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Faculty of Business Economics and Entrepreneurship
8 Mitropolita Petra Street
11000 Belgrade, Serbia

PERSON RESPONSIBLE FOR PUBLISHING

Professor Goran Kvrgic PhD, Director of Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia

EDITOR'S NOTE

The „*GENDER, IT AND MARKETING ISSUES IN ENTREPRENEURSHIP* " in its content covers mostly research Conference papers concerning gender and female leadership aspects, marketing, globalization and new information technologies in entrepreneurship issues.

So, in the first group of research topics are papers which contribute to the systematic knowledge about women's entrepreneurship. Women's entrepreneurship is both about women's position in society *and* the role of entrepreneurship in the same society. Women's entrepreneurship needs to be studied separately for two main reasons. The first reason is that women's entrepreneurship has been recognized during the last decade as an important untapped source of economic growth. Women entrepreneurs create new jobs for themselves and others and by being different also provide society with different solutions to management, organization and business problems as well as to the exploitation of entrepreneurial opportunities. However, they still represent a minority of all entrepreneurs. Thus there exists a market failure discriminating against women's possibility to become entrepreneurs and their possibility to become successful entrepreneurs. This market failure needs to be addressed by policy makers so that the economic potential of this group can be fully utilized. While without a doubt the economic impact of women is substantial, we still lack a reliable picture describing in detail that specific impact. The second reason is that the topic of women in entrepreneurship has been largely neglected both in society in general and in the social sciences. Not only do the women have lower participation rates in entrepreneurship than men but they also generally choose to start and manage firms in different industries than men tend to do. Papers research also the industries (primarily retail, education, tourism and other service industries) which are chosen more often by women for their business. Socio-cultural obstacles to women's entrepreneurship are also the interest of the researchers in this Volume. Authors also assert a female advantage in leadership, finding women more likely than men to lead in a style that is effective under contemporary conditions, and show that women have some advantages in typical leadership style but suffer some disadvantages from prejudicial evaluations of their competence as leaders, especially in masculine organizational contexts. Nonetheless, more women have leadership roles at all levels, including elite executive roles. The basic questions that are addressed in this paper and that demand attention in relation to these arguments are (a) whether men and women behave differently in leadership roles, (b) whether women receive prejudiced evaluations as leaders and potential leaders, and (c) whether leadership by women might be more effective or better meet the needs of organizations than leadership by men.

Second group of researchers write about various aspects of the use of ICT technologies and tools through entrepreneurship, technopreneurship, cloud computing, EDI technology. Bill Gates! Microsoft! Steve Jobs! Apple! Sergey Brin and Larry Page! Google! Count the names of entrepreneurs who started

Oracle! YouTube! Facebook! Wonder what they are? –Technopreneurs, or entrepreneurs who are technology savvy, creative, innovative, dynamic, who dare to be different and take the unexplored path, and very passionate about their work. They take challenges and strive to lead their life with greater success. They don't fear to fail. They take failure as a learning experience, a stimulator to look things differently and stride for next challenge. Technoprenuers continuously go through an organic process of continual improvement and always try to redefine the dynamic digital economy. Technology and entrepreneurial skills are driving many economies to prosperity today and they deserve to be studied in this Volume. Traditional educational programs, however, lack the methodology to transform today's students into creative, innovative, visionary global leaders who understand the importance of technopreneurship. The papers elaborate and suggest positive note on basic agenda existing in EU and candidate countries resisting the digital, web entrepreneur growth development and issue of ICT, for job creation, especially as a chance for young people. The advent of ICT technologies and Internet has changed the global business landscape. Internet accounted for 10% of GDP growth over the past 15 years. Recent ICT developments like Enterprise 2.0, cloud computing, social networks, etc. are enabling dynamic new and smaller companies , entrepreneurs to develop and bring to market innovations that before were too expensive to develop. As the huge potential of ICT -enabled business innovations remains to be unleashed by SMEs. The extended use of ICT could helps the entrepreneur for creating an advantage, research participation in the global world of business for technology transfer, training, collaboration and employment entrepreneurial initiatives at the local and global level. The purpose of these papers are to stress the importance of the impact of ICT sector to the modernization and new business models in other industries, and innovative approach, entrepreneurial spirit for new enterprises founding in new ICT fields, as well as opportunities for job creation through web and technology entrepreneurship.

The third group of the Conference papers research entrepreneurship, marketing and branding issues within global environment. Three sources of change are identified: Cultural change, marketing management change and marketing in the new medium - Internet marketing. Focusing on the latter, three types of change are distinguished: facilitators, threats, and new opportunities. The challenge for marketing management is to recognize and use of these changes. The 'Internet' is used here to include the PC (Personal Computer), TV (Television), mobile. (telephone), and PDA (Personal Digital Assistant) access, defining the Internet marketing as the use of the Internet for marketing of products, or services, sold either on the Internet or through traditional channels. In such a new environment the information received by the consumer depends on how s/he interacts with the medium, changing communication from a push to a pull medium, and transferring control of the marketing relationship to the consumer. While facilitating some traditional marketing areas, the Internet has also been seen as a threat, particularly to brands, making brand strength, its attribute, advantage and emotional association weaker than ever before. The Internet supports highly

rational shopping, encouraging dispassionate comparisons of prices and features, which may undermine brand values based on facts. The definition of private label branding has evolved significantly over time. Some would argue the term "private label" is a misnomer of great proportions. There is no question that the words "private label" acknowledges the birth, history and existence of generic and store brands. Yet, the term does not adequately capture the extent to which private label has progressed. Today's retail marketers are managing their proprietary brands with the same combination of care and innovation as manufacturers of national brands. In recent years, retailers have been liberating themselves from the traditional definition of private label marketing as being the poor relative of national brand consumer goods, and, in doing so, opening up huge opportunities for private label branding. These opportunities require the adoption of a different set of marketing and branding practices to support and propel the retailer's business and marketing ideals for its private label brands.

In recent years, owing to the globalization of markets and production processes, an ever increasing number of marketers and entrepreneur and business manager have to deal with ethics and social responsibility issues in cross-cultural settings. Main approaches in marketing ethics and social responsibility have been reviewed for ethical analysis and business manager in international settings. The studies present some guidelines that can serve as a guide for global marketers in the important areas for markets ethics and social responsibility. The effects of globalization on firms, into global market opportunities and global competitive threats, integrate literature into international business, strategic management, and marketing.

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Editor in Chief
Professor Radmila Grozdanic PhD

academician and fellow of : SKANU, ECSB, WCU, INSEED, ICEA, EREVET

CONTENT

PART ONE

ENTREPRENEURSHIP FROM A GENDER
PERSPECTIVE

WOMEN IN BUSINESS AND LEADERSHIP: CRITIQUES AND DISCUSSIONS

Mirjana Radovic-Markovic[1]
Aidin Salamzadeh[2]
Seyyed Mostafa Razavi[3]

Abstract: Female leaders have emerged over the last forty years and are making their mark in the business world. On the other hand, inequality in the workforce leads to salary gaps and struggles for promotions. Strides have been made, but there is more work to be done. Female managers/leaders should understand the history of inequality in all around the world. They should understand the traits of a charismatic leader as these traits could help boost their desirability within the business world. Finally, *identifying* a profile of a successful female leader can help demonstrate the direction in which any female manager should head.

Key words: Female Leadership, History, Inequality, Characteristics

JEL classification: M21, M51, B20

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[1] *Mirjana Radovic-Markovic, Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, mradovic@gmail.com*
[2] *Aidin Salamzadeh, Faculty of Entrepreneurship, University of Tehran, Tehran, Iran, salamzadehaidin@gmail.com*
[3] *Seyyed Mostafa Razavi, Faculty of Entrepreneurship, University of Tehran, Tehran, Iran*

INTRODUCTION

Leadership is the ability to influence a group toward the achievement of a vision or set of goals (Robbins & Judge, 2008). This ability can be either formal or informal and can be applied to managers and non-managers. Historically, many leaders have been men, and women have struggled to gain respect in the business world as leaders. Throughout the world, women continue to fight for equality in the workforce and to find a place among their male counterparts in leadership roles. By reviewing the status of women in business all around the world, one can have a greater understanding of their struggle (Morrison and von Glinow, 1990).

In early 1990s, only five of the Fortune 500 industrial and service companies had female CEOs (Feminist Majority Foundation, 1991), and of the highest paid officers and directors of the 1,300 largest industrial and service companies, women were less than 0.5% (Dodge & Gilroy, 1995). The numbers have improved, but at the end of the 1990s one survey found only 11% of Fortune 500 board members were women (Mann, 1999). In 2010, in the United States, 51% of in professional and managerial positions, and 25% of chief executives were dedicated to women (US Bureau of Labor Statistics, 2010). In Fortune 500 companies (2010), women held only 15.4 percent of corporate officer positions, 14.8% of board seats and 2.4% of CEO titles (Evans, 2011). However, in 2011, women occupied 47% of the US workforce (US Bureau of Labor Statistics, 2011) but only 5.2% of the CEOs (Catalyst, 2011a) and 16% of the companies' board seats (Catalyst, 2011b). These statistics raise the question of why women have limited access to critical leadership roles (Kawakami et.al, 2000). Therefore, for women to be successful they must be charismatic leaders, so it is important to know what the traits are of a charismatic leader (Bass et al., 2008).

Finally, forming a profile of a female leader can also be helpful in understanding the role women play in business leadership. In the present paper, we try to elaborate some main issues in the literature of female leaders. The main point of focus is the characteristic traits of women leaders who are doing their best to prove their equal opportunities in being successful leaders. In order to do so, first we discuss the history of women leaders. Then, we elaborate the concept of charismatic women leaders, and finally, the unique characteristics of women leaders are discussed.

WOMEN IN BUSINESS: TIMELINE

During the time between the 1880s and the 1920s, western civilization saw a boom in women's participation in business, both as workers and as managers. This period transformed the United States into one of the world's most important economies. This period in history redefined women's roles in business. Women began working outside of the home and were often in subordinate roles such as

helpers, laborers and clerks. Occasionally, a woman might establish her own company and assume managerial control. These companies were usually within the sphere of female enterprise and focused on items and services women typically purchased (Blaszczyk, 2002). To some scholars, despite gains in women's status, men are more likely to become successful leaders than women and the styles that successful leaders follow are more masculine. Then female leaders face a dilemma: In one hand, if they follow a masculine leadership style, their male subordinates will dislike them. On the other hand, if they adopt a warm and feminine style, they will be liked, but not respected (Kawakami et al., 2000).

The last sixty years has seen a significant change in the status of women in the workforce. While the majority of leadership positions in both the USA and throughout the world have been held by males (Weyer, 2007; Stelter, 2002), American corporations began promoting women into managerial roles, and by the end of the 1980s, women owned half of American businesses. In addition, women are pursuing education in greater numbers and currently outnumber their male counterparts, graduating from college each year. Women obtaining higher education degrees, occupy 52% of today's middle management positions (Robwrite, 2012). In sum, women are better educated than before; they comprise the majority of undergraduate college enrollments in industrialized countries and are catching up in the developing countries (Cheung and Halpern, 2010).

Prior to the 1990s, the gap between male and female salaries was great, but strides have been made to reduce this inequality. Unfortunately, men are still more likely to be promoted than a female counterpart with equal experience (L'Heureux-Barrett and Barnes-Farrell, 1991; Thurlow, 2009). Moreover, according to the literature there is considerable evidence that women are not paid in direct accordance with performance outcomes. Indeed, even in female dominated markets like publishing (where evidence shows that men do not outperform women, or women even have an advantage), men seem to get more than their fair share of rewards (Kulich et al., 2007).

While many countries promote equality in the workplace, many countries do not. An example is seen in the Arab Nations. According to an article in UN News Centre, women in the Arab culture are denied equality of opportunity and this has "*crippled the Arab Nation from becoming a world leader in economy, commerce and culture*" (2006). Arab women lack access to education, lack the ability to participate in public matters and lack empowerment in the business world. There is a significant difference in the number of women working with that of men. In some Arab countries, women make up less than 10% of the workforce (ElSafty, 2003). This gap is a reflection of the seclusion of women in the Arab culture. Several Arab nations continue to withhold political participation of their female population making it that much more difficult to change current practice.

As in any country struggling with inequality, the Arab Nation has its share of emerging leaders in both the political and the business realm. These women are pioneers in leading women into more powerful roles. Some of the most notable female Arabian leaders include, Reem Arca (fashion designer for Neiman Marcus),

Sheikha Munira Qubeysi (religious leader), and Sabrina Jawhar (Saudi Arabian journalist). These women are important figures in the fight for gender equality in Arab Nations (ElSafty, 2003). Their contributions can help guide other women seeking change and autonomy.

The battle for women's rights started back in the late 18th century, which set the stage for the rise of women's movements. Women grew increasingly dissatisfied with the limitations society had placed on their activities (Radovic Markovic, 2007). Middle Eastern women- just like millions of women around the world- are struggling for equal rights and for the opportunity to work and increase their standards of living. The assumption that most Middle Eastern women are kept at home is not valid anymore since more women are entering the workforce (Fernea, 2000). However, women of the Middle East suffer from the gender gaps both in social and economic spheres caused by culture and traditions of their societies, some of which are mentioned in the last paragraphs (Javadian and Singh, 2012).

Although in some countries of the region, the facts are quite different (Javadian and Singh, 2012). For instance, in Iran, based on the Global Entrepreneurship Monitor report (GEM, 2008), more than a quarter of Iranian entrepreneurs are women. However, Iran tends to have a low index of support for women entrepreneurs and little is known about Iranian women entrepreneurs (Razavi et al., 2008). Iranian women are active in many fields of the economy and the number of women founding new businesses is increasing, although one might expect different picture of women in Muslim countries (IRIN, 2003). However, while their number is increasing and Iranian women are more than men in achieving higher education, there are still fewer women entrepreneurs in Iran- compared to men (Sarfaraz, 2010).

However, the tradition of African American women's leadership is absent from the literature in general (Alston, 2012; Bower and Wolverton, 2009), and "*African American women leaders remain in a quandary*" (Gable, 2011); based on some research works, well-known African American women leaders have similar characteristics- such as using a leadership style as an art, being both rational and emotional, and having a social influence- that have carried them through and helped to shape them into significant forces in their society (Lewis, 2011). According to findings of a research done by Rosette and Livingston (2012), these women leaders are evaluated more negatively than Black men and White women in their leadership styles.

To some scholars, African women leaders/managers have been largely invisible in the literature (Nkomo and Ngambi, 2009, 2013). While as Ozumba an Ozumba (2012) argue that across the African continent there is evidence of African women leaders, as early as the 7th century (e.g. Berber Queen, Kachine of the Maghreb; 9th century Magajiyas of Daura; 16th century Queen Amina of Zazzau; and 19th century Nehanda of Zimbabwe). However, some efforts have been done; like the Feminist Leadership and Movement Building Institute (FLaMBI) which was established in 2008, in collaboration with African women leaders (Ryan-Rappaport, et al., 2012).

Taking into account the structural conditions based on which Asian women leaders face a rather disadvantageous socio-political context–including a predominantly misogynist gender ideology in terms of political agency (Fleschenberg, 2008); Yet, some of them, such as Indira Gandhi, Sirimavo Bandaranaikre, Benazir Bhutto, Sheikh Hasina, Khaleda Zia, etc. are considered as the most active leaders of the continent (Chowdhury, 2009). Such women leaders were engaged in political affairs as well, and required themselves to change their societies (Shuli, 2011).

Discrimination against women leaders and their impact on policing seems to be more progressive in Europe than the US. Discrimination occurs and prevents women leaders from obtaining the leadership positions in Europe. Moreover, there is a need to explore the lack of females in top leadership positions (Hughes, 2011). At the same time, stereotypes of women in some European countries became more favorable with stereotypes of women viewed as more active and strong, whereas the stereotypes of men became less active and strong (Toh and Leonardelli, 2012).

To some scholars, a transformative collaborative model of leading is both more typical of women leaders and in fact very effective, especially in large organizations. At the same time, we shall consider that emphasizing women leaders' "unique" leadership style also has its dangers, as it could strengthen gender stereotypes (Rosener, 2011).

In sum, while women and men are equal when it comes to exhibiting leadership style and behavior (Weyer, 2007), as a topic of research during the past three decades, it is still a "*topic of considerable complexity*" (e.g. Eagly and Johnson 1990). As Weyer (2007) elaborates, "*the attempts to clarify the issue can be divided into two separate schools of thought as outlined in the following: (i) researchers who propose a minimization of differences; and (ii) investigators who endorse stable differences between the genders*". Even though, there is general agreement that women face more barriers to becoming successful leaders than men do (Eagly and Johannesen-Schmidt, 2001). It should be noted that in this paper, we consider both schools.

TYPES OF WOMEN LEADERS: CHARISMATIC LEADERS

A review of leadership studies and management styles of men and women was conducted by a management team, and the results revealed that women were more democratic, encouraging participation, and the men were more autocratic, directing performance (Psychology Matters, 2006). Women leaders need to employ as many positive traits as possible in order to gain an edge in today's market. "Charismatic leaders are the most successful, the most respected and the most loved leaders of all" (Alain, 2011). Charisma is a trait that cannot be measured or seen. It cannot be taught. Charisma is an abstract energy that draws others; it is likability. A charismatic leader will always have followers because they are well liked and because followers choose to be a part of their team, they are not forced to be a part

of their team. A charismatic leader possesses several traits. These include: vision and articulation, personal risk, sensitivity to follower's needs and unconventional behavior (Robbins & Judge, 2008).

Charismatic leaders have a vision or a long-term goal and strategy. This provides a path by which subordinates can follow. This type of leader often takes risks, which might have high costs and result in personal sacrifice. This seems to enhance and build the self-esteem and self-confidence of their team. Charismatic leaders are perceptive to their employees and their abilities. They focus of being responsive to the needs and feelings of those employees (Robbins & Judge, 2008). Finally, the novel behaviors shown by charismatic leaders demonstrate courage and conviction, which enhances the dedication of their staff (Mládková, 2012).

In addition to the above traits, charismatic leaders demonstrate wisdom, communication skills, humility, substance and compassion (Basu, 2012). These additional attributes allow charismatic leaders to attract followers and inspire them to improve and be successful. These leaders tend to initiate change and improve the overall success of their business. Their optimism is a respected trait. Charismatic leaders are often servants to those that follow them. Women leaders benefit from being charismatic leaders and can use these traits to become more marketable.
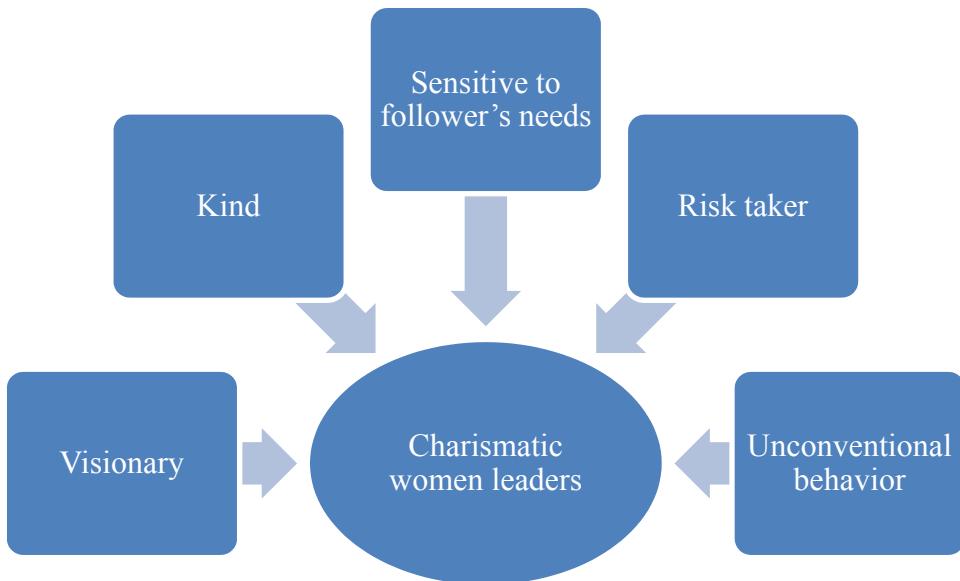
Figure 1. Main characteristics of charismatic women leaders

Source: Self-elaborated

PROFILE OF WOMEN LEADERS

There are several characteristics a woman must have in order to be a good leader (Helgesen, 2012). In fact, characteristics of women leaders differ significantly from the characteristics of women more generally (Schneider and Bos, 2011). Confident female leaders place a high value on relationships. They are successful in using direct communication. Successful women leaders are comfortable with a diverse workforce and can see the potential that a diverse group can offer. Women leaders rarely compartmentalize their work, which helps increase their insight on the work environment. Female leaders rarely work with hierarchical type management styles, preferring to lead from the center of the organization. Finally, these leaders often see the big picture and understand the steps needed to obtain reasonable goals (Chin, 2007; Helgesen, 2012). Communications skills, compassion, humility, patience, and strength are also considered as key characteristics (Folta et al., 2012).

According to many female writers, "*Women often have a different attitude to power compared to men*" (Prigent, 2011). Regarding women's attitude, Halsebo (1987) defined women as "*able to exercise power in a more constructive way, mobilize human resources better, encourage creativity and change the hierarchical structures*" (Prigent, 2011).Women leaders have to work on a managerial culture first. Such leaders succeed to see beyond the boundaries of the routine activities and classical settings (Budrina, 2012).

Some characteristics are ascribed more strongly to women than men. For instance, women have more *communal characteristics* which describe primarily a concern with the welfare of other people (for instance, affectionate, helpful, kind, sympathetic, interpersonally sensitive, nurturant, and gentle), while men have more *agentic characteristics* which describe primarily an assertive, controlling, and confident tendency (for instance, aggressive, ambitious, dominant, forceful, independent, daring, self-confident, and competitive). In employment settings, communal behaviors might include speaking tentatively, not drawing attention to oneself, accepting others' direction, supporting and calming others, and contributing to the solution of relational and interpersonal problems; while, agentic behaviors might include speaking assertively, competing for attention, influencing others, initiating activity directed to assigned tasks, and making problem-focused suggestions (Eagly and Johannesen-Schmidt, 2001).

Women are less likely to be considered for leadership positions because such roles do not fit the female gender stereotype. Moreover, even if women do take on leadership positions their performance is likely to be devalued for several reasons. Since women are perceived to fit the managerial stereotype less than men they are perceived to be less influential agents. Therefore, when women perform valuable work, this may be unacknowledged as their achievements are more likely to be attributed to external factors (Kulich et al., 2007).

