accept a strategic approach specific to their e-market performance. The new economy works by a different set of rules from the traditional economy, and brings new challenges for business. Therefore the need for strategic planning is imposed as an imperative, that is, the strategic access to the e-business environment, if companies want to survive and to develop on the newly created markets. The Internet and information communication technology provide better opportunities for businesses to establish distinctive strategic positioning.

The purpose of this paper is to point out the procedures to be followed in developing an e-business strategy in the new economy. Developing an e-business strategy depends on the type of enterprise, industry, competition, consumer behavior, nature of application etc.

Keywords

E-business strategy, new economy, strategic analysis, changing behavior, Internet consumers.

1. Characteristics of the new as opposed to the old economy

The digital revolution, expressed through the dynamic and rapid development of technology and the Internet and their wide application by the population and business entities leads to a new economy, that is, to the transformation of the old into the digital economy. The digital revolution changes people's way of living, but it also causes fundamental changes in the business activities of the business entities and their customers. These developments lead to changes in the overall economy, more specifically, to the creation of a new economy (digital economy, Internet economy, and web-economy).

According to Turban et al. (2008), "new economy refers to an economy that is based on digital technologies, including digital communication network (the Internet, intranets, extranets), computers, software and other related information technologies. In this new economy, digital networking and communication infrastructure provide a global platform over which people and organizations interact, communicate, collaborate, and search for information" (pp. 14-15).

The new economy is based on a different set of rules from the traditional economy, and managers of both traditional and internet based companies have had to face the challenge that comes from the digital revolution. Lee outlines (as cited in Combe, 2006, pp. 55-59) the main attributes of

the Internet that present both a challenge and an opportunity for businesses:

- Economics of exchanging information – the Internet allows for information to be posted and downloaded and used as input in business activities.
- Connectivity and interactivity – the population and business entities have access to the Internet and the opportunity for electronic and two-way communication regardless of the distance.
- Network economies of scale – the marginal expenses for sending information are practically zero; hence business entities can achieve economies of scale by providing value-added products and services for customers, in a cheaper, faster and more efficient manner using the Internet.
- Speed of change – technology enables quicker transaction processes and greater expectations of customers.
- Economics of abundance – new economy creates abundance of information where the value can be reduced in case important information is not selected from unimportant information.
- Merchandise exchange – the web-site displays a wide range of products and services and additional services such as discounts, links to complementary products, product review, price comparisons, payment, delivery and etc.
- Communication channel – the Internet, as a communication channel, provides a wide range of information on products and their prices, low communication costs, short response time, after-sales services, online technical support and etc.
- Transactions channel – easy access for all Internet users, low transaction costs, low administrative costs reduces amount of paper used, improves transaction processes and etc.
- Distribution channel – opportunity for supply and distribution of digital products (financial information, news, music, software, reservations etc.).

The Internet has introduced new rules in the new economy, which have led to changes in the supply and demand of products and services, in the manner of determining prices, manner of performing transactions, market research and marketing, in the manner of decision making, in the pos-

sibility for individual customization of products and services, in the manner of communicating with customers and etc.

The new economy is oriented towards the demand, whereby knowledge resources are of great significance, there are low barriers for entering the market, a low risk tolerance and customer personalization (Vaskovic & Lutovac, 2009, p. 41).

In the new economy, economic, business and consumer factors change under the influence of the information and communication technology. Markets become dynamic and complex, production becomes flexible and customized, and consumer tastes become dynamic and segmented.

As emphasized by Combe (2006, p. 4), there are key differences between the old and new economy from the perspectives of the overall economy, businesses and consumers (see Table 1).

Table 1 Key differences between the old and new economy

Issues	Old economy	New economy
Economy factors		
Markets Competition Structure Value driver	Stable National Manufacturing Physical capital	Dynamic and complex International and global Service Human capital
Business factors		
Organization Production Growth driver Technology driver Competitive advantage Relationships	Hierarchy Mass Capital and labor Machines Low cost/high production Independent	Network or virtual Flexible, customized Innovation and knowledge Digital and electronic Innovation, speed, quality Collaborative
Consumers factor		
Tastes Skills Educational needs Workplace relations Nature of employment	Stable Specialized Trade orien- tated Confrontational Stable	Dynamic, segmented Multiple and flexible Lifelong learning Collaborative Insecure, opportunistic

