

The impact of the electronic communications on traditional businesses in Albania

Erion Lekaj

Donika Kercini

European University Tirana, Albania;

Abstract

Organizations have now been applying technologies based on the Internet, World Wide Web and wireless communications to transform their businesses for over 15 years since the creation of the first web site. Deploying these technologies has offered many opportunities for innovative e-businesses to be created based on new approaches to business. E-business and e-commerce is an exciting area to be involved with, since many new opportunities and challenges arise yearly, monthly and even daily. Innovation is a given, with the continuous introduction of new technologies, new business models and new communications approaches. For example, Google innovates relentlessly. Its service has developed a long way with millions of pages now indexed and other services such as web mail, pay per click adverts, analytics and social networks all part of its offering. During the same period managers at established businesses have had to determine how to apply new electronic communications technologies to transform their organizations. Also in Albania, existing businesses have evolved their approaches to e-business through a series of stages. Innovation in e-business is relentless, with the continuous introduction of new technologies, new business models and new communications approaches. So all organizations have to review new electronic and Internet-based communications approaches for their potential to make their business more competitive and also manage ongoing risks such as security and performance. Current opportunities which many businesses are reviewing the benefits, costs and risks of implementing include: the growth in popularity of social networks and blogs created by many individuals and businesses; rich media such as online video and interactive applications into their web sites; selection of mobile commerce services which exploit the usage of mobile phones and other portable wireless devices such as laptops around the world.

INTRODUCTION

With the development of the times, many new things are springing up, such as e-commerce. E-commerce is something new to the traditional business. As a matter of fact, e-commerce is online commerce, which includes almost all the things in the real world, such as retail shopping, banking, stocks and bonds trading and so on. Along with the advent of the e-commerce, its impact is obvious, especially on the traditional companies.

Nowadays, many traditional companies have achieved great success with the help of e-commerce, such as MH Industry Co., Ltd. Mh-chine.com is its website to carry out e-commerce business. And many traditional companies want to have better development. It is well known that e-commerce has been popular on the market. From my point of view, it definitely has its own advantages.

First, it can save labor costs. E-commerce is different from the traditional business in employees. It does not need so many staffs, such as sales executive, sales managers, accountants, web designers and so on. Quite the opposite, what e-commerce may help the traditional companies make a high profit.

Second, a tremendous buildup will be given through e-commerce. In the past, when we produced a new product, we spent much time and money on a good advertisement to make the product known to the customers. Sometimes, we needed to invite some stars to endorse the product. Compared to the traditional ways, e-commerce can make the customers all over the world know the product through the website easily. And through the website, the customers can have a general knowledge about the product.

Third, it can increase sales channels. E-commerce creates a new distribution channel for existing products. The customers needn't to go to the company to buy the product, while they can do it at home. E-commerce allows online trading and online payment, which will attract more and more potential customers. By this way, the traditional companies can expand the local market to the global market. Of course, e-commerce has many other advantages left for us.

Most companies worldwide could not estimate properly the huge potential that the World Wide Web offered as a alternate marketing tool. While internet usage was increasing exponentially, its effect over the marketing process and overall economic activity was as yet unknown. IT usage, especially internet usage, would help firms create certain traffic for their products and services, thus building their name in the online environment.

Companies and their managerial staff can find themselves in the same situation today if they do not properly promote themselves online. Online firms need to promote their business in the traditional media. Entrepreneurs should not assume customers will see their online products and then choose them. Instead, it is important to promote themselves in a broad range of distributed daily media. Researchers provide some important insights concerning the online application of traditional promotion principles. A strategy, that includes distribution of products and services to a large number of potential clients, did not have the same success when applied on the Internet. Companies need a huge amount of information in order to fulfill the needs of their customers. IT usage improves the process of data collection and therefore has a considerable impact on

customer-oriented entrepreneurships worldwide. There is an important correlation between the database and the efficiency observed in the delivery process of several companies. Thus, online services and online sales in general shall benefit from gaining access to the databases mentioned above. Entrepreneurs can use the Internet to enhance their operations internationally, or to work in an efficient manner to help them in their development of international e-Commerce strategies. The digital age offers significant opportunities to both consumers and businesses. In fact, the Internet or even ICT services, provides access to a worldwide market for companies of all sizes. It is hard to avoid reading any business magazine without a discussion of how the Internet has influenced business outcomes and processes. To paraphrase a well-known saying: big firms are not like small firms; they have more money. Big size alone offers some protection against the effects of bad decisions that are not available to small firms. Small firms must take advantage of their ability to move quickly and firmly establish their presence in an international e-Commerce business before larger firms close this window of opportunity. The aim of the study was to give an overview of the importance of adapting and application the information technology by entrepreneurships in businesses in Albania. A questionnaire was used to collect the data regarding the type of businesses and performance.

RESULTS

Overall, 79% of the companies have been in business for more than one year and nearly 56% of them were run locally, mostly in capital city. More than half of the companies use up-to-date technologies and this increased the sales and quality for their products and services. All (100.0%) of the companies have a website, 75% of which have not had difficulties with spending for internet and online services. The enterprises focused mainly on marketing the most necessary products/services, facilitating the way a company fulfills customer needs. The biggest share of products are related to household appliances (41%) and supermarkets (39%). Following are clothing stores and accessories, both with an 9% share. Some 11% of the products/services share are in the other category. Regarding technological development, almost 84% of the companies state that they are entirely concerned with the newest trends in technology, which includes working with up-to-date software, offering digital services and up-to-date equipment. Their main priority is being familiar with technological innovations, especially regarding IT. Other companies were not particularly interested in these developments. The main reason for this lack of interest is that they already have a certain share in the market, they have loyal customers. Perhaps more importantly, they do not want to change their traditional way of doing business, including face to face communication with customers. Managers admit that IT helps the business in a considerable way.