According to Radovic Marković (2011), women face obstacles as follows:

- Tradition and patriarchal attitudes;
- Budget restrictions affecting healthcare, educational benefits, right to maternity leave, childcare and retirement benefits;
- Conflict of roles between family and work responsibilities;
- Continued devaluation as women as many companies do not acknowledge that women can perform as well as men;

In addition, there is an opinion that absolute equality is a red herring for women's general dissatisfaction with having to juggle or choose between work and family. It is not necessarily the priority for most working women because equality is not what they want most, but rather fulfillment from both worlds. Relatively speaking (meaning some women more than others), women are faced with choosing between career and family and if they want both they have to learn to juggle both which is not an easy task. Healthier businesses and happier families result from the increased balance introduced by women leaders (McMillian, 2012).

Communal characteristics	Agentic characteristics
• affectionate, • helpful, • kind, • sympathetic, • interpersonally • sensitive, • nurturant, and • gentle	• aggressive, • ambitious, • dominant, • forceful, • independent, • daring, • self-confident, and • competitive

Figure 2. Types of characteristics

Source: Eagly and Johannesen-Schmidt (2001)

CONCLUSION

Female inequality in the work force continues to be a concern worldwide, although significant gains have been made in the western world. Women leaders are emerging and can be as successful as their male counterparts. However, in order to move forward in the business world, female leaders need to understand their struggles and make decisions about their management style, which will benefit them. By looking at the history of inequality, by understanding the traits of a charismatic leader and by identifying the profile of a woman leader, one can move towards becoming a successful female leader.

In the present paper, we elaborated some main issues in the literature of female leaders. The main point of focus was the characteristic traits of women leaders who are doing their best to prove their equal opportunities in being successful leaders. Although, studying the literature, we need to take into account the differences which might/might not be effective in being a successful leader among both men and women.

Future studies could investigate these concerns in different contexts, considering differences and similarities. Moreover, the discussed characteristic traits could be clarified in order to gain more knowledge about the approaches and mechanisms which influence the success of women leaders.

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PEOPLE'S NOTION OF WOMEN ENTREPRENEURS: CROSS-CULTURAL STUDY

Krum Krumov[4]
Mirjana Radovic-Markovic [5]
Marta Juhasz[6]
Andreea Negruti[7]

Abstract: The notion which other people have about the woman entrepreneur influences significantly her self-esteem and is an important regulator of her behavior. This notion plays a significant role in the professional activity of women entrepreneurs and is a factor for effectiveness of their work. The notion of other people about women entrepreneurs and about their characteristics and possibilities to deal with entrepreneurial business is the subject of the present research paper. It describes the data of a multicultural research on the image that other people have about women-entrepreneurs. The data reveals the variations of the idea which other people have about the women-entrepreneurs in several Eastern European countries. The study also identifies the main factors on which the positive or negative evaluation of the women entrepreneurs depends. The conclusions made are valuable for the successful self-regulation of behavior of women-entrepreneurs and they will help them increase effectiveness of their professional activity.

Key words: Women Entrepreneurs, Notion, Public Opinion, Cross-Cultural

JEL classification: M21, M51, Z10

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[4]*Krum Krumov, Sofia University "St. Kliment Ohridski", Sofia, Bulgaria, krumkrumov@abv.bg*
[5]*Mirjana Radovic-Markovic, Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, mradovic@gmail.com*
[6]*Marta Juhasz, Hungary*
[7]*Andreea Negruti, Rumunia*

The tendencies which are observed in economic development of certain countries are a serious indicator of the change of the economic paradigm on a global scale. One of the indices for this is the economic crisis which has gripped almost all countries – highly developed industrial countries, developing countries and the least developed ones. Another indicator of a change of the economic paradigm, although not so strongly expressed, is development and flourishing of women entrepreneurship in some countries. Many are the factors that have caused this specific "boom" in women entrepreneurship: in some countries this "boom" is related to the change of socio-political systems, in others it is linked with the tendencies for rejection of traditionalism and with emancipation of women, while in third ones the reason for it is the pressure of the economic crisis etc. Regardless of the factors the result is obvious – women turned into "economic players" who, along with men, drive the economic progress. In support of this statement, many facts and statistical data can be quoted which prove that as a general rule women as being equal to men can be successful managers and entrepreneurs. (Minniti, M., Arenius, P., and Langowitz, N., 2005).

It is evident that women have already undertaken a new role at the world economic stage as "economic players" – they are managers and entrepreneurs on whom the economic development on a worldwide scale largely depends and this tendency will become even stronger. On the other hand, however, this means a new characteristic of women entrepreneurs is inherent to them making them do innovative actions, motivating them for creative behavior, and at the same time turning them into a universal production factor which, by means of combining resources and creating new organizational forms, drives the economic development and creates employment (Krumov, Larsen, Atanassova, Hristova, Juhasz, Tutu, Barnoczki, 2012).

Before becoming entrepreneurs, however, women have to begin accepting themselves in the role of entrepreneurs, i.e. they have to acquire not only a specific set of knowledge and skills for entrepreneurial activity but at the same time they have to form their professional identity. Women have to start perceiving themselves in the role of entrepreneurs; they have to build up an "entrepreneurial" image of themselves. Formation of such an identity does not happen overnight, it is a long process in which an important place is taken by the opinion other people.

As early as 19 c. William James, in his book *Principles of Psychology* (James, 1890) expressed the thesis that the human "self" is formed owing to the various roles the individual performs in his/her interaction with other people. Later, G.H. Mead develops the ideas of W. James by maintaining the thesis that through the interaction with the others the individual creates himself/herself, his/her own "self", the notion of himself/herself (Mead, 1934). It means that in order for women to build up a positive notion of themselves as entrepreneurs, this notion first of all has to exist in an interactive plan, as a positive notion shared by other people about women entrepreneurs. In other words, people's notion of women entrepreneurs, public opinion on women entrepreneurs will determine to what extent women will perceive themselves in a positive plan as real entrepreneurs and

will build up in their minds a stable idea of themselves and of the role they have to perform. If people perceive women entrepreneurs negatively, if their idea of women entrepreneurs has negative characteristics, then no matter how stimulating and encouraging the laws regulating business are, public opinion will have a negative impact on women's behavior and on their decision to enter this business. Psychologists have long proven the power of social influence on behavior of individuals and on their self-concept (Deutsch & Gerard, 1955; Baron, Vandello, & Brunsman, 1996; Levine, Higgins, & Choi, 2000).

The public opinion shapes cultural dynamics which is typical for each country and the cultural model specific for each country or region shapes the personal profile of each individual. Thus, for example, empirical research clearly demonstrates that exactly culture shapes the so called "psychological gender" which imposes and maintains gender stereotypes (Williams & Best, 1982; Williams, Satterwhite, & Best, 1999). It can be concluded that the cultural context, public opinion, people's notions of women entrepreneurs significantly influence self-perception of women in their role of entrepreneurs, on which, in turn, their successful inclusion in the entrepreneurial role depends (Marlow, S., Carter, S. and Shaw, E., 2008).

Bearing in mind this theoretical formulation, our thesis is that people's notion of women entrepreneurs is one of the factors having a significant impact on inclusion of women in the entrepreneurial business. We also admit that in each country there are different notions of women entrepreneurs which undoubtedly influence entrepreneurial behavior.

Based on the theoretical formulation, research was conducted of the general notion of women entrepreneurs in three EU member states – Bulgaria, Hungary and Romania.

AIMS AND SUBJECT OF RESEARCH

Attitudes reflect the positive or negative ideas about certain phenomena. They are characterized by stability and durability over time. For this reason, studying public opinion about women entrepreneurs could provide us with valuable information about the image that people have built about them.

This study was conducted with a questionnaire entitled *Attitudes Toward Women Entrepreneurs* (Krumov, Larsen, Atanassova, Hristova, Juhasz, Tutu, & Barnoczki, 2012). In 2013, the second stage of the study was conducted as the questionnaire was revised in order to improve the methodology and at present it consists of 59 items. Its main aim is reporting on public attitudes toward the image of women entrepreneurs. The questionnaire is based on four theoretical aspects of the attitudes toward women entrepreneurs: overall attitude toward women entrepreneurs, attitude toward their personal abilities and potentialities, public opinion on the environment and working conditions for women entrepreneurs, and attitudes toward the motives determining the inclusion of women in entrepreneurial business.

This research was conducted at the same time in Bulgaria, Romania and Hungary. The response categories are based on a five-point Likert-type scale where 1 is "Strongly disagree" and 5 is „Strongly agree". The questionnaire yielded high reliability (α = .92 for the Bulgarian sample; α = .87 for the Hungarian sample and α = .97 for the Romanian sample).

THE BULGARIAN SAMPLE

The sample consists of 133 participants of Bulgarian nationality found by using an online version of the survey. The majority of the sample consists of women (70%). Almost half of the respondents (48 %) are between 20 and 30 years, 27% - between 31 and 40 years, 18 % between 41 and 50, and only 9 respondents are older than 51. We can say that the respondent profile for Bulgaria is women between the ages of 20 and 30. What is interesting in the Bulgarian sample is the fact that over 85% of the respondents have graduated higher degrees, with the distribution being as follows: 25.6% have completed bachelor's degree, 56.4% have a master's degree and 18 per cent are with primary or secondary education. The smallest portion of participants has PhD or similar degree (3.8%). In terms of the length of organizational service we can distinguish the following respondent groups: up to 1 year – 16.5%, 1-2 years – 13.5%, 3-5 years – 14.3%, 6-10 years – 11.3%, 11-15 years – 16.5%, 16-30 years – 15.8%, 21 years and above – 11.3%. Almost half of the sample is working in the private sector (49.6%) and 13.5% have their own business. About 14% of the respondents are students, while almost 13% are working in state organizations. About 9% of the subjects are unemployed or retired. In regard to their position in the organization, 38% of the respondents are employees in private companies, 18% have their own business, while 7.5% are managers in private companies. About 12% have stated that they are employees in state organization and about the same per cent have stated other (adding they are raising a child, are unemployed, or are students). When evaluating their social status, 67% of the respondents state that they are neither poor nor rich, 26% feeling they are materially and financially satisfied, 6 per cent admit they eke out a livelihood and below 1 per cent of the respondents report they live in extreme poverty.   With regard to their party affiliation, 44% per cent of the subjects state they are not interested in politics, 25 per cent are sympathizers of the right-wing parties, followed by 14 per cent who report they sympathize with centrist parties. 11 per cent are opposed to all parties and only 5 per cent sympathize with left-wing parties. 83% of the sample is Orthodox Christians; 8.5% have defined themselves as atheists. About 1% is Catholics, less than 1% is Protestants or Muslims, followed by nearly 6% stating "other" as their religion.

THE ROMANIAN SAMPLE

The sample consists of 140 participants of Romanian nationality found by using an online version of the survey. Like in the previous two samples, the majority of the respondents are women, but the per cent here is a little smaller – 54% against 46% for men. Here, too, half of the respondents are between 20 and 30 years of age, 27% - between 31 and 40.2% - between 41 and 50, and 3.6% – 51 years and above. In regard to education, 68% have completed bachelor's degree, 20% have master's degree, 9.3% have primary or secondary education, 2.9% have PhD or similar degree. In terms of the length of organizational service 42,1% have up to 1 year, 25% - between 6 and 10 years, 15,7% - 11-15 years, 8% - 3-5 years, 5% - 1-2 years. The majority of respondents were students (43%), 29% work in private organization, 22% - in state organizations, and 4% have their own business. In regard to their position in the company, 22% are state employees, about 14.3% are employees in private companies, while 14.3% are managers in private companies. Less than 1% is directors in state companies, and about 4% have their own business. About 44% of the respondents have answered "other", and almost all respondents in this group are students. When evaluating their social status, 70% of the respondents stated that they are neither poor nor rich, 15% feeling they are materially and financially satisfied, 15% per cent admitted they eke out a livelihood. With regard to their party affiliation, 64% of the subjects stated they are not interested in politics, 22 per cent are opposed to all parties. About 6% sympathized with left-wing parties, followed by 3 per cent who reported they sympathize with centrist parties. About 1 per cent is sympathizers of the right-wing parties. 80% of the sample is Orthodox Christians; 8.6% have defined themselves as atheists. 5.7% are Catholic or Protestants.

THE HUNGARIAN SAMPLE

The sample consists of 128 participants of Hungarian nationality found by using an online version of the survey. Once again, the majority of the sample includes women (76%). 58 of the respondents are between 20 and 30 years of age, 23% - between 31 and 40, and 19% - between 41 and 50 years. In the Hungarian sample, 22% of the respondents are older than 51. In regard to education, 46% have master's degree, 33% have completed a bachelor's degree, while 14,8 % have primary or secondary education. About 6% of the respondents have PhD or a similar degree. In terms of the length of organizational service 28% have work experience 21 years and above, 15% - up to 1 year, 13 % have worked between 3 and 5 years, 12% - 16-20 years, 11% - 1-2 years, 11% - 11-15 years, 10% - 6-10 years. In relation to the type of organization, the respondents were engaged in, the majority of them have stated to be engaged in a state organization, 28% - in private companies, 11.7% have their own business, about 11% are students and 5% are retirees. In regard to their position in the company, 39% are

state employees, about 19% are employees in private companies, while 7% are managers in private companies. 12.5% gave the answer "running my own business", and the rest 23% stated – "other". The most common answers were that the respondents were students, retired, or job seekers. When evaluating their social status, 65.6% of the respondents stated that they are neither poor nor rich, 28.9% feeling they are materially and financially satisfied, 5.5% per cent admitted they eked out a livelihood. 54% claimed that they are not interested in politics, followed by the sympathizers of the right-wing parties (18 per cent) and of the left-wing parties (12.5 per cent). 6% per cent are opposed to all parties and only 10 per cent sympathize with left-wing parties. 40% per cent of the participants are Catholics, 24 per cent atheists and 20 per cent Protestants. 3 per cent of the sample are Orthodox Christian and below 1 per cent Muslim. Interestingly, 28 per cent of the respondents reported other religions (evangelist, alternative, agnostic).

RESULTS AND DISCUSSION

The most strongly expressed attitudes toward women entrepreneurship were identified for the three samples by an analysis of the means and standard deviations. The tables below show public opinion expressed by the Bulgarian, Hungarian and Romanian respondents. Based on these attitudes, for each sample analyses were conducted on the influence of gender, age, education and family status.

ATTITUDES TOWARD WOMEN ENTREPRENEURS IN THE BULGARIAN SAMPLE

The analysis of means and standard deviations for the Bulgarian sample yielded the following four highest results:

Table 1. Attitudes toward women entrepreneurship in the Bulgarian sample

Item	M	SD
Men-entrepreneurs should treat women-entrepreneurs as equal business partners.	4.61	.75
There should be no place for women in the entrepreneurial business.	4.53	.89
A woman cannot find professional realization as an entrepreneur because she lacks competence and relevant education.	4.43	.89

As seen from Table 1, the respondents from the Bulgarian sample identify three main attitudes to women entrepreneurs. It is noteworthy that two of the items are reversed and should be interpreted in the opposite direction. Below we will

analyze in more detail each item in relation to distribution of responses by the respondents' gender, age, family status and education.

The first attitude is presented with the item "*Men entrepreneurs should treat women entrepreneurs as equal business partners*" (M=4.61, SD=.75). 96% of women and 94% of men agree. It is interesting that 100% of the subjects aged above 40 and above 51 years support the statement, followed by 94% of those aged 20-30 and 31-40. Regarding education, 100% of people having PhD or a higher degree express agreement, followed by those with a master's degree (97%), a bachelor's degree (94%) and primary or secondary education (94%). In terms of the family status, 100% of the divorced or widowed support the statement, followed by those who are married or living with a partner. The single ones agree least, however their per cent is still very high – 93%. As it could be seen from the results presented, both genders support the statement that men entrepreneurs should treat women entrepreneurs as equal business partners. It is interesting to note that this attitude is supported by people from all age groups with only slight differences between them. Education also yields similar results with a tendency for increase of agreement with the education degree. Family status gives also only slight differences among all groups whose per cents of consent with the attitude are very high. There is a tendency for the Bulgarian sample to accept gender equality as a serious prerequisite for women entrepreneurship.

The second strongest attitude is: "*There should be no place for women in the entrepreneurial business*" (M=4.53; SD=.89). This item is reversed so the replies can be interpreted as rejection of the statement that women have no place in entrepreneurial business. The fact that the entrepreneurial role relates with the image of women is a prerequisite for inclusion of women in entrepreneurial business. This item has 93% dissent of the women. 82% of men disagree and 15% of them are without an opinion or uncertain. Distribution by age shows that the highest per cent of disagreement is among people aged 41-50 (96%), followed by those between 31 and 40, and the ones between 21 and 30 (88%). The least dissent is expressed by those aged above 51 (78%). Interestingly, 100% of the holders of PhD or a higher degree do not support this attitude, followed by 92% of holders of a master's degree, 88% of those with a bachelor's degree and 83% of the persons with primary or secondary education. Regarding family status, the divorced or widowed respondents disagree 100%. The lowest extent of disagreement (85%) is reported by the group of the single people. 90% of the married disagree, followed by the group of individuals who are living with a partner (89%). To summarize, women oppose this attitude more strongly than men. The respondents at middle age (between 30 and 50) express stronger dissent with the item. Probably it is due to the fact that in this period of life (between 30 and 50) people are most active in the professional sphere.

The third leading attitude is "*Among women-entrepreneurs there is a lack of managerial knowledge and skills*" (M=4.43; SD=.89). This item is reversed too and we can interpret the replies like "women have the necessary managerial knowledge and skills". This attitude is especially important because it is related with the

opinion of people whether women can manage their own business. 92% of women disagree with the statement as compared to 87% in men. The highest per cent of disagreement is observed in the age group 20-30 years (94%), followed by 89% between 31 and 40 years and above 51 years, and 88% in the group between 41 and 50 years. Regarding education, an interesting finding is that only 60% of the persons with PhD or similar degree oppose this statement and 40% of them express uncertainty. 94% of the individuals with primary or secondary education and the ones with a bachelor's degree reply negatively followed by the persons with a master's degree. In terms of family status, again, the group of divorced or widowed disagrees most strongly, followed by those living with partner (96%) and single (92%). The lowest per cent of dissent is expressed by the married ones - 86%.

As a summary of the results in the Bulgarian sample, we can state that the leading attitudes of the respondents are related to the necessity men entrepreneurs to treat women entrepreneurs as equal partners in business as in this business women take their significant place as entrepreneurs and are able to find professional realization because they have the necessary education and competences.

ATTITUDES TOWARD WOMEN ENTREPRENEURS IN THE HUNGARIAN SAMPLE

After analyzing means and standard deviations four attitudes with highest importance for the respondents were identified:

Table 2. Attitudes toward women entrepreneurship in the Hungarian sample

Item	M	SD
There should be no place for women in the entrepreneurial business	4.76	.60
Men-entrepreneurs should treat women-entrepreneurs as equal business partners.	4.66	.83
Among women-entrepreneurs there is a lack of managerial knowledge and skills	4.66	.79
A woman cannot find professional realization as an entrepreneur because she lacks competence and relevant education	4.59	.74

The respondents from the Hungarian sample identify four main attitudes toward women entrepreneurs. Three of these items are reversed and the responses should be interpreted in a positive direction.

The strongest attitude in this sample is: "*There should be no place for women in the entrepreneurial business*" (M=4.76; SD=.60). This item is reversed and we interpret the replies of the subjects as rejection of the statement that women have no place in the entrepreneurial business. 98% of women disagree with this

negative attitude. 81% do not share it either. However, 16% of men are uncertain as compared to 1% of uncertainty in women. Distribution of the responses by age demonstrates that about 96% of the respondents aged between 20 and 30 years and 31-40 years disagree with this attitude. They are followed by 89% of dissent expressed by the other age groups - between 41-50 and 51 and above. Regarding education, the strongest extent of disagreement is provided by 97% of the respondents with a master's degree, followed by the persons with primary or secondary education (95%) and those with a bachelor's degree. The level of dissent is lowest for the subjects with PhD or similar degree - 87% as among them the uncertainty is highest - 13%. Family status distributions show that 100% of the respondents who are single and   divorced or widowed agree women have a place in the entrepreneurial business. To summarize, the women in the sample oppose more strongly than men this negative attitude demonstrating that women believe they have a place in the entrepreneurial world. The two younger groups in the sample support more explicitly women entrepreneurs. The persons with a master's degree, primary or secondary education and a bachelor's degree oppose more strongly to the discriminative attitude to women entrepreneurs. The single and divorced or widowed subjects give unanimous support to women entrepreneurs.

The second strongest attitude "*Men entrepreneurs should treat women entrepreneurs as equal business partners*" (M=4.66, SD=.83) receives 94% support from women. The per cent of uncertain answers given from women is quite low – 3%. Men agree with this attitude with 87% but they also express 10% of uncertainty. Distribution by age groups is as follows: the group aged between 20 and 30 years gives 97% consent, the group aged 31-40 demonstrates 91% agreement. People between 41 and 50 years express strong agreement (95%) too. The lowest level of agreement is observed in the respondents aged 51 and above (82%) but the same group shows the highest extent of uncertainty (14%). Family status distributions of answers show that the divorced or widowed people provide the highest support for the gender equality among entrepreneurs (100%), followed by those living with a partner (95%), single individuals (91%) and the married (90%). In terms of education, a tendency is observed for increase of consent with each subsequent education degree, i.e. 84% of consent for people with primary or secondary education, 93% for those with a bachelor's and a master's degree, and 100% for the holders of PhD or a similar degree. The extent of uncertainty is highest (16%) for the subjects having primary or secondary education. Regarding family status, 100% of the divorced or widowed persons, as well as 91% of the single respondents express consent. As a summary of the analysis for this item we can say that women agree more strongly than men that women entrepreneurs should be considered as equal business partners by men entrepreneurs. The younger respondents support this statement while those aged 51 and above express some uncertainty about that. The per cents of agreement by family status are quite high, the highest being that of the divorced or widowed people. Consent increases with each next level of education.