Source: Combe, 2006

In the new economy, under the strong influence of the Internet, the behavior of consumers changes. The Internet is used differently by different categories of people, thus, their behavior

changes when using the Internet, namely, there is a specific behavior of Internet users. Lewis and Lewis have identified five different types of Internet users (as cited in Chaffey, Chadwick, Mayer & Johnston, 2006, p. 78), more specifically, models of Internet usage:

- Those who search for direct information – users who seek information on products, markets or use their free time for searching and usually do not plan to shop online;
- Those who search for indirect information – users known as surfers who like to search and browse various links and usually click on various advertising links;
- Direct customers – users who buy certain products online; these users find the sites of brokers or cyber-intermediaries that provide comparisons of prices and products to be important locations for visiting;
- Bargain hunters – users who want to find available sales promotion offers, such as free samples or competitions;
- Those who search for entertainment – users who want to connect to the web for entertainment through participation in competitions, such as a quiz, puzzle or other interactive games.

Research (own research, 2014) into consumer behavior on the Internet in the Republic of Macedonia confirms that Macedonian consumers on the Internet are “those searching for direct information” (49.1%), and that only 7.5% are actually “direct buyers” who usually come to the idea of buying or ordering online upon the recommendation of a friend/colleague, relative (48%) and from advertisements on the social media (35.2%), while advertisements on traditional media (newspapers, TV, printed catalogues) become irrelevant for the Internet users, even though for companies (41%) this media is still very relevant.

The functioning of the social media is also significant in the new economy. They are an integral part of the everyday modern life of almost every man. Social media are becoming an increasingly more important source of information used by consumers, especially in the search phase in the model of making a decision on buying. Facebook, Twitter and LinkedIn are at the top of the list of social networks that are becoming quite popular among consumers and businesses, and marketers. The number of users of these networks is increasing every day, thus changing the plans of

business enterprises and the approach of these networks.

According to the data of Internet World Stats (26 April, 2015), in the first quarter of 2015, Europe had 24.1% of the total Facebook users worldwide, Asia 28.8%, while the US/Canada had 17.2%. In the Republic of Macedonia (according to Internet World Stats), there are 1,000,000 Facebook users (as of November 15, 2015), more specifically, the percentage of Facebook penetration is 46.5%. On the other hand, the increased use of social networks allows business enterprises to foster brands and influence the process of purchasing.

Many business entities adhere to many rules in terms of marketing on the social media. Business entities integrate social media in their marketing strategies by: preparing plans for publication, monitoring comments, using tools for managing announcements, conducting promotions and recruiting fans, and having separate teams responsible for social networks. Very often they use the tools of hootsuite.com for monitoring comments and managing announcements on the social media, as well as the tools of wildfireapp.com for creating interactive promotions on the social media.

The research of Pitney Bowes Software (published on eMarketer, 3 December, 2012) conducted in the US, Great Britain, France, Germany and Australia shows that marketers need to be careful when choosing a social media, and should synchronize their activities on the social media with the preferences of their customers, as their research confirms that there is a disparity in the presence of consumers on certain social media and the presence of marketers. They emphasize the disparity in the presence on Twitter, Google and other social networks. For example, for Twitter 57% of marketers stated they use it compared to 31% of consumers.

The digital boom has led to the development of new activities, but also to the restructuring of existing activities and to the emergence of new trends with a positive and negative impact. Hence, among the positive impacts are the tendency of the Internet to dim the power of the channels for bargaining by providing businesses with new, more direct access from clients, and the possibility for improving the efficiency of the activity in various ways, expanding the total size of the market by improving its position over the traditional substitutes. Among the negative trends of the Internet are: it provides customers with easier ac-

cess to information on products and vendors, which strengthens their bargain power; decreases entry barriers; creates new substitutes; intensifies rivalry among competitors, as it is an open system; it expands the geographical area; it increases fixed costs of business enterprises and etc. (Porter, 2009, pp. 102-104).

The development of the widespread application of the Internet and the Internet technology have led to significant changes in the manner in which work is performed. With the development of the Internet, all business enterprises (micro, small, medium and large) have equal opportunities to present their production programs on the Internet with small and affordable costs for everyone. The Internet in the business environment has led to significant changes in the following areas: procurement management, inventory management, distribution management, communication channels management, payment management, mediation etc. (Vaskovic & Lutovac, 2009, pp.44-45).