Applying IT helped the Albanian businesses be effective and efficient. Almost 90% of the interviewed sample acknowledged this, adding that it has rapidly raised the quality of their products and services. Through the internet, managers have a bigger chance to understand customers' needs, how services should be offered and to whom. Interestingly, 91% of respondents stated that changes in business activities resulting from IT solutions, had a positive

impact on sales. Service and support before and after purchase have become easier and more comfortable for customers. Other respondents stated that the impact was of no importance. They think their business is strong enough to ignore technology, especially in the sales sector.

Regarding the internet use, as the innovative element of communications technology, all of the companies have an official website, for internet and online services. Only 4% of the managers stated that their companies have not conducted research regarding customers' ability or willingness to use the internet. The websites are mostly available in the native language. Generally, the products of these centers are easily reachable. While the majority of companies have their official website, few offer online sales. Almost 87% of the companies used the website as a marketing tool. The website also helped in recruiting new people and in sharing information and getting feedback. The rest of them did not have a website, since they do not apply online sales. They also want to advertise, recruit people, and communicate with their customers in a direct way, not using online services. Most internet services required affordable expenses. Around 40% of the companies obtaining funding when they decided to spend for additional internet services. They are using these services and, as time passes, there will likely be major benefits from this decision. Customers can use the internet service to find products, get help, or obtain additional information about companies. Nearly 43% of the commercial centers have done some preliminary research regarding this issue. Companies representing 20% of the total did not do any research at all. The majority of the companies adapted some already available research study, which turned out to be very helpful. As their managers indicate, towards a higher quantity and quality of sales. Official company websites are generally available in several languages. The most frequent is Albanian, chosen because the majority of customers are Albanian. Slightly more than one third of the firms, have an English website, trying to expand to an international level. Customers are aware of most products offered in commercial centers. The products are easily reachable and do not need internet publication. The majority of this type of businesses focuses in well-known products and on improving their image rather than selling unknown products. However, nearly a quarter of the sample has such products. Managers believe that customers prefer this type of product and it will have a positive impact on the company's image and profits. The internet is a big help for the promotion of these products.

This section focuses on questions about marketing technique, principles, strategies and their application on the internet. The centers had nearly 1,500 visitors per day spending on average more than \$25. This implies significant revenues for the centers. At the same time, companies invest only 1-3% of total revenues for Research & Development (R&D) towards creating new products and improving existing ones. The main purpose of company websites for the customers was availability of information about products, services and the advertisements they showed. Online sales have a small share, less than 10% spread through a few centers. Online businesses are far from reality for the Albanian environment based on the results found here. However, distribution of online orders and online assistance have reached a satisfactory level. Since commercial centers are a new business idea in Albania, they are attractive to customers. Many centers established recently do not have a large number of customers. Customers are willing to spend on average less than \$15 per day in nearly 8% of the commercial centers they visit. Moreover, 40% of the total customers spend between \$15 and \$25 per day.

Some companies mainly use their websites for promoting products and sharing information about products and services, representing respectively 42% and 51% of the total. Nearly 13% of all firms use their websites to receive feedback regarding their activity and products. About 22% of these companies use their websites to build sustainable customer relationships. The later results are impressive, considering that part of the companies use their website to recruit new employees, for online sales or to observe the sales trend is even smaller. Most of the companies achieve online sales at a level below 20% of total sales. This shows there is still much to do for these centers to not only advertise their products online, but also to sell online. Interestingly, 19% of the companies achieve a sales level between 10% and 50% of total sales through online services. The other companies are capable of achieving an even higher level of online sales, because of the international level of their activities and their large market share. Around 85% of the companies indicated they would not be able to move their entire sales operations online. The main reason is the unique service idea that makes them famous, would get lost. Nearly 18% of company managers see this kind of transformation as non-profitable but 5% of them think doing so would reduce their costs. The remaining managers say that digitalization in recent years would be positive if applied in the commercial centers. Therefore, it would completely avoid face-to-face communication between customers and clerks or entrepreneurs and clerks. With regard to sending preordered products to online customers; it seems that the companies are generally in line with customer expectations. Companies fulfill around 50% of total orders in one day and another 50% within one week. This quick response encourages customers to buy other products. The remaining orders, fulfilled in more than one week, are commonly because of large distances or incorrect destination addresses. All the companies aim to stay in touch with their customers helping them make the best choice purchase. For them, a client that is satisfied with the delivery speed means one or more future sales. Several companies offer online assistance to customers. Nearly 60% of them have done it and offer this service mainly for product guarantees, special offers and price catalogs. This assistance can bring the companies nearer to their customers.

CONCLUSION

The survey results indicate a majority of entrepreneurs are aware of the need for adapting to the digital world. The Internet has had a pervasive effect throughout the business world in commercial centers. Entrepreneurs are rushing to the Internet to reach new markets. While companies use e-commerce for advertising, business-to-consumer and business-to-business transactions, entrepreneurs encounter several challenges. We conclude that there are both opportunities and challenges, posed by the use of ICT services. Findings from this research indicate that IT services are growing at such a rapid rate in that many opportunities will exist for commercial centers in the near future. There is always room for new innovative ideas and products for commercial centers, we feel that low barriers to entry and increasing levels of competition will drive prices and profits down, making it increasingly difficult to survive.

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