The third leading item has the same mean as the item discussed above (M=4.66; SD=.79). It says, "*Among women-entrepreneurs there is a lack of managerial*

knowledge and skills". This item is a reversed one so the high mean should be interpreted in the opposite direction, i.e. that women do have the necessary managerial knowledge and skills. This attitude is especially important as it is related to the public opinion whether a woman is able to manage her own business. The distribution of answers by gender demonstrates that 97% of women disagree about it while for men this per cent is considerably lower - 80%. In terms of age, people between 31 and 40 years express their absolute dissent with this discriminatory statement (100%). They are followed by 95% of the group aged 20-30 and the one aged between 41 and 50. Only 11% of those aged above 51 believe that women lack entrepreneurial knowledge and skills. The results in terms of education are interesting too. The highest extent of disagreement about this negative attitude is provided by the subjects with primary or secondary education (100%), followed by those with a master's degree (93%) and the individuals with a bachelor's degree (90%). It is surprising that holders of PhD or similar degree support this attitude (13%) and so do those with a bachelor's degree (7%). 100% of the individuals in the group of the divorced or widowed disagree with this attitude, followed by the single respondents (97%) and the groups of the married and the ones living with a partner (87%). In summary, women support very strongly the statement that women have the necessary managerial knowledge and skills. So do most of the men but among them there is some uncertainty. The most explicit agreement is received by those aged 31-40, probably because at this age people usually take more responsible managerial positions. The results show that people with primary or secondary education also express the strongest consent. Probably this is due to the fact that the sample is very young, i.e. for most of the respondents education is a future perspective.

The last leading attitude in this sample is "*A woman cannot find professional realization as an entrepreneur because she lacks competence and relevant education*" (M= 4.59; SD=.74). This item is reversed so the high mean actually shows rejection of such an attitude by the respondents. Here, too, women (97%) express stronger dissent than men (80%), as 16% of men reply, "Without an opinion or uncertain". 96% of people between 21 and 30 and 51 and above disagree with the negative attitude. 11% of people aged 51 and above are uncertain in their opinion on this item. 100% of the divorced or widowed respondents disagree with the statement, followed by 97% of the single respondents and 95% of the ones living with a partner, and 86% of the married ones. 100% of the respondents with primary or secondary education are opposed to this attitude, as well as 97% of those with a master's degree. Relatively lower per cents of disagreement are observed in holders of PhD or a similar degree (88%) and holders of a bachelor's degree (86%), however the latter are the only group to express uncertainty (12%). To summarize, women believe more strongly than men that women have relevant education and competence to be entrepreneurs. The youngest group in the sample and the eldest one defend this idea too. Only the married respondents express relatively low dissent with the statement that women lack competence and education necessary for entrepreneurs. The rest groups in this category oppose very explicitly to it. Those with primary or secondary education as well as the holders of a master's degree also oppose strongly to it.

As a summary of the results in the Hungarian sample it is evident that there is strong defense of the idea of gender equality in entrepreneurship because the respondents believe that women have the necessary knowledge and skills to be successful entrepreneurs.

ATTITUDES TOWARD WOMEN ENTREPRENEURS IN THE ROMANIAN SAMPLE

The analysis of means and standard deviations for the items in the questionnaire yielded the following strongly expressed attitudes of the Romanian subjects:

Table 3. Attitudes toward women entrepreneurship in the Romanian sample

Item	M	SD
Freedom and independence are the values that motivate women to enter entrepreneurial business.	4.15	.64
Men-entrepreneurs should treat women-entrepreneurs as equal business partners.	3.95	.65
I favor the expansion of the women's entrepreneurship in my country as an important factor in development of the national economy.	3.94	.65
Women enter entrepreneurial business because it is consistent with their new roles in the modern world.	3.85	.72

As seen from Table 3, the subjects from the Romanian sample have four strongly expressed attitudes toward women entrepreneurship. Each of these four attitudes have been analyzed in terms of the respondents' answers by gender, age, education and family status in order to understand better the influence of these demographic factors on public opinion about women entrepreneurs.

The first most strongly maintained shared attitude is that "*Freedom and independence are the values that motivate women to enter entrepreneurial business*" (M=4.15, SD=.64). This attitude is held by 95% of the men in the sample and by a slightly lower per cent of women (80%). About 5% of men are uncertain if freedom and independence are the motives for women to enter the entrepreneurial world while the per cent for women is considerably higher (18%). Regarding age, this attitude is most salient in the youngest age group of the sample, between 20 and 30 years (93%). The rest three age groups yield similar percentages: 82% for the respondents aged between 31 and 40, 81% for those aged 41-50 and 80% by individuals aged above 51. In terms of family status, almost 100% of the respondents living with a partner agree about freedom and independence as a motivator for women. They are followed by 86% of divorced or widowed people, 83% for the singles and 80% for the married ones. This finding provokes scientific curiosity and raises questions that could be the topic of further

research. Education proves to be associated with this leading attitude. People with PhD or higher degree believe in 100% of the responses that freedom and independence are what makes women choose entrepreneurial activity. They are followed by 93% agreement expressed by holders of master's degree. Bachelors show 86% agreement with this statement and subjects with primary or secondary education are the last ones with 77%. It could be summerized that freedom and independence as a main motivator for women entrepreneurs is an attitude held mostly by men although women agree with it strongly. Young respondents aged 20-30 years are those to share this attitude most strongly. People living with a partner are the ones who agree highly and the married ones agree to a lower extent. The agreement with this attitude has the tendency to increase with each subsequent education degree.

The second leading item, "*Men-entrepreneurs should treat women-entrepreneurs as equal business partners*", (M=3.95, SD=.65) finds agreement in 78% of men and 80% of women. However the degree of uncertainty is slightly higher in men (20%) than in women (18%). Age yielded interesting results. The highest extent of agreement with this attitude is expressed by the youngest in the sample, aged from 20 to 30 (89%). This age group shows the lowest per cent of answers saying "Without an opinion or uncertain" (11%). The last age group (above 51 years) is the second strongest supporter of this attitude (80% of agreement) and expresses 20% of uncertainty. 73% of agreement is expressed by the subjects aged 41-50 who also show 27% of uncertainty. The highest per cent of uncertainty (29%) and the lowest per cent of agreement (66%) is given by the individuals aged 31-40. This serious difference between the representatives of two consecutive generations is rather intriguing and needs further research attention. The single respondents are those who share this attitude most strongly (89%) followed by the ones who are living with a partner (83%), the married ones (73%) and the divorced or widowed (64%). The highest per cent of uncertainty belongs to the divorced and widowed persons (36%) and the lowest (11%) belongs to the single individuals. In terms of education, this attitude is shared by 86% of those with a master's degree, followed by the respondents with a bachelor's degree (79%), PhD or higher degree (75%) and subjects with primary or secondary education (69%). Interestingly, the lowest degree of uncertainty is observed in holders of PhD or higher degrees (0%) and the highest degree of uncertainty is observed by individuals with primary or secondary education (23%). To summarize, the two genders differ only slightly in their extents of agreement on the attitude that men entrepreneurs should treat women entrepreneurs as equal business partners. There is a very serious age difference between the extent of agreement and uncertainty expressed by the respondents aged 20-30 years and those aged 31-40. A huge difference is observed by the group of single individuals and the divorced or widowed ones not only in terms of agreement but also in terms of uncertainty. The per cent of uncertainty in answers is highest in people with primary or secondary education and lowest in holders of PhD and higher degrees. The respondents with a master's degree show the highest support for this attitude while the persons with primary or secondary education agree least.

The third most strongly shared attitude is "*I favor the expansion of the women's entrepreneurship in my country as an important factor in development of the national economy*" (M=3.94, SD=.65). Both men and women show strong support for this attitude, however, the per cent of agreement for men (86%) is higher than that of women (72%). The extent of uncertainty expressed by women is higher (25%) than the per cent of uncertainty in men (14%). The youngest in the sample show the highest per cent of agreement with this attitude (84%), followed by those aged 31-40 (79%), the respondents aged 41-50 (69%) and the persons above 51 (40%). Regarding uncertainty about this attitude, it increases with age – starting from 14% for the youngest and ending up in 60% for those aged above 51. A possible explanation could be some age rigidity to the new roles of women in the society. Marital status is also interesting to consider. The respondents who are living with a partner completely agree with this attitude (100%). They are followed by the divorced or widowed (86%), the single ones (80%) and the married ones (71%). The highest extent of uncertainty is expressed by the married ones (27%) while there is no uncertainty among those living with a partner (0%). Agreement with the attitude increases with the degree of education starting from 46% for the lowest level of education, 78% of agreement shared by the bachelors, 93% of agreement in the respondents holding a master's degree and 100% agreement by the persons with PhD or higher degree. The situation with uncertainty is the opposite: 0% for the subjects with PhD or higher degree and 46% for those with primary or secondary education. It can be summarized that men agree to a higher extent than women that expansion of women's entrepreneurship is a factor in development of the national economy. Agreement with this attitude decreases with age but uncertainty increases. Marital status also provides noteworthy results – people living with a partner share by 100% this attitude followed by the divorced or widowed while the married ones agree least. The latter are those to be most uncertain too. Division by education proved that support for this attitude increases with the degree of education. The uncertainty, however, decreases with each next education degree.

The fourth most strongly maintained attitude is "*Women enter entrepreneurial business because it is consistent with their new roles in the modern world*" (M=3.85; SD=.72). It is interesting to note that men and women demonstrate equal agreement with this statement (70%) and also equal uncertainty about it (28). It can be stated that both genders understand and accept the new roles of women in the society. In terms of age, there is a very interesting finding: The highest extent of agreement is expressed by those who are above 51 years old. They show the least uncertainty about it (20%). The lowest extent of agreement is reported by the previous age group, 41-50, which is 62%. They are the ones to show the strongest uncertainty about this attitude. It is necessary to reconsider the idea of age rigidity expressed about the third leading attitude. Age appears to be a demographic characteristic which requires more research attention. The single respondents share this attitude most strongly (75%), followed by the married ones (71), those living with a partner (67) and the divorced or widowed subjects (50%). Regarding uncertainty, it is highest in the divorced or widowed part of the sample (36%) and

lowest among the single respondents (24). It is also a challenge which needs further analysis because the groups standing in the two extremities live alone but are still very different. In terms of education, the highest level of agreement is expressed by the holders of PhD or higher degree (75%) and the bachelors (74%), followed by those with primary or secondary education (62%) and master's degree (61%). The degree of uncertainty expressed is 0% by the respondents with PhD or higher degree and the highest level of uncertainty is observed in the ones with primary or secondary education. To summarize, both genders agree equally with this attitude, while the elderly in the sample support it most strongly and show the least uncertainty about it. The new role of women in the society is most strongly supported by the single respondents and receives lowest support by the divorced or widowed ones. Respondents who have graduated a college or hold a PhD show the highest support for the new roles of women in the modern world.

To summarize the results in the Romanian sample, it can be said that the respondents believe in gender equality in the entrepreneurial business. Women entrepreneurship is considered as a new role in the modern world which gives them freedom and independence but along with these it is an important factor for development of the national economy.

CONCLUSION

The results in the Bulgarian, Hungarian and Romanian samples are especially interesting and they reflect the cultural differences of the respondents. They also provoke future research ideas and the need for reconsidering the existing stereotypes about the role of women in the modern world. This study has a weakness and it is the modest number of respondents for each national sample. The samples are not representative which allows the researchers only delineation of some tendencies in the public opinion on women entrepreneurship. It provides directions for future work but not definitive statements about the three European countries. The research team hopes that in future it will be able to gather more participants and to give more representative data and results of more in-depth analyses.

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SOCIO-CULTURAL CONSTRAINTS OF WOMEN ENTREPRENEURS IN ALGERIA

Boufeldja Ghiat[8]

Abstract: Algerian women had a culture of staying at home, but with the beginning of this century, the Algerian society begun to see women in positions of responsibility. Many of them chose to be entrepreneurs, which indicate that the country is experiencing profound social and cultural changes.

To be entrepreneur requires qualities of personality, management know-how and leadership abilities. To see women entrepreneurs was inconceivable, few years ago, in a male and conservative society.

Despite the improving economy, Algeria is experiencing a high rate of unemployment, including amongst young graduates. This motivated the state to adopt a policy of youth employment, by granting them loans, in order to create their own businesses. These factors have encouraged graduated women to venture into entrepreneurship businesses.

The current environment in Algeria promotes access to education and training for girls, but the socio-cultural environment remains a difficult obstacle to overcome.

In order to answer these questions, a questionnaire was developed and used to collect data. 20 questionnaires were filled in by women entrepreneurs from Oran city–Algeria.

The first results showed that women entrepreneurs have the required managerial abilities, but the majority of them complain of socio-cultural constraints. The support they receive from their friends and family members was found to be a valuable contribution, that helps them to overcome the environmental problems.

The purpose of this paper is to study the socio-cultural constraints of women entrepreneurs in Algerian environment, and the supports received from their families, to confront the constraints of a male society, will be examined.

Key words: Woman Entrepreneurship, Socio-Cultural Environment, Working Women in Algeria, Gender and Work

JEL classification: M21, M51, Z13

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[8]*Boufeldja Ghiat, Faculty of Social Sciences Oran University, Oran, Algeria, ghiat_boufelja@yahoo.fr*

INTRODUCTION

Algerian society has undergone major social changes, which have accelerated since the eighties of the twentieth century. This is due to the education policy which has become a requirement for all Algerian children without discrimination.

Algerian legislation regarding education and work, does not discriminate between the sexes. As mentioned by Nouara Ja'far, Minister for the Family, "on the one hand, there is the law that puts men and women on an equal footing. May other hand, the disparity between the sexes is still raging on the ground, as result of cultural mentality "(Belkhiri, 2012).

Algerian women had a tendency to work at home, but with the beginning of this century, the Algerian society begins to see women holding positions of responsibility. Many of them chose to be entrepreneurs, which indicate that the country is experiencing profound social and cultural changes.

Women entrepreneurs can be defined as as those "who are not employed under an employment contract, but exert their activity either self-employed or as a shareholder of a corporation. These women carry alone or in partnership, all the risks and financial responsibilities, administrative and social development-related to these activities "(Cornet and Constantinidis, 2004).

The entrepreneurial function requires mental and psychological capacities, to manage all aspects of production, competition and the management of relationships with the subordinates, as well as a confrontation with a multitude of material, financial, bureaucratic and human constraints.

Venturing into entrepreneurial activity involves several environmental challenges and constraints, which are not easy tasks for men also.

Algeria has experienced a period of socialism where entrepreneurship was the business of the state. After the opening of the market economy by the end of the 20th century, and the majority of entrepreneurs were males. But with the increasing number of female graduates from Algerian universities, and because of growing rates of unemployment, the girls begin to move more and more towards entrepreneurship businesses.

It is a challenge for a woman to venture into entrepreneurial activity in a hostile cultural environment.

An entrepreneur can be either self-employed working in his - or her - own business, or an employer with at least one employee (Rachdi, 2006). This study focuses on companies with employees, in order to study the behavior of women entrepreneurs in different managerial situations.

The majority of studies on women entrepreneurs have been made by sociologists dealing with subjects as a sociological phenomenon, linked to social changes, or studied from the economic point of view only. Few studies have been conducted on the psychosocial aspects and cultural constraints, and problems arising from the fact of having women supervising men in a male society.

The literature shows a great similarity with respect to socio-cultural constraints of women entrepreneurs in the Maghreb countries (Morocco, Algeria and Tunisia), the fact of belonging to the same Arab-Muslim culture.

Female entrepreneurship in Algeria needs to be deeply studied, in relation to the socio-cultural constraints, and managerial styles of women entrepreneurs in a male environment.

This paper deals with the reality of women entrepreneurs in Algeria. Psychological demands of the job, management practices and human socio-cultural constraints of the environment are also discussed. It also analyzes the impacts of moral support in the success of women entrepreneurs, in facing the different socio-cultural obstacles.

MANAGERIAL PRACTICES OF WOMEN ENTREPRENEURS

The style and management practices of women have aroused great interest among researchers (Mukhtar, 2002). The question is whether management styles between men and women are the same.

Algerian women occupy senior positions in the hierarchy of different companies, of different levels of authority. She expressed her management skills in public and private sectors, and in different occupational activities. This demonstrates the qualities and managerial skills of Algerian women executives.

Despite the fact that Algerian women demonstrated their managerial abilities, as executives and directors of public companies, holding positions of responsibility, only à limited women entrepreneurs managed to create their own enterprises.

Women may have a lack of experience at the beginning, the same as men, but that can be acquired over time. The support of family members and friends can fill the gaps encountered at the beginning of their careers.

SOCIO-CULTURAL CONSTRAINTS OF WOMEN ENTREPRENEURS

Algerian culture has been hostile to women's work outside their homes. The historical past of Algeria (colonization, underdevelopment ...) led to the spread of poverty, ignorance and backwardness that have affected the Algerian society in general and women in particular.

Algeria has known, after her independence, big cultural and economic changes as result of the generalization of education, including higher education. From the beginning of the third decade, girls at universities became of majority in most

scientific fields of study, such as civil engineering, maritime engineering, agriculture and mechanical engineering ..., fields used to be mainly for males.

The economic crisis and high unemployment have encouraged women to try new professional activities, such as being "entrepreneur" and the creation of their own companies.

According to the customs and cultural habits, a woman cannot manage men, nor give them orders. This is why men have difficulty working under the command of women, and receive orders from them. The culture of a male society is the source of several socio-cultural problems of women entrepreneurs in Algeria.

Similar constraints are found in other North African societies. A study of women entrepreneurs in Morocco by AMAPPE in 2004 and 2005, concluded that there was "essentially problems of cultural values and social rules, which are extremely importants (the mentality of people, difficulties as a woman, etc.). "(Salman al. 2012, p5).

According to the words of a woman entrepreneur in Morocco, "There are people who until now, refuse to look at you in the eyes when they talk to you, and sometimes they head to one of my male employees instead of dealing with me directly " (Salman and al. 2012, p13).

Despite the socio-economic changes in Algerian society, women entrepreneurs still facent constraints and cultural barriers.

THE NEED FOR FAMILIAL SUPPORTS

Being an entrepreneur is a hard work for men, in an environment with socio-economic constraints and bureaucratic obstacles, as in the case of Algeria. Being a woman entrepreneur in an Arab Muslim society is a real challenge.

The importance of family and family support for women entrepreneurs begin during the creation of their businesses and the confrontation of different constraints: financial, bureaucratic, technical and human resources.

The responsibilities of women entrepreneurs are important and require constant monitoring and require considerable time. That is why married women entrepreneurs, with children often experience problems with their husbands, and find it difficult to reconcile the demands of their professional duties with the family needs and obligations.

In order to overcome the constraints met in a male society, woman entrepreneurs need moral support of their friends and family members. To overcome the difficulties of managing a business, they are called to develop their own management strategies tailored to their specific situations.

METHODOLOGY

To study the socio-cultural constraints of women entrepreneurs in Algeria, a questionnaire was developed and used for the investigation.

PROBLEMATIC:

The entrepreneurial jobs require qualities of personality, management know-how and skills to manage human resources and deal with a hostile environment. It is a real challenge that a woman ventures in entrepreneurship occupation, and that was inconceivable a few years ago in a male conservative society.

Despite the improving economy, Algeria is experiencing a high rate of unemployment, including among academics. This prompted the state to adopt a policy of youth employment, by granting loans to unemployed youth to create their own businesses. These factors have encouraged women graduates to venture in entrepreneurship businesses.

The current environment in Algeria promotes access to education and training of girls, but the socio-cultural environment remains a difficult obstacle to overcome.

The business of women entrepreneur is a new phenomenon in Algeria. To understand these obstacles, field researches need to be carried out.

RESEARCH QUESTIONS

This resrach will answer the following questions:

1. Do the women entrepreneurs master the basic management know-how?
2. What are the socio-cultural constraints facing them?
3. Are the married women entrepreneurs supported by their familes?
4. What are the strategies used to overcome the socio-cultural constraints of the environment?

In order to answer these questions, a questionnaire was developed and used to collect data from a sample of women entrepreneurs.

QUESTIONNAIRE AND DATA COLLECTION PROCEDURES

A questionnaire "Indices of managerial practices and constraints of women entrepreneurs" was developed to obtain data on the following aspects:

1. Personal information.
2. Information about the company.
3. Psychological characteristics.
4. Managerial practices.
5. Socio-cultural constraints.
6. Balance between responsibilities with my family obligations.
7. Sources of support for women entrepreneurs.

The questionnaires were distributed directly to women entrepreneurs, who had to choose between "Yes" and "No" or "Sometimes".

The percentages were calculated, the results are presented in Tables (5-8).

POPULATION

22 questionnaires were filled by women entrepreneurs in the region of Oran. 12 of them are married with children, and 14 of them have a university degree.

Personal Information

Table 1: Level of instruction

	Med. school	Secondary	university	Total
Instruction level	01	07	14	22
%	**4.54 %**	**31.81 %**	**63.00 %**	**100 %**

Following Table 1, the majority of women entrepreneurs (63%) have a university degree.

Table 2: Marital status and ages of the sample:

Age	Marital Status				
	Single		Married		Total
20 - 30	04	18.18%	02	09.09%	06
31- 40	04	18.18%	05	22.72%	09
41- 50	01	04.54%	03	13.64%	04
51 and more	00	00 %	03	13.64%	03
Total	09	40.90 %	13	59.09%	22

The majority members of the sample, as indicated in Table 2, are between 20 and 40 years; and 54.54% of them are married.

Company Information about the enterprise:

Table 3: Main motivation behind the choice of professional activity:

1	Reason for choice of the activity	H.craft	Services	Indust	Pub.eng	total
2	The activity of a family member	02	04	02	00	08
3	Personal tendencies	01	03	01	01	06
4	The field of study	00	04	00	01	05
5	Activity of husband	00	00	01	01	02
6	Field for profit	00	00	01	00	01
	Total	03	11	05	03	22

The majority of enterprises in the sample (Table 3) are in services, followed by industry.

Table 4: Lifetime of the company:

Years in Business	Number of workers				
	2-9	10-19	20 – 29	More/30	total
less than 5 years	05	05	01	00	11
5 -10	03	01	00	01	05
11-15	01	00	01	00	02
More than 15 years	03	00	00	01	04
Total	12	06	02	02	22

The majority of businesses affected by the study are small, newly created (under 5 years) and with a number of workers between (2 and 9) workers.