Social, technological and economic factors create a complex and competitive business environment, in which the power of the consumer becomes greater. These factors initiate business pressure on the business enterprises and impose the need for adjusting to the environment (Turban et al., 2008, pp. 11-16).

2. Strategic planning for entering the e-market

New developments within the environment of business enterprises create new problems and challenges, but also opportunities for finding solutions for them. In order for business enterprises to be more efficient in their functioning, they must respond to changes in the environment, namely, to the changing demands and needs of their customers.

In order for business entities to succeed on the e-market, they need to build strategies with a clear focus, or as Porter stresses (2009, p.130), they need to have the following characteristics:

- having a strong Internet technology and being familiar with it,
- building distinctive strategies with a clear focus,
- an accent and focus on creating value for customers,
- distinctive ways of conducting physical activities and comprising property that is not on the Internet, and

- deep knowledge of the industry and creating their own skills, connections and information.

The essence of a strategy lies in choosing activities in a different way, or in performing activities in a different way from those of the rivals (Porter, 2009, p. 43). According to Combe (2006, p. 213) a strategy can be viewed as a series of decisions and actions that are taken to achieve stated aims and objectives. According to another definition, a strategy is an integrated and coordinated set of obligations and actions in the direction of utilizing the basic competencies of business enterprises and gaining competitive advantages (Michael, Hitt, Duane & Robert, 2008, p. 4).

Nowadays, the modern way of creating a strategy integrates the Internet in order to respond accordingly to the dynamic developments in the environment. A strategy that includes elements of the Internet can be called an Internet strategy or e-strategy. According to Turban et al. (2008) "e-strategy, or e-commerce strategy, is the formulation and execution of a vision of how a new or existing company intends to do business electronically (p. 640) or, according to Chaffey (2004) "using application of internal and external electronic communication that support corporate strategy" (p. 189).

With the purpose of having a picture on the importance of the business environment and the Internet for the development of an e-business strategy in Republic of Macedonia, a survey was conducted in 182 companies from the Republic of Macedonia in regard to strategic thinking, awareness of e-business, impact of e-business applications, Internet presence and social media benefits. More than half of the business entities (56%) do not know about the e-business activities of their competitors, and 40% of the total surveyed entities do not have information on the Internet presence of their suppliers. Half of the surveyed entities (51.6%) have incorporated e-business (e-commerce) elements in their mission and vision. About two-thirds of the entities believe that e-business applications, activities and models can improve their operations, while 26% of the surveyed entities do not know whether these applications, activities and models can contribute to their more successful functioning. They have understood and accepted the social media boom in their strategic thinking, hence, 80% of the entities believe that their presence on social media such as Facebook, Twitter, LinkedIn and others can con-

tribute to a greater promotion of the products and services they offer. From the data analyzed on the strategic approach of companies, it can be noted that they do possess certain elements of an e-strategic approach in their business operations in the country, but, that there is a lack of a complete approach to the immediate and broader external and internal e-business environment.

In the process of e-business planning, all elements of the immediate and more broader environment need to be taken into consideration, as well as the company's internal factors, or as Phillips highlights (2003, p. 105), an answer should be given to the following ten questions:

1. How will the e-business integrate into the corporate strategy?
2. Is it necessary to create a separate department for the e-business project?
3. Are the opportunities and threats arising from the e-business fully understood?
4. Can barriers for entering be set up and in which way?
5. Who are the new competitors on the e-business market?
6. Which of the existing products and/or services are suitable for the e-business market?
7. How will the e-business activities affect the organizational structure, the operational processes, tax liabilities etc.?
8. Which e-market is being targeted?
9. Are there cash reserves available in case of a negative cash flow?
10. Has a group been formed for monitoring, coordination and assessment of the e-business development?

The research that has been conducted using references on strategic planning indicates that the process of strategic planning, both for the traditional business and the e-business, is basically carried out through the same phases. Table 2 provides an overview of the strategic planning process according to Turban et al. (2008, p.641), Suklev and Drakulevski (2001, p.75), Friend and Zehle (2004, p.26) and Chaffey (2004, p.196).