RESULTS

The analysis of data from 22 questionnaires filled by women entrepreneurs, helped draw the following conclusions:

MANAGEMENT PRACTICES OF WOMEN ENTREPRENEURS

Table 6 : Managerial practices :

	Managerial practices of women entrepreneurs	yes	%	No	%	Some times	%
1	monitoring work in person	20	90.90	01	04.54	01	04.54
2	Preference of having works done in my way.	15	68.18	02	09.09	05	22.72
3	Consultation of employees before making important decisions.	14	63.63	02	09.09	06	27.27
4	Request for advice from others in the management of the enterprise.	13	59.09	02	09.09	07	31.81
5	Delegation of responsibilities to certain collaborators.	11	50.00	03	13.63	08	36.36
6	Managing the company rigorously to show my strength.	11	50.00	03	13.63	08	36.36
7	My subordinates perform all my instructions.	10	45.45	03	13.63	09	40.90

8	I have no difficulties in communicating with my subordinates.	10	45.45	05	22.72	07	31.81
9	My job is easily done without difficulties.	09	40.90	06	27.27	07	31.81
10	The confrontation of difficult situations do not bother me much.	06	27.27	10	45.45	06	27.27

The results in Table 6 show that women entrepreneurs included in this investigation, have showed that they master the basic skills needed to run their businesses.

SOCIO-CULTURAL CONSTRAINTS OF WOMEN ENTREPRENEURS

Table 7 : Socio cultural constraints :

		yes	**%**	No	**%**	Som. times	**%**
1	My employees are receptive to my instructions.	16	72.72	02	09.09	04	18.18
2	I have no difficulty in communicating with men subordinates	15	68.18	01	04.54	06	27.27
3	My status has improved vis-à-vis the socity after creating my business	15	68.18	04	18.18	03	13.63
4	My success is not due to the fact that I am a woman	14	63.63	06	27.27	02	09.09
5	The success of women entrepreneurs requires a radical change in attitudes.	12	54.54	07	31.81	03	13.63
6	My subordinates accept easily to be managed by a woman	12	54.54	04	18.18	06	27.27
7	There is a competition between women entrepreneurs	11	50.00	03	13.63	08	36.36
8	The sexual harassment does not bother me.	11	50.00	05	22.72	07	31.81
9	There is a jealousy between women entrepreneurs.	11	50.00	03	13.63	08	36.36
10	My competitors are jealous of me.	11	50.00	07	31.81	04	18.18

		Yes	%	No	%	Some	%
11	The fact that I am a woman does not cause any problems for my business.	10	45.45	04	18.18	08	36.36
12	I have difficulties in communicating with women subordinates.	10	45.45	10	45.45	02	09.09
13	The perception of men entrepreneurs towards women entrepreneurs is significantly negative.	09	40.90	06	27.27	07	31.81
14	There is cooperation between women entrepreneurs.	09	40.90	07	31.81	06	27.27
15	The Algerian society perceives positively the woman entrepreneur	08	36.36	07	31.81	07	31.81
16	I prefer to deal with women entrepreneurs.	07	31.81	08	36.36	07	31.81

Based on the responses of the sample (Table 7), we note the importance of socio-cultural constraints that women entrepreneurs face daily.

Table 8: constraints facing married women entrepreneurs:

	Married women entrepreneurs.	Yes	%	No	%	Some times	%
1	My children are very supportives.	07	58.33	02	16.66	03	25.00
2	I managed to balance my work responsibilities with my family obligations.	06	50.50	03	25.00	03	25.00
3	I do not find it difficult to reconcile work and family life.	06	50.50	04	33.33	02	16.66
4	My husband supports me in my work.	05	41.66	04	33.33	03	25.00
5	I have no problems with my husband because of my work.	05	41.66	01	08.33	06	50.50
6	Pregnancy and childbirth do not affect my ability to manage my business properly.	04	33.33	04	33.33	04	33.33
7	My husband helps me with the housework.	04	33.33	06	50.50	02	16.66
8	My husband complains about the nature of my work	04	33.33	05	41.66	03	25.00
9	My husband is jealous of my success at work.	04	33.33	07	58.33	01	08.33
10	Working with men create me often problems with my husband.	02	16.66	06	50.50	04	33.33
11	My workload causes neglects in my family obligations.	01	08.33	05	41.66	06	50.50

Women entrepreneurs often encounter difficulties in socio-cultural origins, in their relationships with their spouse and family.

NEEDS FOR ADVICES AND MORAL SUPPORTS

Table 9: Sources of support for women entrepreneurs:

	The needs of supports and advices.	Yes	%	No	%	Som-time	%
1	There is always someone to help me in the management of the enterprise.	15	68.18	06	27.27	01	04.54
2	I would have faced failure without the support and the guidance of my friends.	11	50.00	09	40.90	02	09.09

Despite the importance of their capacities, women entrepreneurs need advice and moral support from collaborations from males in their neighborhood, and that is often crucial for their success.

DISCUSSION

Despite the growing number of women entrepreneurs in Algeria, there is a lack of field researches. The following discussion presents the results in relation to the observations of everyday life, and responses from interviews with women entrepreneurs. These results are compared with other research in the Maghreb and the Arab-Muslim countries in general (Rachdi, 2006 Kilani, 1998).

The sample of women entrepreneurs shows that the majority of their businesses are small and employ fewer than 5 people. This confirms the results found in the literature that "incorporation into enterprises is much rarer among women, who prefer to remain a sole proprietor, unlike men" (Cornet and Constantinidis, 2004).

MANAGERIAL PRACTICES OF WOMEN ENTREPRENEURS

Based on the responses of the sample (Table 6), we find the following practices: monitoring the work in person (90.90%), the execution of works according to their instructions (68.18%), consultation with employees before making important decisions (63.63%), asking for advice to others in the management of the enterprise (59.09%), the delegation of responsibilities to certain

employees or collaborators (50.00%), management of company rigorously to show a position strength (50.00%).

These management practices demonstrate the capacity of women entrepreneurs to run their businesses, according to scientific standards. This confirms a study in Morocco on a sample of female heads of enterprises, that "women reported having various different strengths, which often explain their success. Strong personality, reliability, quality of listening and their perfection in the execution of work "(Salman et al. 2012, p9).

SOCIO-CULTURAL CONSTRAINTS OF WOMEN ENTREPRENEURS

The majority of women entrepreneurs face socio-cultural constraints from their environments.

The major problems of women entrepreneurs come from the attitudes of employees within the enterprise and the socio-cultural environment. These cultural issues are related to many aspects of day to day life, as well as the management of enterprises, as shown in Table 7.

Regarding the perception of the women entrepreneur by the society, 15 women (68.18%) stated that their status was improved after the creation of their own businesses, but only 8 responses (36.36 %) found that the society sees positively the position of the woman entrepreneurs.

Among the socio-cultural issues, there is communication between the gender. (15) responses indicated that they find no difficulty in communicating with their subordinates amongst men (68.18%). To another question, 10 entrepreneurs (45.45%) responded that they have problems communicating with their women subordinates.

Regarding the fact of being managed by a woman, 12 responses (54.54%), have shown that employees accept to be supervised by women, and the majority of women entrepreneurs (16), responded that employees are receptive to their directives (72.72%).

Among the cultural factors that influence the behavior of women entrepreneurs, we find competition, cooperation and jealousy. Half of the women entrepreneurs (50.00%) found that there is a competition between women entrepreneurs. In another question, 50% found that their competitors are jealous of them. The same number of entrepreneurs (11) found that there is a jealousy between women entrepreneurs.

In response to the question concerning the cooperation between women entrepreneurs (49.90%) responded that there is cooperation, and (31.81% answered no to this question. Asked "if they prefer to deal with women entrepreneurs' 07 of

them, that is (31.81%) answered yes, and (36.36%) prefer not to deal with women entrepreneurs.

Regarding cooperation between men and women entrepreneurs, 9 responses (40.90%) found that the perception of men towards women entrepreneurs is significantly negative, and (50.00%) found that they are not disturbed by harassment men.

On a question, whether their success is due to the fact that they are women, the majority of women entrepreneurs (63.63%) responded that they do not think, that being a woman have an impact on their professional accomplishments; and (45.45%) responded that they do not see their problems at work, are due to the facts that they are women.

Finally, 11 women (50.00%) consider that the success of women entrepreneurs requires a radical change in the attitudes of people in Algerian society. Different responses show that women entrepreneurs face constraints socio-cultural due to the facts of attitudes, behaviors and practices of people in a male society.

Women entrepreneurs in Algeria and in the Maghreb in general, are related to their culture, and cannot be dissociated from their Arab-Muslim identity. If the working conditions of Algerian women have changed dramatically, "the attitudes and perceptions of society are not sufficiently evolved" (Salman et al., 2012, p3).

CONSTRAINTS OF MARRIED WOMEN ENTREPRENEURS

In addition to socio-cultural constraints, women entrepreneurs do not always have the necessary support from their husbands. 11 women (50% of the sample) are married (see Table 8), 6 of them (50.50%) responded that they were able to balance between their responsibilities at work and family obligations. Only 5 of them (41.66%) receive support from their husbands, and four reported that their husbands complain about the nature of their work as women entrepreneurs. 6 married women (50.50%) responded that their husbands do not help in household chores. 4 of them (33.33%) find it difficult to reconcile work and family life, and (33.33%) responded that their husbands are jealous of their success.

In facing the different constraints in their daily work and their responsibilities towards their families, married women entrepreneurs receive important supports from their children (58.33%), and this gives them courage and strength.

More than half of married women entrepreneurs (50.50%) have sometimes problems with their husbands because of their work. The same rate (50.50%) felt that the workload causes them the neglect of family obligations.

The results also show that women entrepreneurs in Algeria work inside and outside their homes, without receiving enough support from their husbands. This is due to the socio-cultural environment, and the attitudes towards women in leadership positions in Algeria.

THE NEEDS FOR MORAL SUPPORT AND ADVICES

To overcome the constraints of a male environment, women entrepreneurs often need moral and material supports. Women entrepreneurs need often supports of men (husbands, fathers, brothers or friends), to give them valuable aids. Either in different forms: material aid, advice, or direct interventions with governments and authorities. This can solve some problems with men holding certain powers, which may use some form of blackmail.

CONCLUSIONS

The reality of the business of entrepreneur is undergoing a major change. Previously, these positions were reserved exclusively for men. A significant number of female graduates from Algerian universities are involved in this business.

The future of business and functions of the genre starts to emerge. The job of "entrepreneur" is more envied, a significant number of young university graduates. More light should be shed on gender entrepreneurship in Arabian and Muslim societies.

Algerian legislators and policymakers have equal rights to men and women entrepreneurs, but work remains to be done, to adapt cultural attitudes to the needs of modern industrial societies.

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PUBLIC OPINION ABOUT MOTIVES FOR WOMEN ENTREPRENEURSHIP: CROSS-CULTURAL RESEARCH

Albena Krumova[9]
Plama Hristova[10]
Julika Novkova[11]

Abstract: Motives are main determinants of human behavior. They determine the decisions of women for their inclusion in the entrepreneurial business. Some women prefer to enter the entrepreneurial business because they wish to develop their career; others start it because they need to control people; while some others commence it because of financial problems, etc. What, however, is the public opinion about the motives which determine women entrepreneurship? What do people think about the motives that make women enter the entrepreneurial business? Answers to these questions are given by the conducted cross-cultural research. By means of a comparative analysis, the specificities of the public opinion about the motives that determine women entrepreneurship are revealed in several Eastern European countries.

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[9]*Albena Krumova, Sofia University "St. Kliment Ohridski", Sofia, Bulgaria, albena.k.krumova@gmail.com*
[10]*Plama Hristova, Sofia University "St. Kliment Ohridski", Sofia, Bulgaria, plama.hristova@gmail.com*
[11]*Julika Novkova, Sofia University "St. Kliment Ohridski", Sofia, Bulgaria, julika@abv.bg*

INTRODUCTION

Public opinion is considered a significant factor that influences women to participate or not take part in entrepreneurial business. The influence of others has an impact on a series of psychological traits including personal values, self-esteem, and motivation which determine behavior and activity. For example the decision to engage in entrepreneurial business depends on personal values formed under the influence of several external factors among which is public opinion.

In entrepreneurial business, the most salient values are related to work formed under the influence of the social environment and culture. Research has demonstrated that work values influence personal decisions for participating in certain types of occupations and they also influence the behavior of employees at work and work effectiveness (Segall, Dasen, Berry, & Poortinga, 1990; McGrath, MacMillan, Yang, & Tsai, 1992).

Entrepreneurial behavior to some extent depends on the self-esteem of participating women (Langowitz and Minniti, 2007). In general people with low self-esteem are more pessimistic about the future and more likely to display negative moods. Further they are also more concerned about the opinion of others and have higher needs for approval (Heimpel, Wood, Marshall, & Brown, 2002). People with high self-esteem on the other hand experience mental comfort, have positive feelings about themselves and see themselves as self-efficacious and competent (Tafarodi, Marshall, & Milne, 2003).

In a nutshell, the success of entrepreneurs depends partly on a complex set of personal traits shaped by culture and social environment including the need for achievement, the need for autonomy, the propensity to take risks, the ability to innovate and their competitive aggressiveness (Covin & Wales, 2011; Lumpkin & Dess, 1996; Zhao, Seibert, & Lumpkin, 2010).

Important personality traits that contribute to the entrepreneurial behavior of women are relative needs and motivation. Relevant needs and motives include the need for autonomy, the need for independence, the need for self-actualization and motives for achievement (Atkinson & Raynor, 1974; Maslow, 1954; McClelland, Atkinson, Clark, & Lowell, 1953; Murray, 1938). The cultural context and dominant public opinion also play central roles in the development of positive motives and needs for entrepreneurship. If a cultural model is imposed in which traditionalistic tendencies concerning men and women are emphasized then women's motivation for business and entrepreneurship will vary in mainly negative ways (Buttner and Moore, 1997; Plant & Ren, 2010).

The opinions of other people about the motives that influence women to enter business also have a strong impact on women entrepreneurship. Women entrepreneurs are sensitive to other people's opinions about their motives that lead them to become entrepreneurs. If public opinion supports the idea that women choose entrepreneurship in order to build successful careers and to support economic development, these beliefs would encourage women entrepreneurs in

their choice. On the other hand if public opinion suggests that women become entrepreneurs to satisfy their needs for domination or to compensate for inferiority feelings such beliefs discourage women and would be a barrier to women's entrepreneurship. The aim of the present research is to study public opinion about women's motives for entering entrepreneurship in three EU member states.

AIMS AND SUBJECT OF RESEARCH

This study is part of larger research whose main aim is reporting on public attitudes to the image of women entrepreneurs. Attitudes reflect the positive or negative ideas about certain phenomena. They are formed in a very complex way but are stable and durable characteristics of persons. For this reason, studying the public opinion about women entrepreneurs could provide us with valuable information about the image that people have built about them.

The research project includes several theoretical aspects of the attitudes toward women entrepreneurs: overall attitude toward women entrepreneurs, attitude toward their personal abilities and potentialities, public opinion on the environment and working conditions for women entrepreneurs, and attitudes toward the motives that determine the inclusion of women in entrepreneurial business.

This research was conducted at the same time in Bulgaria, Romania and Hungary. The main assumption is that public opinion is a key factor influencing the inclusion of women in entrepreneurial business. We also assume that in each country there are different ideas of women entrepreneurs that form certain attitudes toward them.

The pilot study was conducted by means of a questionnaire ***Attitudes toward women entrepreneurs*** containing 79 items (Krumov, Larsen, Atanassova, Hristova, Juhasz, Tutu, & Barnoczki, 2012).

In 2013, the second stage of the study was conducted as the questionnaire was revised in order to improve the methodology and at present it consists of 59 items.

The study included in this paper aims at examining the motives for inclusion of women in entrepreneurial business. It was conducted on the basis of 8 items from the main questionnaire that describe the theoretical aspects of the motives of women for joining the entrepreneurial world. The response categories are based on a five-point Likert-type scale where 1 is "Strongly disagree" and 5 is "Strongly agree". The questionnaire yielded high reliability ($\alpha = .92$ for the Bulgarian sample; $\alpha = .87$ for the Hungarian sample and $\alpha = .97$ for the Romanian sample).

THE BULGARIAN SAMPLE

The sample consisted of 133 participants of Bulgarian nationality found by using an online version of the survey. The majority of the sample included women (70%), and a total of 39 men. Almost half of the respondents (48%) are between 20 and 30 years, 27% - between 31 and 40 years, 18 % between 41 and 50, and only 9 respondents are older than 51. We can say that the respondent profile for Bulgaria is women between the ages of 20 and 30. What is interesting in the Bulgarian sample is the fact that over 85% of the respondents have graduated higher degrees, with the distribution being as follows: 25.6% have completed bachelor's degree, 56.4% have a master's degree and 18 per cent are with primary or secondary education. The smallest portion of participants has PhD or similar degree (3.8%). In terms of the length of organizational service we can distinguish the following respondent groups: up to 1 year – 16.5%, 1-2 years – 13.5%, 3-5 years – 14.3%, 6-10 years – 11.3%, 11-15 years – 16.5%, 16-30 years – 15.8%, 21 years and above – 11.3%. Almost half of the sample is working in the private sector (49.6%) and 13.5% have their own business. About 14% of the respondents are students, while almost 13% are working in state organizations. About 9% of the subjects are unemployed or retired. In regard to their position in the organization, 38% of the respondents are employees in private companies, 18% have their own business, while 7.5% are managers in private companies. About 12% have stated that they are employees in state organization and about the same per cent have stated other (adding they are raising a child, are unemployed, or are students). When evaluating their social status, 67% of the respondents state that they are neither poor nor rich, 26% feeling they are materially and financially satisfied, 6 per cent admit they eke out a livelihood and below 1 per cent of the respondents report they live in extreme poverty. With regard to their party affiliation, 44% per cent of the subjects state they are not interested in politics, 25 per cent are sympathizers of the right-wing parties, followed by 14 per cent who report they sympathize with centrist parties. 11 per cent are opposed to all parties and only 5 per cent sympathize with left-wing parties. 83% of the sample is Orthodox Christians; 8.5% have defined themselves as atheists. About 1% is Catholics; less than 1% is Protestants or Muslims, followed by nearly 6% stating "other" as their religion.

THE HUNGARIAN SAMPLE

The sample consisted of 128 participants of Hungarian nationality found by using an online version of the survey. Once again, the majority of the sample included women (76%). The men are 24% or a total of 39 men. 58 of the respondents are between 20 and 30 years of age, 23% - between 31 and 40, and 19% - between 41 and 50 years. In the Hungarian sample, 22% of the respondents are older than 51. In regard to education, 46% have master's degree, 33% have

completed a bachelor's degree, while 14.8 % have primary or secondary education. About 6% of the respondents have PhD or similar degree. In terms of the length of organizational service 28% have work experience 21 years and above, 15% - up to 1 year, 13 % have worked between 3 and 5 years, 12% - 16-20 years, 11% - 1-2 years, 11% - 11-15 years, 10% - 6-10 years. In relation to the type of organization, the respondents were engaged in, the majority of them have stated to be engaged in a state organization, 28% - in private companies, 11.7% have their own business, about 11% are students and 5% are retirees. In regard to their position in the company, 39% are state employees, about 19% are employees in private companies, while 7% are managers in private companies. 12.5% gave the answer "running my own business", and the rest 23% stated – "other". The most common answers were that the respondents were students, retired, or job seekers. When evaluating their social status, 65.6% of the respondents stated that they are neither poor nor rich, 28.9% feeling they are materially and financially satisfied, 5.5% per cent admitted they eked out a livelihood. 54% claimed that they are not interested in politics, followed by the sympathizers of the right-wing parties (18 per cent) and of the left-wing parties (12.5 per cent). 6% per cent are opposed to all parties and only 10 per cent sympathize with left-wing parties. 40% per cent of the participants are Catholics, 24 per cent atheists and 20 per cent Protestants. 3 per cent of the sample are Orthodox Christian and below 1 per cent Muslim. Interestingly, 28 per cent of the respondents reported other religions (evangelist, alternative, agnostic).

THE ROMANIAN SAMPLE

The sample consisted of 140 participants of Romanian nationality found by using an online version of the survey. Like in the previous two samples, the majority of the respondents were women, but the per cent here is a little smaller – 54% against 46% for men. Here too half of the respondents are between 20 and 30 years of age, 27% - between 31 and 40.2% - between 41 and 50, and 3.6% – 51 years and above. In regard to education, 68% have completed bachelor's degree, 20% have master's degree, 9.3% have primary or secondary education, 2.9% have PhD or similar degree. In terms of the length of organizational service 42.1% have up to 1 year, 25% - between 6 and 10 years, 15.7% - 11-15 years, 8% - 3-5 years, 5% - 1-2 years. The majority of respondents were students (43%), 29% work in private organization, 22% - in state organizations, and 4% have their own business. In regard to their position in the company, 22% are state employees, about 14.3% are employees in private companies, while 14.3% are managers in private companies. Less than 1% is directors in state companies, and about 4% have their own business. About 44% of the respondents have answered "other", and almost all respondents in this group are students. When evaluating their social status, 70% of the respondents stated that they are neither poor nor rich, 15% feeling they are materially and financially satisfied, 15% per cent admitted they eke

out a livelihood. With regard to their party affiliation, 64% of the subjects stated they are not interested in politics, 22 per cent are opposed to all parties. About 6% sympathized with left-wing parties, followed by 3 per cent who reported they sympathize with centrist parties. About 1 per cent is sympathizers of the right-wing parties. 80% of the sample is Orthodox Christians; 8.6% have defined themselves as atheists. 5.7% are Catholic or Protestants.

RESULTS AND DISCUSSION

MOTIVES FOR WOMEN ENTREPRENEURSHIP

For the three samples, the most strongly expressed motives for women entrepreneurship were established by an analysis of the means and standard deviations. The tables below show the specific public opinion shared by the Bulgarian, Hungarian and Romanian samples.

MOTIVES FOR WOMEN ENTREPRENEURSHIP IN THE BULGARIAN SAMPLE

The analysis of means and standard deviations for the Bulgarian sample yielded the following four highest results:

Table 1. Motives for women entrepreneurship in the Bulgarian sample

Item	Mean	Std. Deviation
Women enter entrepreneurial business because they have abilities and gift not because they don't have other alternatives.	3.78	1.01
Freedom and independence are the values that motivate women to enter entrepreneurial business.	3.66	.993
A woman is motivated to start her own entrepreneurial activity so she can control her own life.	3.65	1.06
A woman starts her own entrepreneurial activity because she has professional goals that will secure a place in society.	3.65	.92

An independent-samples t-test was conducted to compare the motives scores for males and females. **There was a significant difference** in scores for males (M = 35.58; SD = 4.62) and females (M = 29.16, SD = 3.91; p = .00 two-tailed).