Table 2 Overview of the strategic planning process

Turban, E. et al	Suklev B., Drakulevski Lj.	Friend G., Zehle S.	Chaffey
Strategy initiation	Evaluation of the environment (externally and internally)	Strategic analysis (Stakeholders analysis, vision, mission, goals, company analysis and environment)	Strategic analysis (external environment and internal resources)
Strategy formulation	Strategy formulation (vision, mission, goals, strategy, analysis and selection of strategy)	Generation of strategic options	Strategic objectives (vision, mission and objectives)
Strategy implementation	Strategy implementation (structure, culture and leadership)	Evaluation and selection strategy	Strategic definition (option generation, option evaluation and option selection)
Strategy assessment	Assessment and control strategy (company performance)	Implementation of strategy	Strategic implementation (planning, execution and control)
		Monitoring and review	

Source: the authors based on Turban et al, 2008; Suklev and Drakulevski, 2001; Friend and Zehle, 2004; Chaffey, 2004.

However, when analyzing a classic business strategy and an e-business strategy, several features need to be taken into consideration (Chaffey, 2004, p. 193):

1. Planning horizon: A traditional business strategy is based on predictability in order to forecast the future and to then develop business plans in one-, three-, five- or ten-year spans, while an e-business strategy focuses on adaptability and responsiveness with an implementation time of three months or less and limited predictability.
2. Planning cycles: Competitive advantage is very fleeting in terms when the pace of technological change is rapid.

3. Power base: On one side is the positional power or strength in the marketplace, while on the other side is the informational power where success is based on access, control and manipulation of critical information.
4. Core focus: From factory and production goods, the focus in e-business strategy is based on the customer.

In the strategic planning process for an e-business, certain issues need to be taken into account that result from the on-line presence of the business entity, hence, the formulation of the strategy depends on the entity, the industry in which it operates, competition, the nature of the application, etc. Further in this paper, only the second phase of e-strategic planning will be reviewed, in order to outline the elements that need to be considered when creating an e-business strategy.

3. Developing an e-business strategy in the new economy

Once the strategic analysis is completed, a strategy is then formulated based on the obtained results (opportunities and threats), or alternatives from the analysis, and in accordance with the goals, mission and vision of the business entity.

The development of the strategy depends greatly on understanding the environment in which the business activities and transactions of the entity are being carried out. Factors related to consumer needs, the way in which services are provided, competition, dealers and suppliers have the greatest influence on the strategy. Local and international economic conditions along with regulations and social circumstances have a broader impact. Ultimately, technological innovations are of vital importance in achieving competitive advantage and creating a market (Vaskovic & Lutovac, 2009, p. 42).

According to Chen (2005, p. 213), in developing an e-strategy some significant characteristics of e-markets need to be taken into account, such as: some transactions are virtual, the markets are unstable, the markets are fast-moving, companies are highly interconnected and there is high uncertainty in the markets.

When developing an e-business strategy it is necessary to follow certain steps (questions), and to apply appropriate analyses that will ease this process. Table 3 provides an overview of the proposed steps by Chen (2005, p. 250), Venkatraman (2000, p.16) and Chaffey (2004, pp. 219-230),

who start with an analysis of the current situation and setting of priorities and strategic visions for e-business and continue with the necessary infrastructure and possible benefits along with developing various possible scenarios. In developing an e-business strategy, one set of questions can be accepted or an integrated approach can be made of several groups, with the purpose of developing a competitive, successful and comprehensive strategy.

Table 3 Steps (questions) for developing an e-business strategy

Stephen Chen	N. Venkatraman	Chaffey
1. What are the current state of the industry and the possible effects of e-business on the industry?	1. What is your strategic vision for the e-business activities?	1. What are the e-business priorities?
2. What are the benefits that e-business can provide to the customer and to the firm and what new value propositions can e-business provide?	2. How do you govern e-business activities?	2. How should the enterprise restructure in accordance with the priorities?
3. What time is necessary for e-business activities and are the market and technology ready?	3. How do you allocate key resources for the e-business activities?	3. How can an overview be made on the opportunities of the new business and on the revenue models?
4. What strategic posture do we adopt?	4. What is your operating infrastructure for e-business activities?	4. How can new technologies be utilized for new markets and for the development of products and services?
5. What are the possible scenarios for how the industry will develop?	5. Is your management team aligned for the e-business agenda?	5. How can a positioning strategy be made?