A one-way between-groups analysis of variance was conducted to explore the impact of age on motives. Participants were divided into 4 groups according to their age (Group 1: 20 to 30; Group 2: 31 to 40; Group 3: 41 to 50, Group 4: 51 years and above). ***There was no significant difference*** at the p < .05 level between the 4 age groups (p=.93). However, it was decided to consider via Crosstabulations the tendencies in different age groups for each of the four motives listed above. The different gender tendencies were also analyzed.

As it can be seen in Table 1, in the Bulgarian sample the leading motive for inclusion of women in entrepreneurial activity is having the necessary qualities expressed with the item "*Women enter entrepreneurial business because they have abilities and gift not because they don't have other alternatives*" (M=3.78; SD=1.01). It is interesting that for this item about 80% of the women respond with "Somewhat agree" and "Strongly agree" while among men only 51% respond affirmatively and 25% reply "Without an opinion or uncertain". Agreement is expressed also by a higher per cent of people above 40 and above 51 years – 83.4%. Somewhat lower, 69%, is the per cent of the younger respondents considering that abilities and gift are a main motive for women.

The next main motive is represented by the statement "*Freedom and independence are the values that motivate women to enter entrepreneurial business*" (M=3.66; SD=.933). Although freedom and independence are valued as prerequisites, here again some discrepancy in respondents' replies is observed – 53% of men express agreement through "Somewhat agree" and "Strongly agree", while 30% answer "Without an opinion or uncertain". For women, the per cent of agreement is approximately 69%. More interesting is the fact that here about 20% of women have no opinion which expresses some uncertainty among the respondents.

As a third main motive the respondents from Bulgaria point to two items as one of them does not appear in the Romanian and Hungarian samples, to wit: "*A woman is motivated to start her own entrepreneurial activity so she can control her own life*" (M=3.65; SD=1.06). 65% of women have expressed consent, 14% do not agree and 21% express uncertainty about the motive connected with control over one's own life. Among men, 59% agree, 23% do not agree, and 18% express uncertainty. It is indicative that around 60% of the sample thinks that the possibility to control one's own life is among the leading motives of women entrepreneurs. It could be considered as an implication that women cannot control their own life if they keep to their traditional role in society. It is interesting to note that approximately 33% of people between 20 and 30 years and 25% of people above 51 years are not certain about this. The highest percentage of agreement belongs to the respondents aged between 41 and 50 – about 80% while among the youngest it is lower – 56%.

The other leading motive with the same mean value is "*A woman starts her own entrepreneurial activity because she has professional goals that will secure a place in society*". Here 44% of men have expressed uncertainty and 15% do not agree. 71% of women agree, 22% show uncertainty and only 7% disagree. The

strongest disagreement is expressed by people between 31 and 40 years – approximately 18%. The strongest agreement with this statement is shown by the respondents aged between 41 and 50 - 71%, followed by those aged from 20 to 30 (64%). 55% of the respondents aged above 51 are without an opinion or uncertain.

It is noteworthy that in the Bulgarian sample as a motive with the lowest importance the following one is indicated: "*A woman starts her own entrepreneurial activity because she has a desire to contribute to society by opening more job positions*" (M=2.98; SD=1.11). 36% of women reply with "Without an opinion or uncertain", while for men this answer is chosen by less respondents – about 28%. Agreement with this motive is expressed by about 30% of the subjects, mainly aged above 41 years.

It can be summarized for the Bulgarian sample that the leading motives for women entrepreneurs cover the presence of abilities and talent, acceptance of freedom and independence as a value of particular importance, control over one's own life and need for security in the society through realization of professional goals.

MOTIVES FOR WOMEN ENTREPRENEURSHIP IN THE HUNGARIAN SAMPLE

After analyzing means and standard deviations three motives with highest importance for the respondents were identified:

Table 2. Motives for women entrepreneurship in the Hungarian sample

Item	Mean	Std. Deviation
Women are not natural entrepreneurs but engage in business to solve their financial problems.	3.86	1.14
A woman starts her own entrepreneurial activity because she has professional goals that will secure a place in society	3.82	.95
Women enter entrepreneurial business because they have abilities and gift not because they don't have other alternatives	3.79	1.09

An independent-samples t-test was conducted to compare the motives scores for males and females. ***There was a significant difference*** in scores for males (M = 24.29; SD = 3.78) and females (M = 28.15, SD = 4.69; p = .00 two-tailed).

A one-way between-groups analysis of variance was conducted to explore the impact of age on motives. Participants were divided into 4 groups according to their age (Group 1: 20 to 30; Group 2: 31 to 40; Group 3: 41 to 50, Group 4: 51 years and above). ***There was no significant difference*** at the p

< .05 level between the 4 age groups (p=.08). However, it was decided to consider via Crosstabulations the tendencies in different age groups for each of the four motives listed above as well as the differences for men and women.

As a main motive, indicated in Table 2, the subjects point to the item "*Women are not natural entrepreneurs but engage in business to solve their financial problems*" (M=3.86; SD=1.14) which is a reversed item. We could interpret this answer as rejection of inclusion of women in entrepreneurial activity as a way to solve their financial problems. Motivation of women entrepreneurs should be sought in other aspects because their engagement in entrepreneurial business is not driven by financial reasons. With regard to this motive, approximately 72% of women indicate that solving financial issues is not a reason for women entrepreneurship as this position is supported by 51% of men. For about 25% of men and 13% of women, however, uncertainty is observed which means that for part of the sample solving the financial problems could be considered as a motive.

The second important motive is "*A woman starts her own entrepreneurial activity because she has professional goals that will secure a place in society*" (M=3.82; SD=.95). Regarding professional goals connected to securing a place in society,   32% of men express uncertainty whether this is the leading motive, while 55% of them agree. For women a tendency for support of this motive is observed as 70% confirm by answering "Somewhat agree" and "Strongly agree", and only 16.5% point to the reply "Without an opinion or uncertain". About 80% of the subjects aged between 20 and 30 agree with this statement, while those above 51 years this percentage is lower – around 65%. This demonstrates that for the younger people and for women the entrepreneurial activity allows realization of professional goals which lead to improvement of social status.

The third leading motive is: "*Women enter entrepreneurial business because they have abilities and gift not because they don't have other alternatives*" (M=3.79; SD=1.09). With regard to the abilities of women entrepreneurs as a motive for commencement of entrepreneurial business an interesting discrepancy in replies of the subjects by gender is observed. About 38% of men reply with "Without an opinion or uncertain" and 38% express consent. For women, approximately 71% respond with "Somewhat agree" and "Strongly agree" and 20% of them express uncertainty. The strongest consent with this item is expressed by individuals aged between 20 and 30, and the strongest dissent is expressed by those aged between 31 and 40. We can state that women and young people (between 20 and 30) believe that having the necessary abilities and talent are a considerable motive for development of entrepreneurial activity.

As compared to the Bulgarian sample, here, too, the weakest motive for inclusion of women in entrepreneurship is the item: "*A woman starts her own entrepreneurial activity because she has a desire to contribute to society by opening more job positions*" (M=2.50; SD=1.21). Crosstabs by gender show that 70% of men do not agree while only 9.5% agree. For women, there is a certain tendency to higher consent with the motive – about 26% but the larger part of them express dissent (about 40%).

As a summary for the Hungarian sample, we can say that the main motive for women to commence entrepreneurial business is related to something different from merely solving financial problems. This result is especially intriguing and opens a space for further research in this direction. The tendency in the sample is that young people (aged 20-30) point to the following motives for beginning entrepreneurial business: the striving for acquisition of a higher social status, and confidence in abilities as the last tendency is more strongly expressed in women.

MOTIVES FOR WOMEN ENTREPRENEURSHIP IN THE ROMANIAN SAMPLE

The three items with highest means for the Romanian sample proved to be quite different from those discussed above for the Bulgarian and Romanian ones. The first difference is that the item "A woman starts her own entrepreneurial activity because she has a desire to contribute to society by opening more job positions" appears as a leading item for this sample while in the two previous samples it is an item having least importance. The next difference is the item "Women enter entrepreneurial business because it is consistent with their new roles in the modern world" which was not found in the Bulgarian and Hungarian samples. Only the item concerning freedom and independence as main motives for women entrepreneurship was found in the Bulgarian sample.

Table 3. Motives for women entrepreneurship in the Romanian sample

Item	Mean	Std. Deviation
Freedom and independence are the values that motivate women to enter entrepreneurial business	4.15	.64
Women enter entrepreneurial business because it is consistent with their new roles in the modern world	3.85	.71
A woman starts her own entrepreneurial activity because she has a desire to contribute to society by opening more job positions	3.68	.89

An independent-samples t-test was conducted to compare the motives scores for males and females. *There was no significant difference* in scores for males (M = 29.54; SD = 3.96) and females (M = 28.34, SD = 3.65; p = .06 two-tailed). However, it was decided to consider via Cross tabulations the tendencies for both genders.

A one-way between-groups analysis of variance was conducted to explore the impact of age on motives. Participants were divided into 4 groups according to their age (Group 1: 20 to 30; Group 2: 31 to 40; Group 3: 41 to 50, Group 4: 51 years and above). *There was a significant difference* at the p < .05 level between the 4 age groups (p=.00). The tendencies for each age group were analyzed via Crosstabulations.

In the Romanian sample, the leading motive for women commencing entrepreneurial business is: "*Freedom and independence are the values that motivate women to enter entrepreneurial business*" (M=4.15; SD=.64). Men in the sample express their consent this is the strongest motive for women entrepreneurs (around 94%). 79% of women respond with "Somewhat agree" and "Strongly agree", and about 18% reply with "Without an opinion or uncertain". 80% of the subjects aged above 51 agree with this and the in the age group 20-30 there is more than 90% agreement. Practically, it means that the youngest individuals, as well as those at more mature age consider freedom and independence as a main motive. For men this tendency is more salient and for women there is relatively high agreement but also some uncertainty.

Interestingly, in this sample, the second leading motive does not appear in the other two samples. This is the item: "*Women enter entrepreneurial business because it is consistent with their new roles in the modern world*" (M=3.85; SD=.71). Approximately 70% of both men and women agree this is a motive for starting entrepreneurial activity. In terms of age groups, too, there are interesting results. About 70% of the subjects aged between 20 and 30, as well as between 31 and 40, agree with this statement, as well as 80% of people above 51 years. Relatively lower is the result for the respondents aged from 41 to 50 - 62%, as the remaining respondents answer "Without an opinion or uncertain" (38%).

The third highly expressed motive is: "*A woman starts her own entrepreneurial activity because she has a desire to contribute to society by opening more job positions*" (M=3.68; SD=.89). 60% of both men and women agree with this statement. More interesting here is that 25% of men respond with "Without an opinion or uncertain" while for women the percentage for this reply is slightly higher - 34%. There are age differences as well. The highest per cent is found in the age group 20-30 - 74%. About 40% of the respondents aged from 31 to 40, as well of those above 51 years are uncertain. For people aged between 41 and 50, 30% reply so.

The weakest motive for starting entrepreneurial business is solving financial problems - "*Women are not natural entrepreneurs but engage in business to solve their financial problems.*" (M=3.04; SD=1.09). In the replies of the respondents, however, there is some uncertainty – approximately 39% of men and 24% of women are uncertain, as this per cent is highest for respondents aged from 20 to 30 – about 37%, followed by those aged between 30 and 40. This could mean that although being the weakest motive for inclusion of women in entrepreneurial business, for the young people (20-30 years) financial reasons are also important.

The results from the Romanian sample prove that freedom and independence for these respondents are key motivators of entrepreneurial behavior, especially for the young people (20-30 years), as this tendency is stronger in men. The entrepreneurial role corresponds to the new requirements of the modern world as in this way women can contribute to their society by new job positions she will create.

SUMMARY

The study of public opinion in the three European countries yielded interesting and unexpected results. Thus, for example, in the Bulgarian sample having the necessary talent and abilities appears as the leading motive. In the Hungarian sample the first significant motive is that solving financial issues per se is not a prerequisite for commencement of entrepreneurial business. According to the Romanian replies, the strongest motivator is freedom and independence.

There are cross-cultural similarities and differences among the three samples. The motive for commencement of entrepreneurial activity related to having the necessary abilities and gift appears in the Bulgarian and Hungarian sample but not in the Romanian one. Another similarity between the Bulgarian and Hungarian subjects is that they determine as a main motive the presence of professional goals which lead to a higher social status while in the Romanian sample this motive does not appear as a leading one.

Freedom and independence appear as an important motive ("Freedom and independence are the values that motivate women to enter entrepreneurial business") both in the Bulgarian and Romanian sample but not in the Hungarian one.

The item which appears as a leading motive only in the Bulgarian sample is connected with the statement that the woman entrepreneur is motivated to commence entrepreneurial activity in order to control her life ("A woman is motivated to start her own entrepreneurial activity so she can control her own life"). In a similar way, the statement "Women enter entrepreneurial business because it is consistent with their new roles in the modern world" is a leading motive only in the Romanian sample. The item "A woman starts her own entrepreneurial activity because she has a desire to contribute to society by opening more job positions" proves to be the leading motive for women entrepreneurs in Romania but at the same time it is the weakest motive in the Bulgarian and Hungarian samples.

It is interesting to mention the reversed item "Women are not natural entrepreneurs but engage in business to solve their financial problems". In the sample from Hungary the leading tendency is that women start entrepreneurial activity for other purposes, rejecting solving financial problems as a basic motive. In the Romanian sample this motive appears as the weakest one but for part of the subjects financial reasons could be considered as a motive for entrepreneurial business. In the Bulgarian sample, this motive proves to be of medium importance, i.e. part of the respondents rejects the financial reasons but for the other part they are significant and can motivate women's behavior for entrepreneurial activity.

CONCLUSION

The conducted study aims at examining the public opinion about motives determining women entrepreneurship. The conducted analyses do not pretend to be comprehensive but they provide directions for further research. The samples are considered through the gender and age differences of participants but the collected demographic data allow future analyses using other characteristics like education, length of service, job position etc. This would reveal new aspects which influence the attitudes toward the main motives for women entrepreneurship.

In this study, the answers of total of 401 persons are presented in the three samples. As it was noted above, in the Bulgarian and Hungarian samples there were statistically significant differences by gender but not by age, as female respondents predominate. This means that women, irrespective of their age, have expressed stronger consent about the leading motives than men. In the Romanian sample there were no statistically significant differences by gender but only by age. It is evidence that regardless of their gender the respondents demonstrate different extents of consent depending on their age.

It could be summarized that public opinion as expressed by the sample from Bulgaria identifies as main the motives related to the personal abilities of women entrepreneurs, striving for freedom and independence, and striving for control over one's own life and social status. For the subjects from Hungary, predominant is the opinion that financial reasons are not a leading motive for women but it is rather the need for social status and having the necessary abilities and talent. In the Romanian sample the main motives for women to commence entrepreneurial business are freedom and independence, the new role of women in the modern world and the contribution to the society through creation of new job positions.

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PERCEPTIONS OF PORTUGUESE TOURISM GRADUATES CONCERNING WOMEN'S PROFESSIONAL PERFORMANCE IN LEADERSHIP POSITIONS

Carlos Costa[12]
Sandra Caçador[13]
Zélia Breda[14]
Anahita Malek [15]

Abstract: This study aims at presenting the results of the Gentour Project concerning the perceptions of Portuguese tourism graduates regarding women's professional performance in leadership positions.

The empirical study underlying the present research was based on a survey applied to Portuguese tourism graduates and carried out from December 2010 to March 2011. The sample consisted of 1,419 graduates. Convenience sampling technique was used. Contacts were established with professors and researchers of all Portuguese institutions with tourism higher education degrees, who were asked to disseminate the survey among former graduates. IBM SPSS Statistics (v.19) was used to perform the statistical analysis. Univariate and bivariate statistical techniques were applied, through exploratory and inferential methods, and a 5% level of significance was adopted.

Female tourism graduates' self-perceptions confirm that women tend to enhance their professional performance and leadership skills. Thus, data suggest that self-perceptions and self-confidence cannot explain gender differences in leadership positions.

Since women's self-perceptions are not self-imposed barriers to their career development, as claimed by some authors, the need to unveil the reasons, inherent to the observed gender gap, is advocated.

The value of this study relies on the demystification of women's self-perceptions as negative and inferior comparatively to their counterparts.

Key words: Tourism, Gender, Perceptions, Performance, Leadership

JEL classification: L83, J16, L26

UDC 316.644:305-057.17(469)(082); 316.64:338.48-057.87(469)(082)

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[12]*Carlos Costa, Department of Economics, Management and Industrial Engineering of the University of Aveiro, Aveiro, Portugal, ccosta@ua.pt*

[13]*Sandra Caçador, Department of Economics, Management and Industrial Engineering of the University of Aveiro, Aveiro, Portugal, sandracacador@ua.pt*

[14]*Zélia Breda, Department of Economics, Management and Industrial Engineering of the University of Aveiro, Aveiro, Portugal, zelia@ua.pt*

[15] *Anahita Malek, Department of Economics, Management and Industrial Engineering of the University of Aveiro, Aveiro, Portugal*

INTRODUCTION

Tourism stands out as an important sector for national economies and a relevant employment generator. In fact, tourism contributed to 9.3% of the World GDP and to 8.7% of total employment, in 2012, and it is forecast that it will continue to grow in the future (WTTC, 2013a). According to the World Travel and Tourism Council (WTTC), tourism contributed, in 2012, to 15.9% of the Portuguese GDP and it was responsible for 18.5% of total employment in Portugal (WTTC, 2013b). Even though its growth pace is slowing down, tourism is still an expanding sector.

Tourism is a female-dominated sector in most countries (Amaro, 2007; Costa, Carvalho & Breda, 2011; Parrett, n.d.). It is an industry characterised by a predominance of low salaries, as well as work during unsocial hours, such as holidays, nights and weekends, which complicates work-family balance (O'Leary & Deegan, 2005; Parrett, n.d.; Ramb, 2008).

Over the last decade, the number of graduates in Tourism Higher Education in Portugal has been increasing, regardless of the fact that the majority of workers in the Portuguese tourism sector have low education levels (Árias & Barbosa, 2007; Costa *et al*., 2011; Santos & Varejão, 2007). In fact, in the academic year 2010/11, there were 81 Bachelor degrees in tourism, as well as 19,082 tourism graduates.

The employment situation of tourism graduates has been diagnosed in the Portuguese context by Costa, Carvalho, Caçador and Breda (2012a, 2012b), who concluded that there are not only remarkable gaps between men and women, but also that graduates, in general, have difficulties in finding a tourism job and earn low salaries.

Although most of the highly qualified individuals are women, particularly if tourism graduates are considered in Portugal (GPEARI-MCTES, 2011), strong gender inequalities prevail, hindering the development of their full potential in the labour market (Costa *et al*., 2011). Therefore, women have lower probability of engaging in leadership positions, as they occupy low and middle-level positions in their organizations (Costa *et al*., 2012a). Several authors claim that these gender differences are explain by women's self-perceptions, as they see themselves as less capable and inferior comparatively to their counterparts and therefore turn out as self-imposed barriers to their career development.

This study aims to unveil gender differences concerning the Portuguese tourism graduates' perceptions on women's professional performance in leadership positions. In the first section, the literature on perceptions on women's professional performance is analysed. In the following section, the methodology underlying the empirical study is presented. Data was collected through an online questionnaire applied to the Portuguese tourism graduates within the research project Gentour, which was carried out in Portugal. The software IBM SPSS Statistics (v.19) was used to perform the statistical analyses. The results are presented and discussed in the following sections, starting with the characterization of the sample regarding

gender distribution, levels of education, employment rates and leadership positions. Then perceptions on women's professional performance of male and female graduates surveyed are compared, concerning professional abilities and skills, willing to pursue a career, feelings in workplace and barriers to career development. Finally, the main conclusions and limitations of the study are presented.

PERCEPTIONS ON WOMEN'S PROFESSIONAL PERFORMANCE: A THEORETICAL OVERVIEW

Purcell (1997) stated that despite the female penetration of career occupations that might result from the increasing presence of women in higher education, female graduates are still less likely than their male counterparts to have a career leading to mainstream management, because "initial inequalities of access are reinforced by subsequent early career moves" (p. 52).

Among the main causes underlying gender inequalities pointed out in the literature (Bruni, Gherardi, & Poggio, 2004; Commission of the European Communities, 2009; Guerreiro & Pereira, 2006; Jordan, 1997; Parrett, n.d.; Purcell, 1997), one can find companies and society itself reproduction of gender stereotypes.

According to Kamas and Preston (2012), women are not less willing to compete than men, but instead, differences in self-confidence, often enhanced by gender stereotypes, could explain women's avoidance and men's embracing of several types of competitive activities. These authors pointed out that the elimination of gender stereotyping and strengthening of women's self-confidence may contribute to reducing gender gaps in high-paying competitive professions.

Literature presents mixed results concerning self-perceptions of men and women in the organizational environment. While some studies claim women to be lower in self-confidence than men (Kamas & Preston, 2012; Langowitz & Minniti, 2007; De Bruin, Brush & Welter, 2007; Nieva & Gutek, 1981 cited in Post, DiTomaso, Lowe, & Cordero, 2009), others provide evidence on similar levels of self-confidence among men and women (Chusmir, Koberg & Stecher, 1992).

Langowitz and Minniti (2007, p. 357) highlighted the importance of the individual's perception: "perception explain an important portion of the difference in entrepreneurial propensity across genders since men tend to perceive themselves in a more optimistic light and, as a result, have stronger incentives to start new businesses".

De Bruin *et al*. (2007, p. 330) found that self-perceptions influence opportunity recognition, "which play an important role in shaping entry into entrepreneurship as well as highlighting potential development paths". According to these authors, women sometimes present themselves barriers by simply doubting their skills: "self-imposed barriers in those cases where women (wrongly) perceive

that they may not have the right opportunities and know-how to start or grow their own businesses" (De Bruin *et al*., 2007, p. 330).

Evidence from research on different, but related, constructs also indicate that women in the general population tend to be lower than men in self-esteem, aspirations, expectations, and success attribution (Nieva & Gutek, 1981), all of which may be related to self-confidence.

On the contrary, Chusmir, Koberg & Stecher (1992) found that women and men managers were strikingly similar in self-confidence in several ways. These authors' study rejected gender differences in the level of self-confidence in either at-work or social/family situations.

Thus, in order to unveil the reasons, inherent to the observed gender gap among Portuguese tourism graduates (Costa *et al*., 2012a, 2012b), this study aims at analysing the perceptions of Portuguese tourism graduates regarding the way women and men perceive women's professional performance in leadership positions.

DATA AND METHODOLOGY

The empirical study underlying the present research was based on a survey applied to Portuguese tourism graduates. The survey analyzed the employment situation of Portuguese tourism graduates and was carried out from December 2010 to March 2011. The sample consisted of 1,419 graduates, including 990 women (69.8%) and 429 men (30.2%). Convenience sampling technique was used. Contacts were established with professors and researchers of all Portuguese institutions with tourism higher education degrees, who were asked to disseminate the survey among former graduates. Although the generalization of results to the population is not allowed, the robustness of the sample yielded consistent findings and identified important and statically significant trends among Portuguese tourism graduates

The tourism degrees taken into account for the present study were those included under the subareas of "Hospitality" and "Tourism and Leisure," in the Portuguese National Classification of Fields of Education and Training.

The instrument used for data collection was an online questionnaire, which covered a wide range of areas. It concerned not only education and employment, but also other areas, such as perceptions of discrimination and work-family balance.

This paper focus on data concerning the perceptions of Portuguese tourism graduates regarding the professional abilities and skills, willing to pursue a career, feelings in work and barriers to career development. Respondents were asked to score several statements within each of these categories, applying a 5 point Likert scale, where 1 stands for "Totally disagree", 2 "Disagree", 3 "Do not agree nor disagree", 4 "Agree" and 5 "Totally agree". Some of the statements presented were drawn or adjusted from the Report "Gender Equality in the European Union 2009" (European Commission, 2010).

The software IBM SPSS (v. 19) was used for the quantitative data analysis. Univariate and bivariate statistical techniques were applied, through exploratory and inferential methods, and a 5% level of significance was adopted.

PERCEPTIONS ON WOMEN'S PROFESSIONAL PERFORMANCE: A GENDER PERSPECTIVE

CHARACTERIZATION OF THTIE SAMPLE

The convenience sample used included 990 women (69.8%) and 429 men (30.2%). This predominance of women reflects the unequal gender distribution in the population of tourism graduates, since only 35.7% of graduates in the year 2008/09 were men (GPEARI-MCTES, 2011). Half of the participants are 28 years old or younger and their average age is 29.4 (M=28.87, SD=6.27, 95% IC [28.50; 29.24]).

Men are also outnumbered by women in all levels of education. However, a higher concentration of female graduates can be seen in the lower levels of education (bachelor's and *Licenciatura*), while male graduates are more likely than their female counterparts to be holders of higher degrees (postgraduate, master's, and doctorate) (Figure 1). Men account for about half of the doctorate subsample, even though they represent less than a third of all the graduates. Apart from tourism degrees, the respondents also possess non-tourism degrees: Licenciaturas (4.2% of women and 3.9% of men) and postgraduate (2.9% of women and 4.1% of men).
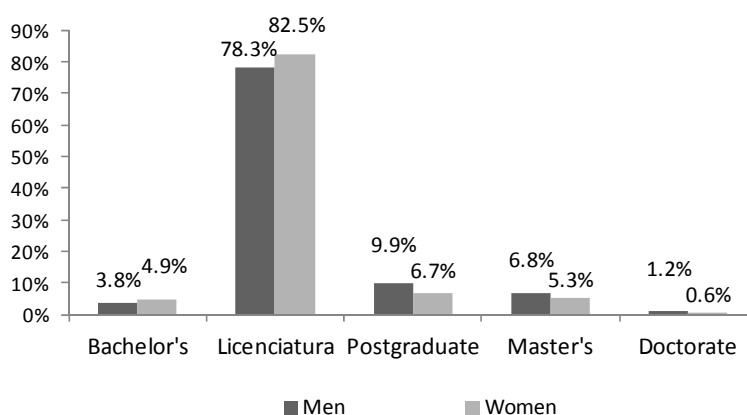

Figure 1: Level of education of surveyed tourism graduates

Employment rates were very similar among male and female graduates, namely 74.4% and 75.1%, respectively.

Analysing leadership positions, it was observed that there are more female than male tourism graduates in leadership positions. However, in relative terms, it can be concluded that the proportion of men in leadership positions almost doubles that of women: whereas 29.4% of male graduates hold leadership positions, only 14.8% of female graduates do so (Figure 2).

There are also more a major proportion of male respondents, comparatively to female respondents, among those who are not leaders but would like to hold such positions: 82.7% of men compared with 74.8% of women (Figure 2). Nonetheless, the gender gap concerning the willingness to have a leadership position is not as wide as the gender gap in the occupation of leadership positions.
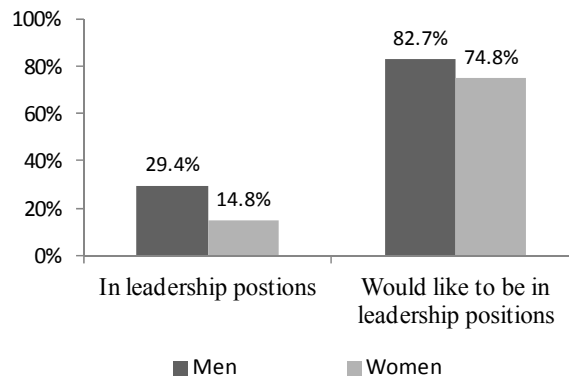

*Figure 2: Tourism graduates in leadership positions and tourism graduates'
willing to be in leadership positions*

PROFESSIONAL ABILITIES AND SKILLS

In order to analyse Portuguese tourism graduates concerning women's professional abilities and skills, respondents were asked to score three statements: "Women are better managers than men"; "Women are better leaders than men" and "Women do not always have the necessary qualities and skills to fill positions of responsibility".

Regarding to the first two statements (Figure 3), the most frequent answer among male and female respondents was do not agree nor disagree. However, statistically significant differences were found among men and women in both statements (U=86333.000, W=149879.000, p<.001; and U=102468.500, W=166014.500, p<.001; respectively). Concerning women's management skills being better than men's management skills, it was observed that men disagree more, totally or partially, than women (36.8% versus 11.2%, respectively) while women agree more, totally or partially, than men (42.9% versus 10.4%). A similar result was obtained when analysing the outcomes concerning women's leadership skills being better than men's leadership skills. Once again, men disagree more,

totally or partially, than women (45.2% versus 21.0%, respectively) while women agree more, totally or partially, than men (28.5% versus 8.1%).
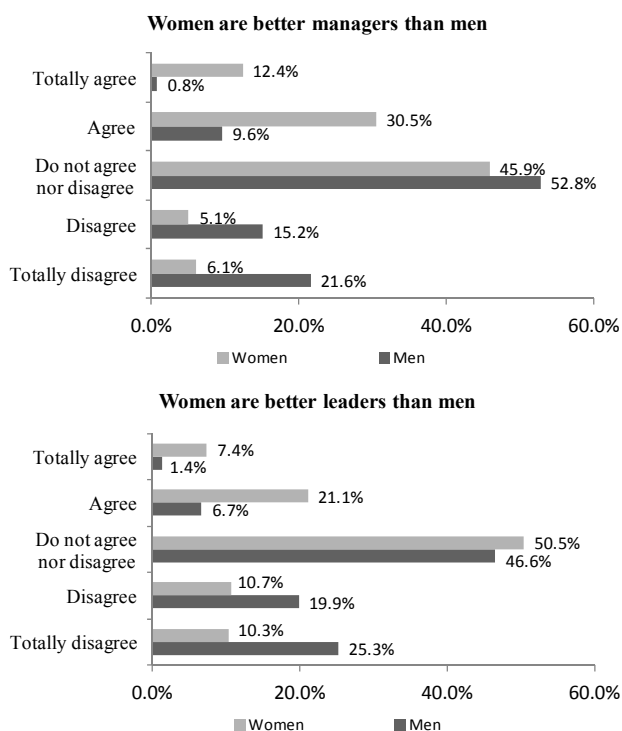
Women are better managers than men

Women are better leaders than men

Figure 3: Tourism graduates' perceptions on women's management and leadership skills

As regards to women not always have the necessary qualities and skills to fill positions of responsibility, while the most frequent answer among male graduates was do not agree nor disagree, among women the majority showed total disagreement with this sentence (Figure 4). In fact, analysing the (total or partial) disagreement feeling one can see that this was much more pronounced among women (73.3%) than among men (50.0%). These differences were statistically significant (U=113408.500, W=497534.500, p<.001).
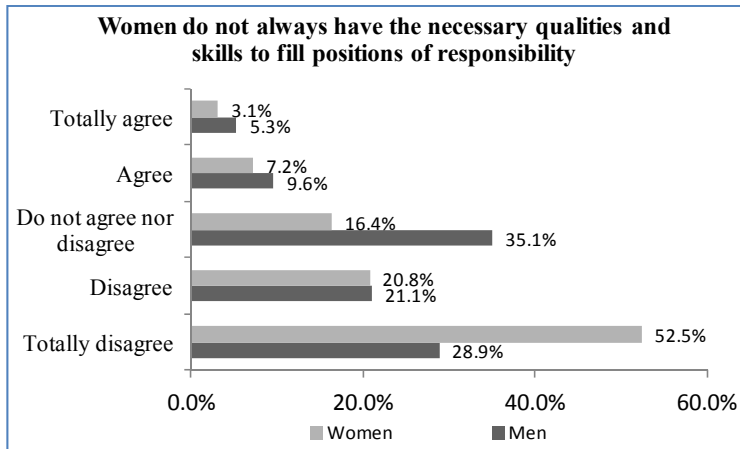
Figure 4: Tourism graduates' perceptions on women's qualities and skills to fill positions of responsibility

Therefore, these results show that women tend to enhance more women's management and leadership skills that men do.

WILLING TO PURSUE A CAREER

Concerning women's willing to pursue a career, respondents were asked to score the following two statements: "Women are less interested than men in positions of responsibility" and "Women are less willing than men to fight to make a career for themselves".

For both sentences, the most frequent answer among respondents was totally disagree, as one can see in Figure 5. The differences observed among male and female graduates were statistically significant (U=143841.000, W=527967.000, p=.024 and U=143840.000, W=527966.000, p=.022, respectively). Indeed, female graduates showed a more pronounced disagreement (total or partial) comparatively to their counterparts, regarding women's lower interest in positions of responsibility (69.8% versus 62.4%, respectively) and women's lower willing to pursue a career (74.4% versus 66.3%, respectively).
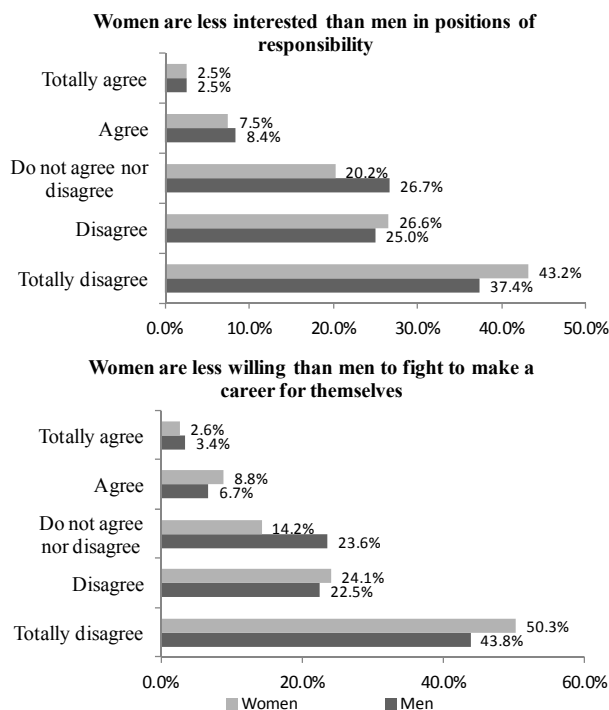
Women are less interested than men in positions of responsibility

Women are less willing than men to fight to make a career for themselves

Figure 5: Tourism graduates' perceptions on women's willing to pursue a career

Once again, results suggest that women tend to enhance their interest and willing to pursue professional careers and thus women's choices and preferences could not explain their lower representation in leadership positions.

FEELINGS IN WORKPLACE

The feelings in workplace were analysed through a group of four statements: "There is more conflict in the organization when women are leadership positions", "I rather have a man as immediate superior than a woman", "I rather work with men than with women" and "I trust more in women than in men".

Concerning the first sentence, associating high level of conflict in the organizational environment to women in leadership positions, no statistical significant differences were identified between male and female graduates (U=153163.000, W=216709.000, p=.615). In fact, the answers observed among men were very similar to those observed among female and, in general, these were equally distributed through the 5 points of the scale (Figure 6). These results reveal the divergence of opinions among the graduates surveyed.

There is more conflict in the organization when women are leadership positions
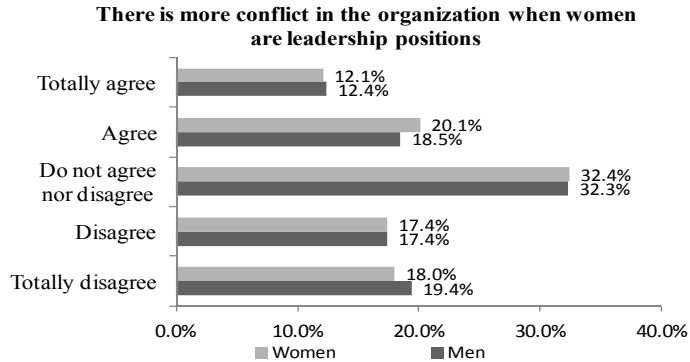

Figure 6: Tourism graduates' perceptions on the association of high level of conflict in the organizational environment to women in leadership positions

Men and women revealed similar opinions regarding the preference for having a men as immediate superior instead that a women. Analysing Figure 7, one can see that the answer more frequent among respondents, male or female graduates, was do not agree nor disagree followed by total disagree. Gender differences revealed no statistically significance (U=148644.500, W=212190.500, *p*=.185).

I rather have a man as immediate superior than a woman
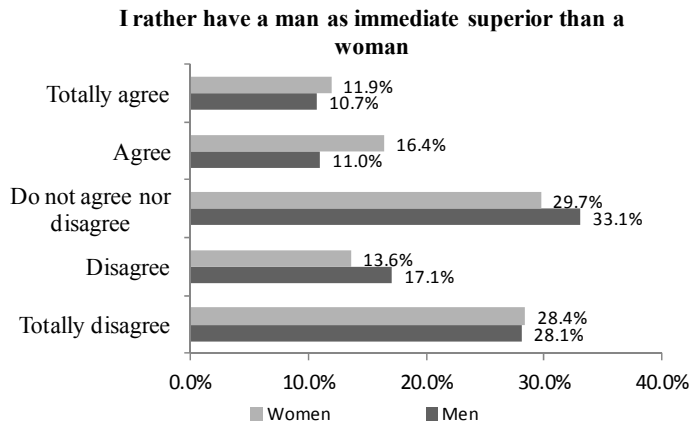
Figure 7: Tourism graduates' preferences on their immediate superior's gender

A different trend was observed in "I rather work with men than with women" (Figure 8). Whereas the proportion of men in total or partial disagreement (35.7%) almost doubles the proportion of women with this negative opinion (15.6%), the proportion of women in total or partial agreement (55.3%) surpasses the proportion of men in the same categories (32.0%). These differences were statistically significant (*U*=109235.000, *W*=172781.000, *p*<.001).

I rather work with men than with women

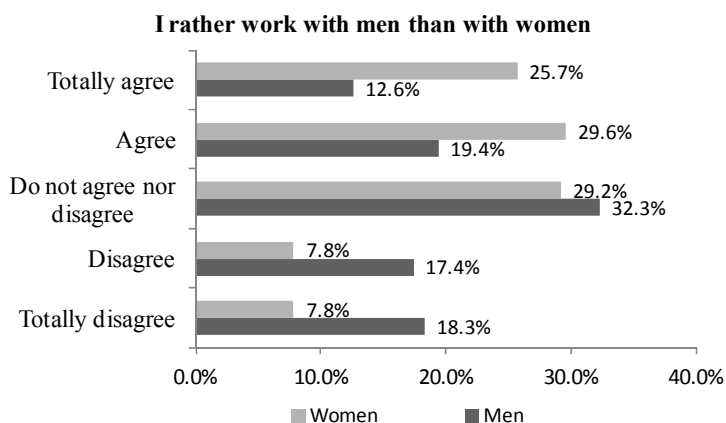*Figure 8: Tourism graduates' preferences on their colleagues' gender*

Regarding "*I trust more in women than in men*", men and women revealed once again similar views (Figure 9), as 44.9% and 42.9% respectively claim *do not agree nor disagree* and 48.9% and 49.9% respectively claim being in total or partial disagreement with this statement. These differences were statistically not significant (U=151762.000, W=215308.000, p=.434).

I trust more in women than in men
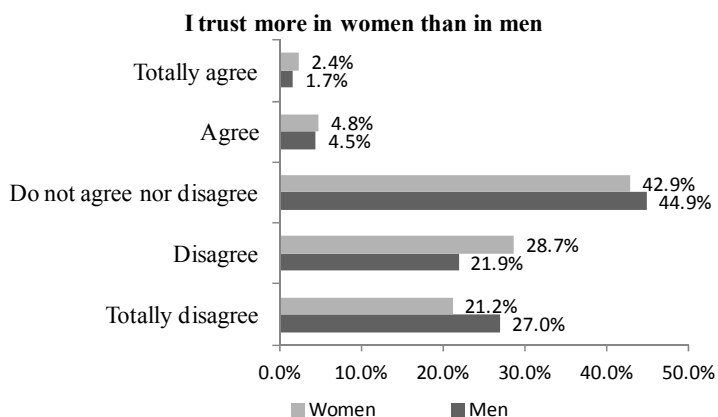
Figure 9: Tourism graduates' confidence in women and men

Results suggest that among surveyed graduates predominate a positive view of women's performance in leadership and management positions, supported by the preference for female immediate superiors. However, concerning horizontal or interpersonal relationships in the workplace, among colleagues within the same hierarchical position, data suggest that men and women have less confidence in women and both unveil a major preference for working with male colleagues.

BARRIERS TO CAREER DEVELOPMENT

Regarding the barriers that women face in their career development graduates were presented with the following four statements: "Women have lower possibilities to grow professionally than men because of their family responsibilities", "The business community is dominated by men who do not have sufficient confidence in women", "Men create barriers to women's professional development" and "Women create barriers to other women's professional development".

As regards to the lower possibilities for women's professional growth due to family responsibilities, both men and women generally disagreed with this statement (53.2% and 41.6%) (Figure 10). However, the proportion of women that agree total or partially (34.8%) almost doubles the proportion of men revealing the same opinion (18.6%). Gender differences observed were, once more, statistically significant (U=127285.500, W=190831.500, p<.001).

Women have lower possibilities to grow professionally than men because of their family responsibilities
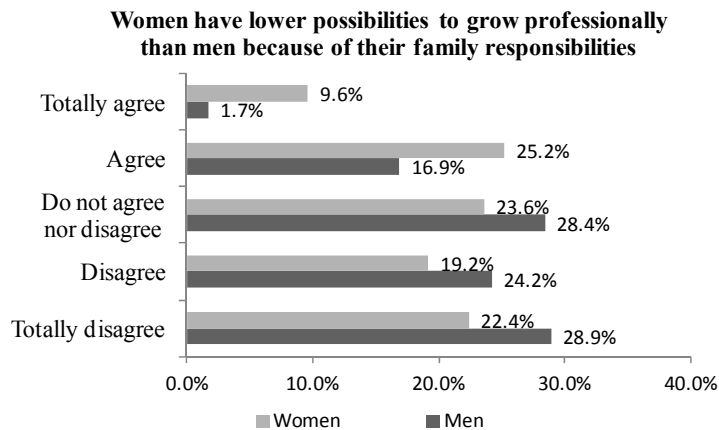
Figure 10: Tourism graduates' perceptions on women's lower possibilities to grow professionally due to their family responsibilities

The following two statements, addressing the responsibility of men in creating barriers to the professional development of women, namely "The business community is dominated by men who do not have sufficient confidence in women" and "Men create barriers to women's professional development", generally split men and women's opinions (U=118968.000, W=182514.000, p<.001 and U=111807.000, W=175353.000, p<.001, respectively) (Figure 11). While male concentrated their answers in the disagreement categories in both statements (43.6% and 52.8%, respectively), female graduates agreed more, total or partially (39.4% and 34.2%, respectively).

The business community is dominated by men who do not have sufficient confidence in women

Totally agree — 11.8% / 3.1%
Agree — 27.6% / 20.8%
Do not agree nor disagree — 32.8% / 32.6%
Disagree — 16.6% / 20.8%
Totally disagree — 11.3% / 22.8%

Men create barriers to women's professional development

Totally agree — 7.9% / 3.1%
Agree — 26.3% / 14.6%
Do not agree nor disagree — 34.2% / 29.5%
Disagree — 19.9% / 24.4%
Totally disagree — 11.8% / 28.4%

■ Women   ■ Men

Figure 11: Tourism graduates' perceptions on the responsibility of men in creating barriers to the professional development of women

Concerning "Women create barriers to other women's professional development", male and female graduates revealed similar opinions and as one can see in Figure 12, both men and women mostly agreed with the statement (52.0% and 46.9%, respectively). Gender differences observed were, once more, statistically significant (U=144846.500, W=528972.500, p=.042).
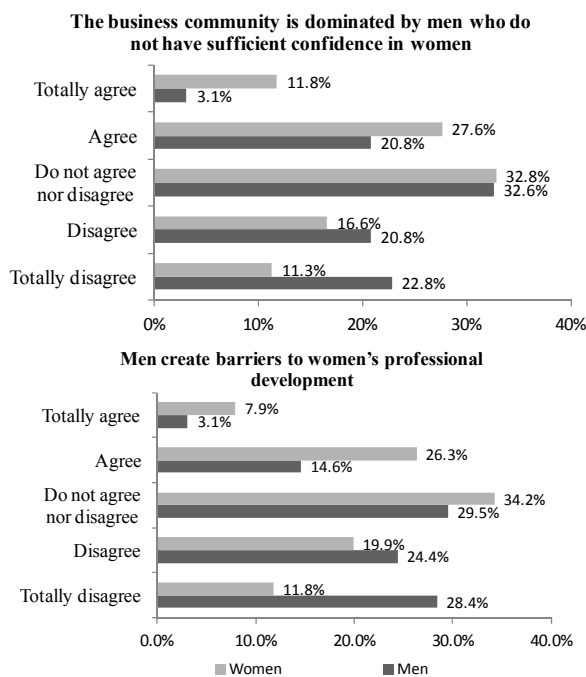
Women create barriers to other women's professional development

Totally agree — 15.3% / 21.1%
Agree — 31.6% / 30.9%
Do not agree nor disagree — 31.8% / 29.5%
Disagree — 13.8% / 11.0%
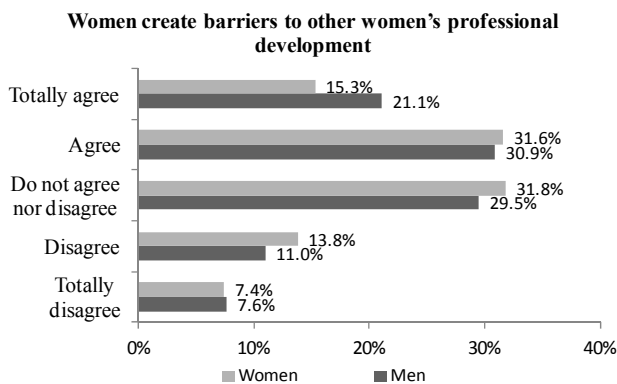Totally disagree — 7.4% / 7.6%

■ Women   ■ Men

Figure 12: Tourism graduates' perceptions on the responsibility of women in creating barriers to the professional development of other women

Data suggest that the male labor market dominance is not seen by male graduates as a barrier for women's professional development. Indeed, male labor market dominance and family responsibilities take more significance among female graduates comparatively to their counterparts. In addition, women are seen as more responsible for creating barriers to women's professional development.