Source: the authors based on Chen, 2005; Venkatraman, 2000; Chaffey, 2004

Hackbarth and Kettinger (as cited in Philips, 2003,) “suggest that e-business strategy pass through three levels of increasing complexity, which they categorize as experimentation, integration and transformation.” (pp. 106-107). In the first level an e-business strategy does not exist, in

the second level the e-business strategy supports the existing corporate strategy, and in the third level the e-business strategy is a guide to the corporate strategy. The methodology for strategic penetration goes through 4 phases, as follows: initiation (review of project-plans, stakeholders and etc.), diagnosis (industrial analysis and analysis of the company), breakout (evaluation and assessments) and transition (transitional e-business strategy).

The basic competitive strategies, or generic strategies that are applied in e-business are as follows: price leadership strategy, differentiation strategy and focus strategy.

In e-business, price leadership can be achieved through several forms, such as: economy of scale, control of all types of costs, reducing promotional activities, imitation products, lower distribution costs, reducing staff, investing in technology that will contribute to the reduction of costs etc.

In formulating the pricing strategy, one should have in consideration that price comparison on the Internet is very simple, very often the prices are set by the buyers, the prices of on-line and off-line products differ (Turban et al., 2008, p. 657).

The differentiation strategy refers to the possibilities of business enterprise to differentiate from the competition through certain features of the products and services, by using prestigious technology, innovations, special customer services etc. The promotion that needs to bring closer the differentiated products to the customers also plays a key role in this type of strategy.

Promoting responsibility towards customers, promoting efficiency, promoting innovation and promoting quality are the four specific ways that can lead to reduction of costs and/or to increasing the differentiation, which will result in a company's competitive advantage (Garet & Jennifer, 2008, pp. 343-344).

The focus strategy is based on the selection of a certain segment of the market, or consumers. By adopting this strategy, business enterprise will have lower costs, as only a certain segment is concerned and not the entire market, as well as the opportunity to develop knowledge and expertise based on the characteristics of the segment, and to use them in improving their future operations (Combe, 2006, p. 236).

In literature there is a debate in regard to the adequacy of the previously mentioned generic strategies in today's new technological environment. There are proposals for a new framework of generic strategies that would more adequately

reflect the new competition. According to Chen (2005, pp. 238-240), they are as follows: strategy for best product, strategy for customer solutions and strategy for systems lock-in. Today, it is very important for products to be introduced quickly and for them to have a dominant design. With good production options, or with superiority of products and services, enterprises are able to establish good connections with consumers. The second strategic option is directed towards consumers, and a little less to the product. Getting to know and doing research on consumers will help the company meet the needs of consumers more easily and faster. The third strategic option (system lock-in) has the widest possible scope, in this case the company considers all the players in the systems which contribute to the creation of economic values. In this strategic position, bonding plays its most influential role. The company is particularly concerned with nurturing, attracting and retaining the so-called "complementors" along with the normal industry participants. Table 4 gives the characteristics of the three strategic options.

Table 4 Characteristics of the tree option for strategic positioning in the e-business environment

	1. Best product	2. Customer solutions	3. System lock in
Scope	- Low cost - Differentiated	- Bonding - Joint development of product - Outsourcing	- Variety and number of complementors - Open architecture
Scale	Product: market share	Customer: customer share	System: complementor state
Bonding	Link to product: - First to market - Dominant design	Link to customer: - Customer lock in - Learning - Customization	Link to system: - Complementor lock-out - proprietary standards

Source: Chen, 2005

With the development of the Internet, enterprises have more strategic alternatives (for development of the market and/or the product, for diversification, penetration etc.), for entering the electronic market, but the choice for this needs to rely on good alignment of the strategic capabilities of the business enterprise and its environment.

Conclusion

The Internet and the widespread use of information technology have introduced new rules in the new economy, which impose a behavior different from the one today for business entities.

Consumer behavior in the new economy becomes different with the presence of the Internet and the Internet technology, which strongly impact the consumer decision-making process on buying off-line and on-line. Hence, it is necessary for enterprises to get to know consumer behavior on the Internet and create strategies accordingly. The social media are becoming an increasingly more important source of information that is used by consumers, particularly in the search phase in the model of making a decision on purchasing. On the other hand, the increased use of social networks allows enterprises to foster brands and to impact the process of purchasing. The social media are becoming a significant marketing tool for enterprises. With the rapid technological development and their widespread adoption and easy application of numerous technologies, enterprises have the opportunity to apply Internet applications and technologies for marketing purposes.

New business models have emerged with the Internet and Internet technologies, which require new knowledge, changed activities and new directions for the success of these models.