DISCUSSION OF RESULTS

There is a significant gender gap in the fulfillment of leadership roles; however, this gap does not seem to be justifiable by the gender gap in the preference for these positions. Even though more men aim to be leaders, the disparity between men and women's willingness to have such a role is not nearly as high as the disparity observed between the actual number of male and female leaders. This suggests that it is either due to the labor market or other kind of constraints that the gap in upper management is observable.

Female tourism graduates' self-perceptions confirm that women tend to enhance their professional performance and leadership skills, as well as their interest and willing to pursue professional careers. Thus, data suggest that self-perceptions and self-confidence cannot explain gender differences in leadership positions. In addition, since women's self-perceptions are not self-imposed barriers to their career development, as claimed by some authors, the need to unveil the reasons, inherent to the observed gender gap, is advocated.

Some of the barriers that could explain the gender gap observed, identified by surveyed women, were: less confidence in women, as they are seen as more responsible for creating barriers to women's professional development, which leads to a major preference for working with male colleagues; male labor market dominance; and family responsibilities.

The value of this study relies on the demystification of women's self-perceptions as negative and inferior comparatively to their counterparts.

Limitations of the study

The present study shows some limitations. The major one underlying this empirical study concerns the sampling technique applied, as it does not allow for the generalization of the findings. As a result, it is difficult to reach those graduates who finished their degrees a longer time ago. Therefore, the samples turn out to be very young and results should be cautiously interpreted. Thus, rather than extending to other contexts these conclusions, this article aims to contribute to the widening of the debate concerning the questions raised in this research.

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BUSINESS LEADERSHIP

Vlajko Petkovic[16]
Zorana Petkovic[17]

Abstract: There are different types and definitions of leaders and leadership. In this paper, business leadership is defined as a process in which operations of members of an organization are directed by the leader towards a successful achievement of the objectives of the organization in the given circumstances.

Leadership can be formal and real. Formal leadership is mainly linked to the first man of firm- General Manager. His position allows him to become a leader-formal and real. If he acts only from the position he holds and by the power this status gives him, he will be affirmed as a formal leader.

The elements of leadership are leaders, followers and their relationship. Leaders cannot be fulfilled without followers, or followers without a leader.

In practice, leaders are often identified with managers, and leadership with management. That is not good. Leadership and management are two different and complementary systems of actions. Each system has its own functions and characteristics. Managers plan, organize and control, and leaders create vision and make changes. Manager wants a stable business conditions avoiding risks. Leader, on the contrary, consciously takes risks. While manager focuses on how it should be done, leader focuses on what should be done.

Finally, manager wants to achieve greater efficiency and leader greater effectiveness.

Key words: Leader, Leadership, Manager, Management, Followers, Vision, Charisma, Changes, Organization

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[16]*Vlajko Petkovic, Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, vlajkopetkovic@hotmail.com*
[17]*Zorana Petkovic, Higher Educational Institution for Applied Studies in Entrepreneurship, Belgrade, Serbia*

INTRODUCTION

Leadership is defined as the ability of one man, the leader, or leaders, to lead others, to influence them to follow him in realizing the objectives and planned changes.

Leaders are everywhere - in politics, business, culture, sport, in every human activity. Everywhere there are people who lead the organization forward. They are not satisfied with the situation right now - the company is doing well and is getting good results, but they think of tomorrow, the changes that should be made today in order to have good business tomorrow.

Effective governance requires from leaders, in addition to basic, adequate knowledge, to be good psychologists, good communicators and animators, so that they know how to work with people, to convince them and take them forward, to the set goals. They must also be good visionaries, to be able to predict future goals and the necessary changes and actions for their implementation. (Charney, 1994).

Leaders and leadership are inseparable from the idea of power and authority, as the leadership can be seen as a specific way of using the power and authority. Authority is the power and influence that leaders have over other people who follow them to the goal they set. Consequently, every leader must possess certain authority that allows him to influence others and lead them in a direction determined by him.

The leader may have formal or positional authority, which derives from his position. The leader may also have informal or personal authority, which derives from his characteristics and the strength of his personality, and it is usually called "charisma."

There is a notion that modern organizations mostly want leaders who have the ability to teach others to lead themselves. This is called superleadership. The focus is on the new form of leadership which enables self-leadership energy in each person. Superleadership is a broader framework of behavioral and cognitive strategies that are designed to teach others to lead themselves. It is essential to activate the internal and potential leadership of the followers. This should help to make individual behavior effective. This enables individuals to set themselves achievable goals. Superleader goes for reinforcing the desired behavior of employees. Superleadership provides a framework, a process and a set of strategies to achieve the inventiveness and creativity of a large number of people in organizations. (Kotter, 1998)

CHARACTERISTICS OF LEADERS

A leader is, beside manager, the main engine of a company. In order to be able to perform his function, he must possess certain qualities that other members of the staff do not have.

A leader must know the business of the organization he leads - its program, its goals and objectives, the difficulties it faces, and everything else that is related to the achievement of organizational goals. This does not mean that he should know best the job of each individual within the organization. He does not need to be the best economist, lawyer, technologist, psychologist, programmer, etc. What is important for him is seeing organization as a whole, knowing the general goals and objectives of the organization, being able to separate the important from unimportant. He should not be lost in details. This is especially true for the highest levels of leadership. As they go down, the greater the importance of specific knowledge.

A leader must have the ability to lead. This means that he must know, can and want to inspire his associates, motivate and coordinate them in order to achieve the mission of the organization he leads.

A leader must be intelligent. This will allow him to see chances and risks for certain business ventures and to timely and adequately respond by making the right decisions.

A good leader must be energetic. This means that he should be a strong person who will be able to start his employees to achieve positive program development, but at the same time to successfully stop any negative tendency manifested in the functioning of the organization.

A good leader must be brave. It is the courage of the leader of an organization that has to be manifested in certain periods of business, to enter into certain business risks, sometimes even to take some unpopular measures. If a leader in these situations does not show enough courage, he loses the respect of the members of the staff, and often threatens the cohesion and stability of the organization.

A leader must be persistent. He never gives up. He does not acknowledge that situation cannot be solved. He knows that even the most difficult situations have a way out, he just has to find it. There are no unsolvable problems. Of course, he does not have to know everything. It is enough to know who knows something, and he can consult with this person. In order to be the most successful, one does not necessarily have to be the smartest. It is enough to be able to surround himself with smart people.

He must know that something significant cannot be done at once, but patiently and persistently. He never approaches a job with a panic, but calmly. It is very important that he manages to convey his calmness to others. It is particularly important to act in a calm way when the panic and crisis strike. It is such an important feature that some define a leader as a person who is able to control the situations, actual or potential, in which people feel helpless.

It is very important for a leader to be an optimist, to be convinced of the program he implements in the organization and the people he works with. He must believe in success. It's his belief that makes him unyielding in face of difficulties that arise during the implementation of the approved program.

Every leader to some extent has to be a visionary. He must have imagination. He has to be able to go from real to unreal, from present to the future. Only those who go ahead of their time can win when the competition is strong. Those who keep up with the time are already late. Only those who move towards the future, who can anticipate the future can win. Only those who can sense the future and the changes it brings, with new ideas, new programs and new opportunities can win.

The successful leader must know to take initiative. He must have creative initiative. This does not mean that he should be an inventor. He should not be a slave to an old practice, schemes, models. He has to be critical in relation to the current state and open to new ideas, to new solutions, for everything that is better. He has to have a sense of adaptation, associations, for acceptance and transfer of some solutions from other areas in his own.

A leader must have the ability to communicate with people. It is an important human trait.

He has to have a proper relationship with his co-workers and the people he leads. To have such a relationship, he must know his associates and his co-workers and should have confidence in them. A leader who has no confidence in his colleagues cannot be successful in managing them and ensuring the proper functioning of the organization. It often stifles initiative and paralyzes activity.

When it comes to dealing with people and trust, it should be established at a certain distance. Too much distance makes relationships seem too formal, rigid and slow down the functioning of the organization. Close relationship makes them direct, intimate. The excessive intimacy usually melts down authority of leaders and calls into question the possibility of achieving the goals of the organization.

Trust in co-workers must not become naiv. A leader must know the true value and capabilities of his staff and determine appropriate tasks and responsibilities for them. He needs to know their problems, desires, aspirations. He must know that every man is a biological, psychological and social being, that every man is made of flesh and blood, with virtues and faults, more or less capable, more or less intelligent, more or less hard-working. He has to have sympathy for his personal and family concerns, problems, health, success, happiness. For everything that is human. People should not feel that they are left alone, that nobody cares for them, that they are lonely, because lonely people are usually unhappy people.

In relation with his associates, a leader must be objective. He always has to have the same approach to all his associates. He should not show that some of his associates are very dear to him, others less, and some he does not even like. He should not be kind to some and strict or unfair to others. This does not mean that he should not recognize, praise and reward those who have outstanding performance and results. Likewise, those who do not perform their tasks correctly, he should reprimand and punish.

A leader must be an educator of his associates. He must be a good pedagogue. He has to work on education of his associates, giving them personal example. He must use the appropriate tools and methods. This more so because people are different and they could be affected differently, depending on the specific conditions and circumstances. He must in particular take care of the younger staff, because almost every beginner is unfamiliar with the work, fearful, distrustful. His growth, success, survival in the organization, even in that profession, depends on the behaviour and approach of his superior.

In the reference literature there are a number of other general characteristics that make the context of exercising leadership (Milisavljević, 1999).

- Self-confidence based on reality. This is not just a personal trait but is related to the behavior of persons in different situations.

- Honesty, integrity and credibility.

- Dominant personality - the ability to influence their own will on others. Extraversion - his thoughts and actions are directed towards things and people around him.

- Ability to give reasons and explanations. He is direct when expressing his opinions, feelings and attitudes. He is neither aggressive nor passive.

- Emotional stability – he is able to control his emotions so that they are consistent with the situation.

- Enthusiasm - employees respond positively to enthusiastic leader and consider that a reward for constructive behavior.

- A sense of humor. Some see this as a characteristic and some as behavior.

- Being warm allows relationships with people.

- The tolerance for frustration, because the leader is often subjected to resistance to change.

- Self-awareness and self-objectiveness. The effective leader is aware of his strengths and weaknesses.

Some more important characteristics of effective leaders:

- Empathy, the ability to put oneself in other people's shoes. You need to know the views and position of a group so that you could affect the group.

- Flexibility and adaptability. This is necessary in the face of change. Flexibility is the ability to adapt to different situations.

- Ability to start the action. They are confident in their ability to initiate a change.

- Courage to accept the challenges and risks of change. He is willing to put his reputation on the line.

- Adaptability - he gives example to others, but is able to quickly depart from something, if he sees it leads to wrong actions and results. At the same time he tries to get things done normally.

An effective leader must be willing to use his power. He must be ready to help create leaders for the future. In order to develop others, the leader should be able to motivate them to learn. (Corey, 1994)

Here is a list of a number of desirable features and characteristics of a successful leader. There can be mentioned a number of similar characteristics. In view of such a large number of demands, it is reasonable to ask whether there are people who have it all. And of course, one can immediately answer that they do not exist. They would have to be some kind of supermen that in the real world do not exist. But if there are no people who meet all the above requirements, there are people who meet certain subset of similar characteristics for performing certain tasks. Such people would be adequate to successfully perform the functions of leaders.

LEADERS AND FOLLOWERS

Leadership is defined as behavior that affects others. It is defined as an instrument for achieving the objectives. In fact, leadership is a process whereby an individual influences a group of people to achieve a certain goal. With no influence there is no leadership. A group or an organization is the context within which the leadership is achieved. Although leaders and followers perform different roles, they need to understand each other and complement each other.

There are no leaders without followers, or followers without leaders. These are the two poles of a single whole.

There is a kind of exchange between leaders and followers. But it is not easy to understand what one gives and receives from this relationship. Group relations between leaders and followers are characterized by cooperation, trust and loyalty.

The leader should always demonstrate special competence that followers respect. Otherwise, his authority is questioned. Only business success keeps leader's authority. The leader's freedom to choose a solution, brings him a sense of independence and allows him to evaluate alternatives from the perspective of benefits and costs. In order to select rational choices one has to learn to suppress feelings and impulses. Company requires talented people who can permanently improve the performance of the company. Unfortunately, imagination and creativity are qualities that not many people possess.

Besides leaders who should lead, a successful organization needs followers who know how to follow. Ineffective followers can be a handicap for an organization. It is believed that effective followers should have the following characteristics (Milisavljević, 1999):

- To manage themselves well. That they are able to think independently. To be able to work independently and without direct supervision.

- Loyal to a group, organization, or an idea, and in addition taking care of themselves. Most people like to work with colleagues who are emotionally attached to their work.

- To establish their competence and focus their efforts on achieving the best possible results. To be trained in their field, be useful for their organization and have higher standards of performance than business or organizational unit requires.

- To be brave, honest, reliable and effective followers and set themselves up as independent thinkers whose creative thinking and assessment can be reliable.

They should have high ethical standards. They praise when they need to, but are not afraid to point out the errors. Of course, they do so with the best intentions.

Gaining followers for changes is the goal of leadership in modern enterprises. True leadership is to find solutions to adapt to changes in the modern global economy. Managers make decisions for themselves, and leaders use the staff to find a common solution. This introduces some changes in the company, because employees need to learn new roles. It changes the way work gets done in the enterprise. A leader must always keep in mind the context and is therefore not right that he is the only one engaged in the implementation of the solution, but he must include as many of his co-workers as he can. He has to know if employees are able to learn new ways of doing things. It is important to create confidence that the work can be done in a new way

MANAGERS AND LEADERS AS INDIVIDUALS

When we talk about leadership and leaders, it is necessary to draw parallels and explain the difference between managers and leaders. Although managers and leaders lead people into performing certain actions, they also have significant differences. A manager performs all sub-management processes: planning, organization, personnel management, operation and control. His role is primarily in the planning of objectives and actions, organizing and guiding people towards their implementation, as well as the control of execution. A leader deals with guiding people and their directing and motivating to follow him in achieving future goals and strategic vision of the company.

A manager does not have to be a leader and also leader does not have to be a manager. Managers have formal authority to act on it, while leaders do not need to have it. They may have informal power that allows them to have the leadership role. Manager has officially assigned function, an official position in the organization, enabling him to perform his managerial duties.

A leader may have no official title or position in the organization, but he can convince other people to follow him. He has a special ability, a special power or authority, which allows him to convince and motivate people to follow him and do what he tells them. For each company, or any organization, it is important to have

managers with the characteristics of leaders, that is - the leaders in management positions. This means that there is a manager who is a leader, and from formal management positions in the organization, he leads people to achieve change and the strategic goals of the company. For the successful development of any organization, the most important are managers with leadership characteristics. Because, only managers leaders can lead good and successful organizations and achieve the strategic vision of a company.

In the western world, especially the United States, it is considered that modern enterprises have too many managers, and not enough leaders. This, among other things, is a significant deficiency that hinders the rapid development of a company and leads to the fact that companies in Japan are doing much more productive and efficient than similar companies in the West.

If we want to, in short, give the main differences between managers and leaders, we should first emphasize that a manager is a man who knows how to adapt well to different situations and conditions in the company, and a leader is a man who, above all, brings innovations and tries to bring the company to the path of progress. Manager aims to achieve stable operating conditions and, on this basis, have more effective results, while a leader only wants to introduce changes which will make better position in the future and more effective results.

The manager bases his management approach on rational approach to planning and control tasks, in order to achieve positive business results. The leader creates his own vision of the future of business, and directs and guides people to achieve that vision. A manager seeks to achieve his managerial functions through familiar ways and to minimize risk. A leader consciously goes for the risk, because in this way he can better achieve future goals and strategies he predicted and defined. Risk is a part of everyday business and behaviour of a leader and follower of future actions and events to which he aspires.

The basic question in this area is: what is, primarily, the difference between managers and leaders, what separates them and makes them specific? The first studies in this area have put the focus on personal characteristics. The assumption was that some people are born leaders and that leadership is a natural talent. If that were so, it would be extremely easy to identify characteristics of leaders compared to "ordinary people". If we identify these features, it would be relatively easy to select people for leadership positions. However, the matter is far more complex. As in many other areas of life, some talent, developed emotional intelligence, a lot of education and work on oneself, are the main prerequisites for leaders (Drucker, 1996).

Managers are necessary layer of control in every organization. They provide the basic prerequisites for the effective functioning of the organization, but leadership is needed to take the organization further, often with courage-to the new changes. Managers use planning and organizing to manage the complexity of daily operations, but the true leading of organization begins with the development of the vision and the communication between those who are on the path of fulfilling the vision. Leaders are great communicators, they have developed a sense of empathy and people truly respect them.

The development is the complex step of the company into new areas, in some bold changes, in something new and unknown. Thus, a manager maintains, and a leader develops. It follows that managers struggle with the complexity and the leaders with uncertainty. Due to the fact that he generally does the same actions and fights for efficiency of the system, it is considered that managers are imitators, and leaders are innovators. Therefore, managers work with certainty and leaders with probability.

Many see the differences between leaders and managers in their specific characteristics. Managers are characterized by resource power, and leaders integrative power. Managers feature hierarchical position, and leaders management of consciousness. Managers plan, organize and control, and leaders create and manage change. Managers implement and leaders create a vision. Managers seek to achieve greater efficiency and leaders greater effectiveness. Managers want stable business conditions, and leaders see turbulent conditions as a challenge and an opportunity.

Sometimes the differences between managers and leaders are dramatized: Manager implements, a leader innovates; manager is a copy, leader is the original; manager has a focus on systems and structures, and the leader focuses on people; managers rely on control, a leader inspires behavior ; manager has a short-term and a leader long-term standpoint; manager asks how and when, a leader asks what and why, manager's eyes are focused on the basic line of performance, and a leader' on the horizon; manager imitates, a leader is genuine; manager accepts the status quo, a leader questions it; manager is a classic good soldier and a leader is a remarkable figure.

While leaders create the organization's mission and create a strategy to achieve it, managers are responsible for its implementation. In practice, many leaders are responsible for managerial jobs. Hence, although there is a distinction between leaders and managers, often the difference is blurred in practice (Milisavljević, 1999).

Table 1. Managers VS leaders

Managers	Leaders
• Doing things the right way	• do the right thing
• They are interested in efficiency	• They are interested in the effectiveness
• Manage	• Innovate
• maintain	• develop
• They focus on the system and structure	• They focus on people
• Rely on control	• Rely on trust
• Organize and manage	• moving people in a certain direction
• Emphasize tactics, structure and systems	• Emphasize philosophy, core values
• Have short-term horizons	• Have long-term horizons
• They ask how and when	• They ask what and why

• They accept status quo	• They challenge (provoke) status quo
• They focus on the present	• They focuse on the Future
• Hold the view of the present	• Hold the view of the horizon
• elaborate the detailed steps and timetables	• Develop visions and strategies
• Tend to predictability and order	• Tend to changes
• Avoid risks	• Take risks
• Motivate people to adhere to standards	• inspire people to change
• Use influence according to their position	• Use the influence man to man
• Require others to follow	• inspire others to follow
• act within organizational rules, regulations, policies and procedures	• act outside organizational rules, regulations, policies and procedures
• they are given the position	• they take initiative to lead

Source: Boyett & Boyett ,1998

MANAGEMENT AND LEADERSHIP AS PROCESSES

The problems that companies face in the twenty-first century are difficult to be solved with no successful organization, and the organization cannot be successful without effective leadership. All the sources that are missing (technology, raw materials, capital, buildings, etc.) can be obtained with more or less effort. However, companies that do not have leadership have limited opportunities to deal with the problems brought by the globalization of the world economy. In the absence of leadership, companies continue to deal with the things they have been dealing with for years, and in the same way. They continue to refine existing routines and existing commercial orientation.

Kotter is the most important author who makes a clear distinction between management and leadership (Kotter, 1998). His point is that leadership and management are two different and complementary systems of action. Each system has its own action functions and features. Modern economy needs both systems. According to him, management is related to coping with complexity, while leadership deals with the change. Companies manage complexity, planning and budgeting activities. In contrast, leadership is setting the direction, vision of the future with a strategy for managing changes in order to achieve the vision. Management creates the ability to achieve the organization plan (providing the necessary human resources and the creation of organizational structure). Leadership is connecting people, designing of new direction that creates a coalition that understands the vision and is interested in its realization. Management relies on control and problem solving, and leadership requires motivation and inspiration to make people go in the right direction. Since the function of leadership is to come to a change, the vision and set the direction of change is fundamental to leadership.

When changing the environment in which the company conducts its business activities, it is clear that we must increase the leadership skills of managers. Namely, managers can be leaders. Generally, managers rationally solve problems, and leaders are more intuitive and more visionary.

Shift from management to leadership requires a significant change in their position and role in the company. A manager is seen as the "boss" of the company, a leader empowers associates to act. A manager seeks to control people and leaders to empower them to freely express their professional skills. Managers often try to centralize authority and leaders are prone to "distributed" leadership that it would be at many levels in the organization. Managers are often internally oriented and mainly deal with problems in their companies, and leaders are externally oriented and deal with the events in the local environment and company's place in industry and economy. Managers stress out the obedience of their associates, and leaders win them over for cooperation. Managers are mainly focused on tasks and figures, and leaders on quality, service and consumers. Managers undertake changes due to necessity or in a situation of crisis, and leaders are continually learning and are prone to different types of innovation.