The new environment is characterized by instability, uncertainty and frequent changes, and is based on the orientation of the enterprises, their customers, suppliers, competitors, as well as of the public sector towards the electronic way of operation.

In the new economy the business enterprises have the opportunity to directly generate a total or a certain part of their income from the Internet, or based on products and services associated with the Internet, or whose products and services enable the use of the Internet for electronic working.

The operating conditions of business enterprises are becoming more uncertain and dynamic with everyday technological innovations. Hence, the need for strategic planning or strategic accession to the e-business environment becomes an imperative, if enterprises wish to survive and develop on the newly created e-markets. Therefore, when entering the e-market, business enterprises need to follow the strategic planning steps: strategic analysis (external and internal e-environment), strategic goals (vision, mission, and goals), strategy formulation and implementation and control. In order for business enterprises to thrive over

time, they need to constantly follow changes that are happening in the competitive environment, and to harmonize them with their internal resources and capacities.

Business enterprises that will not develop a clearly defined e-strategy will are not likely to survive the electronic market. It is not enough for them just to develop a website; it is necessary for them to be able to adapt quickly and often to the conditions in the environment, or to be strategically flexible. In times of a digital revolution, strategic flexibility is characteristic, which enables adaptation to the changing environment. In order for the business enterprise to be able to respond timely to the demands of the environment, it needs to constantly perform monitoring, learning and upgrading.

The Internet technology provides better opportunities for business enterprises to establish distinctive e-strategic positioning. However, the development of an e-business strategy requires taking notice of the characteristics arising from the Internet and the changes in the environment, thus, a set of steps need to be followed that will facilitate the formation of this type of strategy. The information technology and the Internet have transformed the basic generic strategies into new e-strategies that are focused more towards products with a dominant design, or towards a more detailed analysis of consumer requirements.

The phases of strategic planning in the new economy remain the same as in the traditional; however, the factors that are taken into consideration when creating an e-strategy, such as the techniques that are applied, are broader and more comprehensive. **SM**

References

- Chaffey, D. (2004). *E-business and e-commerce management: Strategy, Implementation and Practice*. England: Prentice Hall.
- Chaffey, D., Ellis-Chadwick, F., Mayer, R., & Johnston, K. (2006). *Internet Marketing – Strategy, Implementation and Practice*. Harlow: Pearson Education Limited.
- Chen, S. (2005). *Strategic Management of e-Business*. New Jersey: John Wiley & Sons.
- Combe, C. (2006). *Introduction to E-business, Management and Strategy*. Oxford: Elsevier Ltd.
- eMarketer. (2012). *Social Media Marketing Can Get Out of Sync with Consumers*. Retrieved March 3, 2016 from: <http://www.emarketer.com/Article/Social-Media-Marketing-of-Sync-with-Consumers/1009515#MxuGYmdy7o3pDxYD.99>
- Friend G., & Zehle S. (2004). *Guide to Business Planning*. London: The Economist.
- Garet R. J., & Jennifer M. G. (2008). *Contemporary Management*. Skopje: Global communications.

- Internet World Stats, (2016). *Usage and Population Statistics for Europe*. Retrieved March 3, 2016 from: <http://www.internetworldstats.com/europa2.htm#mk>
- Michael A., Hitt, R. Duane I., & Robert E. H. (2008). *Strategic Management: Competitiveness & Globalization*. Boston: Cengage learning.
- Phillips, P. (2003). *E-business: strategy*. England: McGraw-Hill Education.
- Porter, M. E. (2009). *About competition*. Skopje: DataPons.
- Shuklev, B. & Drakulevski L. (2001). *Strategic Management*. Skopje: Faculty of Economics.
- Turban E., King D., Mckay J., Marshall P., Lee J. & Viehland D. (2008). *Electronic Commerce- a managerial perspective*. New Jersey: Pearson Education.
- Vaskovic, V., Lutovac, M. (2009). *Electronic business*. Novi Pazar: State University of Novi Pazar.
- Venkatraman, N. (2000). Five steps to a dot-com strategy: how to find your footing on the web. *Sloan management review* 03/2000, 41 (3), 15-27.

✉ Correspondence

Monika Angeloska-Dichovska

Faculty of Economics Prilep
Marksova 133, Prilep, Republic of Macedonia
E-mail: angeloska_monika@yahoo.com