Modern management realizes its essence through the following stages (Milisavljević, 1999):

- Planning and budgeting - setting goals for the future, defining phases to complete the goals, including the timing, sketch work and the allocation of resources to these plans.

- Organization and provision of personnel - establishing of the organizational structure and the determination of tasks for the implementation of the plan, placing individuals in jobs for which they are qualified, communication of the plan, delegating responsibilities to get the job done and accomplish a plan and set up monitoring systems.

- Monitoring and troubleshooting - Tracking the results of the plan in detail, through formal and informal reports, standards, etc., to identify deviations that are usually called "the problem" and then planning and organizing to solve problems.

While management provides order and consistency, leadership does not do it, it produces movement. Leaders always bring change (that is not necessarily positive). This is accomplished through the following activities:

- Establishing direction - creating a vision of the future, often the distant future, along with the strategies to implement changes intended to achieve the vision.

- Connection (coordination) of people - communicating direction to those who need to work together to create coalitions that understand the vision and the determination to achieve this.

- Motivating and inspiring ensures that people are moving in the right direction, according to important people's needs, values and emotions.

Thus defined management and leadership are similar. Both include making decisions to do something, creating a network of people and relationships that can achieve a given goal. Both are complex systems of action.

Management provides a degree of predictability and order and has the potential of consistency, providing key results expected by various stakeholders. Leadership often results dramatic changes and has the potential to do so. Leadership has results in beneficial changes, and management has regular results, which enables efficiency. This does not mean that management is never associated with a change in tandem with effective leadership. It can help to achieve real process of change. However, management itself never leads to significant fundamental changes. Organizations need both systems make progress.

TRANSITION LEADERSHIP

This leadership was created on a wave of major organizational changes in the world that emerged in the eighties.

Transition leadership or leadership for changes has many similarities with charismatic leadership, but also some peculiarities, and that is why it is analyzed separately. Leadership for changes is connected to the leaders who have a vision and have the ability to create innovation and changes. Those leaders are able to develop a vision of change, as well as the strategy and tactics to achieve this. Relations established with the followers are not based on the ordering, but on voluntary cooperation, trust, joint distribution of results and responsibility. Reformist leader motivates followers by increasing their level of knowledge of the importance and value of the objectives. He explains possibility of adjusting their personal interests with the general interests, creating an atmosphere of trust and belief in the necessity of followers' self-reliance.

Leader reformer is a transformer, an agent of change, not the saviour. He announces the creation, not the routine approach. Behind him is reality, not a myth. He leads followers from one result to the other, and not from one promise to another. He directs people to work rather than expect dividends. His goal is not to change the world, but changes in the world through development.

Model of transformation or reform leadership means the leaders and followers who can be used for creative problem solving in crisis situations. The model has a number of specific features. First, it is necessary that the leader wins over his followers through their involvement in management, to make him a part of the staff, not to be "above them". He enthusiastically supports collaborative efforts. He does not require his followers to follow him blindly, but to critically evaluate goals and the ways of their realization, *reducing the influence of emotions and increase rationality in behaviour*. Second, if atmosphere of trust grows into a strong interdependence between leaders and followers, there is a serious danger that the leader surrounds himself with people who think the same as he does, or that the

leader begins to follow the followers. The two traditional approaches are not suitable for leaders reformers (Petkovic, 2011).

Because of this possible use and abuse of charisma, it must always be considered in the context of certain moral principles. Thus was created the model of moral and immoral leaders. While immoral leader uses power only to achieve his own interests, moral leader works in the interest of the company. Immoral leader expands his personal vision, and moral creates a moral vision to meet the needs of the company and the interests of his followers. Immoral leader does not tolerate criticism of his work, publicly or secretly.

If this happens, he strongly opposes it and immediately terminates it. Moral leader stimulates criticism. He sees it as a well-intended conversation and tries to learn the lesson from it.

Immoral leaders insist upon strict execution of their orders without question. Moral leaders ask followers to have a creative approach to execution of their orders.

Immoral leader has a one-way communication, from himself downwards, to his associates. Communication is rare, short and sharp. It amounts to giving orders. Moral leader prefers two-way communication. He is ready to issue orders, but also wants to hear the feedback.

Immoral leader has no interest in the needs and concerns of his followers. He attributes all the glory of success to himself, and accuses others in a case of failure. On the other hand, moral leader has a strong understanding of the needs and concerns of his followers. The success is shared with others. He wants to highlight everyone's merit in it. He also boldly stands behind personal failure.

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SOCIAL ENTREPRENEURSHIP: OPPORTUNITIES AND CHALLENGES

Christian Kessougbo[18]

Abstract: In this paper, the author pointed to the significant factors which determine the success when managing the entrepreneurial activities, but also to the limitations that entrepreneurs encounter while realizing the entrepreneurial goals. There is a special place in this paper for social entrepreneurship and creation of projects for forming social enterprises with the focus on initiatives of social entrepreneurship in the culture sector.

Key words: Social entrepreneurship, entrepreneur, project, culture

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[18] *Christian K. Kessougbo, ONG-CED TOGO, Lomé, Togo, christiankessougbo@yahoo.fr*

INTRODUCTION

Entrepreneurship is increasingly a recurring answer to the issues of employment, economic growth, earning for living and meeting personal needs,because it is capable of producing growth, jobs, etc. Many developing countries allocate billions for financing projects initiated by the young people.

There is nothing questionable in the clam that we need a lot of entrepreneurship so that our countries could make their way among the countries marked with strong economic growth. The entrepreneurship programs, however, still face many obstacles in our countries.

Upon careful consideration, it becomes clear that the majority of difficulties come as the result of the following deeply rooted convictions that:

1. It takes a special gift or talent to become a successful entrepreneur;

2. No entrepreneurship is possible without secured funding;

3. Any entrepreneurship program becomes profitable only after its 4th year of operation;

4. Entrepreneurship necessarily involves previous market analyses, business plan, etc.

We were, however, in the position to see that each of these statements could prove to be accurate under certain circumstance, and false under some other circumstances.

Our convictions can easily become obstacles to success, because they prevent us from seeing other options. There is no man who lived long enough to learn everything.

There is only one thing needed to achieve success in entrepreneurship: one needs to think as an entrepreneur. This is the only precondition and the only valid cause to spend public funding. Investments are necessaryto spread the culture of entrepreneurship among the young people.

One of the fundamental rules of the culture of entrepreneurship was preserved for future generations in a sentence by Martin Luther King (2013): „Yes, we can, because impossible is nothing". In other words: "Everything is possible for those who believe."

We have to stop relying on capabilities. Henry Ford once said:"Whether you think you can or you think you can't, you are right". Indeed, you will do as your faith in yourself tells you to do.

In order to believe, however, one must first understand things. To understand entrepreneurship is to understand that things contrary to our convictions can happen as well.

An entrepreneur is, before all, a person who can anticipate or foresee a need, and who can gather and organize necessary means and human resources to meet such need.

The above definition leads us to a potential conclusion that an entrepreneur has to be able to discern other people's needs, as well as to gather and organize necessary means and human resources to satisfy suchperceived needs. An entrepreneur must be able to determine the needs for funding and also the needs for building things up.

The notion of "entrepreneur" includes creation and innovation, which make it different from a company manager. An entrepreneur who officially registers their business will be both an entrepreneur and a company manager. An entrepreneur recognizes and responds to the needs in order to make money, and a company manager manages the needs that were already recognized, with the aid of the known expertise.

THE ENTREPRENEURIAL SPIRIT

To make your enterprise successful, you must develop the entrepreneurial spirit. When we speak about one's spirit or attitude, we do not think of arrogance or pose that is nowadays very often called an "attitude". An attitude is a coherent and often foreseeable perception of the way we behave in certain situations. An attitude is essentially the manner in which we think through and assess or evaluate facts and events, as well as the manner in which we shall face potential difficulties at work.

Perseverance - Perseverance is among the key things one needs to be successful. Perseverance is also among the basic characteristics of entrepreneurial spirit. Perseverance includes steady persistence as an invariable in one's acts and thinking towards achieving one's goal. In other words, it means persistence in achieving what you want and what you must do. Perseverance is not the same as stubbornness, which can be seen as the ultimate level of perseverance. It is not at all easy to make money, but an entrepreneur with perseverance has, of course, by far more chances to succeed than the one who will quit at the very beginning.

Optimism - Optimism is necessary, but to a moderate degree. Excessive optimism can prevent us from foreseeing potential losses and expose us to various deceits or frauds. In business, optimism is allowed as a form of everyday mood, but in managing an enterprise,optimism must be tempered with a dash of caution. Balance thus achieved shall not only be of use to your enterprise, but to you as well in the everyday life. It is often said that pleasure taken in what you do is of crucial importancefor success of any kind, and the above-mentioned characteristics shall certainly be of use in achieving your goal.

Decision Making - Opportunities often present themselves, but they do not last for long. This is why the decision making process when it comes to business requires both swiftness and determination, both in accepting a challenge and in

avoiding something. For a successful decision making process it is necessary to be able to discern chances that should by all means be taken from the ones that should by all means be avoided. Decisions must not be made hastily. Decision must be made quickly, but before making a decision, it should be considered carefully, otherwise you must be prepared to take the losses.

Curiosity - The most successful entrepreneurs are all curious persons. They look for the answers to question that they pose to themselves and they perceive things about the world around them that they continuously keep thinking about. Curiosity is of utmost importance in business, because it leads us to new discoveries and it explains the latest developments to us. On the other hand, curiosity can serve as a tool for observation and making own conclusions. Thus, you will be able to learn new things about your business in an easier way, and you shall not easily be influenced by others. "One enterprise can do everything."If you wish to get involved in some serious business, you must either be the first, or the best in it. Your opportunity to offer a product or a service before everybody else does depends on your ability to recognize the needs or wish for certain product or service. It means that one should never give up the thought that everything can be done in a single enterprise only.

You should, however, keep in mind one little warning. The fact that you can accomplish something within your enterprise does not necessarily mean that you should do it. You should keep in mind the laws that are of relevance to your enterprise, because there are potentially some less known regulations that serve to exclude any interest whatsoever for certain types of businesses. In addition to that, you should avoid projects in which you cannot see any growth at all. A bad idea shall remain a bad idea and shall no attract any customers at all, regardless of the amount of effort you put in it.

Audacity - Audacity is inextricably linked withoptimism and determination. It enables you to do things without reservations, quickly and efficaciously. However, in being audacious, one has to be wise and balanced, since rashness can produce negative consequences. If, after having wisely and maturely considered a move, you reach a decision, take it without any fear, but with the necessary dose of caution.

GOALS THAT A YOUNG ENTREPRENEUR WILLING TO SUCCEED IN A BUSINESS SHOULD SET TO HIM/HERSELF

Setting goals is an important step in taking up any business. It is also one of the most important stages in the fight for survival of your enterprise. Without any goals set, you cannot succeed. Setting goals is necessary for good functioning of your enterprise. It is the only way for you to remain competitive and keep selling your products and services. To succeed in selling your products or services, a positive state of mind is not a luxury, but a necessary means to achieve your goal easily.

Avoiding Delicate Situations - Certain decisions can lead you straight to the problems that will be difficult to resolve later on. Before embarking on a job, weigh carefully the arguments for and against it and consider whether you decision could produce any negative consequences for your enterprise later on. You should not set a goal that you cannot achieve with your current levels of knowledge and abilities. If you misjudge a situation, the potential waste of time and money could be detrimental for your business.

Deal with Problems in a Timely Manner - Nobody is fully protected from failure and quick response in such situation can be a lifesaver. In situations like that, most of the people can think only about the bad thing that happened. Contrary to that, you should direct your thoughts to the solution for the problemat hand and to quick resumption of your business. Unless you are collected and self-possessed, you can say goodbye to your enterprise, since those who give way to self-pity can rarely shine again.

Learn from Your Mistakes - If a wrong decision led you to failure, try to distance yourself from it and objectively look at the moment when the problem occurred.

- Was you goal achievable?

- Where did you make the mistake along the way?

- Did you abide by your business plan completely?

It would be pity if you made the same mistake again in a few months only because you failed to perceive your mistake at the right moment. Mistakes that you perceive will help you develop and strengthen yourself. Such mistakes are the means for looking into the future.

Do Not Be Satisfied With What You Have - If your enterprise makes enough profit and a decent income for you, you risk becoming satisfied with what you have. Unfortunately, if you fail to continue growing, your competitors will not miss their chance to do so and they can take your market position. To prevent that, set new goals that will enable you to be prepared to take a new glimpse of the future and deal with any unexpected situation easily. All in all, your positive spirit will be of assistance to you in the decision-making process and further development of your enterprise.

TIME MANAGEMENT AS A PRIORITY FOR EVERY ENTREPRENEUR

Efficient time management is among priority goals of every entrepreneur who works from home and strives to achieve success. Without efficacious time management, there can be not successful business. Creative organization of time available to you is the primary objective for most aspiring entrepreneurs. Efficacious organization of time available enables you to achieve more things

within time available, and at the same time enables you to satisfy your clients' needs and make your enterprise a success. Efficient time management requires certain abilities in an entrepreneur, such as the knowledge of certain techniques and tools and it helps the entrepreneur to use them to the maximum to perform specific tasks, implement projects and achieve desired goals. Without strategic use of time, entrepreneurs waste time and fail to achieve their goals. For the entrepreneurs working from their homes, efficient time management is of utmost importance for the following reasons:

- They shall be able to realize their project within a reasonable timeframe - If they manage to realize a project efficiently, they will get new jobs, employ new staff, and their clients will be satisfied because the job has been finished within the agreed deadline.

- They will be able to perform better - If during work more attention and time is dedicated to details, the job will be performed in a better way. Quality performance is achieved only through careful work and precision.

- They can count on more work if they perform their tasks with the set deadlines - Abiding by the set delivery deadlines is a guarantee for new jobs for any entrepreneur. By showing that you are able to abide by the set deadlines, you prove that you are a responsible person who is seriously dedicated to the job entrusted to you.

- Their investments will pay off - With careful dedication to details, entrepreneurs who are able to efficiently manage their time can count on significant return on their investments. If they are capable of performing more tasks within a set deadline, they will need less time to perform individual tasks, and they will earn the same amount of money, if not more. The return of investments (planning how to use time efficiently) is extraordinary!

The above listed factors are usually an incentive to entrepreneurs to achieve better time management and come up with creative methods for efficient performance. It is usually the small pieces of advice on how to run an enterprise (such as those pertaining to time management) that can usually help an entrepreneur to successfully run their business.

However, in the life of every entrepreneur who strives to perform multiple tasks at the same time, there is more than just the interesting and comfortable moments when everything runs smoothly and as expected. For the entrepreneurs who are responsible for the operations of an entire enterprise, there is always a potential for failure or defeat, due to insufficient planning or bad organization.

WHAT HAPPENS WHEN TIME MANAGEMENT FAILS TO PRODUCE PLANNED OR EXPECTED RESULTS?

There are times when job performed by some entrepreneurs show that their system and method of work do not perform well. Regardless of the job they undertake to perform, they fail to remain focused and complete the tasks and achieve their set goals. That means that they fail at time management and that they are not capable of realizing either the small or the large goals.

CREATIVITY

You have certainly heard of many stories of successful enterprises and thousands of individuals who made their fortunes starting from a single, simple idea.

All these stories have one point in common: they started with the birth of an idea in the mind of a man who certainly could not even think of the impact his idea would have on his/her entire life.

To come to such idea, it is not necessary for any person to have any special education or a lot of money. Penniless students, single mothers who could hardly make the ends meet for their families, retired and unemployed persons, persons with no education or professional experience all came to such ideas. They were merely showing how creative they all were.

Such an ideal can be born in a mind of each and every one of us, independently from the situation that we are currently in. You too can come up with such an idea, which can change your life entirely and bring you success.

Even if you are penniless today, if you have neither a job or a place to live, if you are plagued by debts and have nothing to eat, such an idea may be born in your mind.

Owing to your creativity, you too can come up with an idea that can change your life, you can find a way to overcome any obstacle in your way and you can turn any difficulty into an opportunity to improve your creativity. Little by little, you will start discovering that you too possess characteristics and attitudes that are characteristic for successful innovators, characteristics and attitudes that you will develop further. Creative process includes the moments when you are motivated, able to pose the right questions to yourself, to come up with the answers that were already there and to use the experiences of other people.

Finally, to avoid the option of leaving all this merely on the level of theoretic discussion, to make this actually become a part of you and for you to be able to turn it into practice, you will have to realize your goals.

Success in accomplishing ones' own goals is the same thing altogether. You have to master the basic operations, good techniques, quality strategies and to keep

repeating them, in order to become able to use them spontaneously in the everyday life, with no conscious intention to achieve success for your enterprise.

Your life will change with every new day. Things will move and get new shapes, this is the natural flow of events. However, between the mere statement that your life will change and its actual change towards the desired direction, there is an essential difference. In the first case, you are merely an observer, and in the second case, you have become an active participant.

SETTING HIGH GOALS

After having reached the decision to set up your own enterprise, you have also decided that it was high time to take your own life into your hands, you have decided that there was no time to lose and that from now on you must do everything it takes to make every single thought and move of yours get you closer to your desired goal for you and your dearest ones.

You should look at it as if it were the return to school. Your enterprise is like a practical manual, like a professor who can teach you the practical basics for successful entrepreneurship. As you come across the difficulties, you will realize that your old habits and way of life prevented you from having the life you wanted. You will learn to change them once and for all.

When you attended school and did you homework, it was necessary for you to learn to read, write and do calculus. Now, when you are creating your own enterprise, by following the road that we shall determine here together, it will be necessary for you to learn how to achieve your goals. There are no other solutions for that.

The entire method that we are teaching here, is based on the actual experience from our work in the field, and also on assisting thousands of people who were, just like you, determined to take their lives into their own hands. Based on the realistic and measurable results that all these people achieved, each aspect of our method was constantly being improved, until only the essence and truly efficient things remained.

"Let your dreams swallow the life, so that the life could not swallow your dreams", Saint Exupéry

SOCIALENTREPRENEURSHIP AND TECHNIQUES FOR DESIGNING A SOCIAL PROJECT

Social entrepreneurs are persons that we often describe as curious, ready to take risks, as creative and visionaries brimming with optimism. They all take paths that nobody took before, they investigate and research resources unknown, they make innovative ideas come true and they use their creativity to resolve various problems and needs.

Social entrepreneurs rely on innovative means and market mechanisms to resolve key and burning social problems. They produce positive impact on the society as a whole. Social entrepreneurship is a relatively new occurrence and it is active in the fields in which the traditional market mechanisms and governmental support structures and allocation of means and power delegation have all failed. Socialentrepreneurs usually start with modest means available and with limited power, and are not, in the beginning, on key positions in hierarchy of power. They, however, use their innovativeness, their enthusiasm and power of persuasion to achieve the desired goals.

Social entrepreneurship was both in theory and in practice created in the United States of America. The concept of social entrepreneurship emerged in Europe in Italy first, in the beginning of 1990, in close correlation with the cooperative movement and discussions on social economy. In 2002, the British Government launched theNational Strategy for Social Entrepreneurship. Denmark also started working on their National Strategy for Social Innovations. An all-inclusive and most often used definition of social entrepreneurship emerged in a document produced by the British Government that was entitled **"Social** Enterprise: A Strategy for success" (in 2006):

"Social Entrepreneurship is an enterprise primarily aimed at achieving social goals, and any surplus is reinvested in society or community in order to achieve these goals, and not to satisfy the need for increased profit for shareholders and owners."

Social entrepreneurship bridges the gap between the business world and the public sector, since it is linked both to the "non-for-profit goals" and the "tertiary sector", and to the concept of "socialeconomy", while insisting on achieving the goals that primarily serve the community and the society than profit making of a company. Basic characteristics of the social entrepreneurship, as described by various theoretical sources are as follows:

- Explicitly pronounced mission to create and preserve social values and wellbeing of community;
- High level of economic riskand autonomy in activities related to the production of goods and/or sales of services;
- Looking for the new chances and research of new resources to achieve the said mission;
- Looking for lasting models, based on well conducted feasibility study;

- Constant innovations, adjustments and education;
- Power to decide that is not based solely on ownership of capital;
- Nature based on a certain level of cooperation and participation of various interest groups;
- Limited distribution of profitand minimum paid work;
- Idea that each individual has the power to produce change.

Throughout the world, commercialsocial enterprises are mainly active in the fields of society, environmental protection, human rights and equality of sexes. Let us enumerate some of the examples of activities of such enterprises: homeless children, children'shealth, medical insurance for the marginalized population groups, dwelling, education options, poverty in impoverished urbanzones, problems of the old age and the elderly, immigrants and ethnic minorities,employment and unemployment, climate changes, pollution issues, clean water, female emancipation, human rights, equality of sexes, Internet access.

POLITICAL GOALS HIDDEN BEHIND THE SOCIAL ENTREPRENEURSHIP

Bill Drayton, the founder of **Ashoka**, insisted in his numerous presentations and public appearances on the fact that:"Everybody can make a change. Social entrepreneurs are the critics faced with the problems: they have the vision and they have great impact." (Stone,N.2010). He also notes that:"97%of people are afraid to face their problems. Once that people get to like the idea that a problem can be solved, it is easier for them to accept its existence in the first place."

Social entrepreneurs are visionaries who can see farther than most of the people usually can see. They come up with solutions to socialproblems by relying on the synergy approach in which the result implies mush more than the mere group of individualideas. They are influential, because they cooperate on the international level and use their time and creativity to change politics, legislation and social structures.The results of the most important political objectives presented in the programs and projects of social entrepreneurship are as follows:

- Creation of new jobs;
- Improvements in the standard of life;
- Creating new products and services;
- Encouraging citizens to take part in the decision making process;
- Nurturing the democratic processes;
- Integration of newcomers, marginalized groups, immigrants, vulnerable population groups;
- Developing intercultural competencies;

- Creation of wealth: reinvesting and new investments;

- Improvement of images of certain localzone;

- Creative and efficient use of regionalresources;

- Empowering people to change their lives, providing motivation.

SOCIAL ENTREPRENEURSHIP INITIATIVES AND CULTURAL SECTOR

If the social entrepreneurs are not led by profit or money, but by their cause or goal, risk taking, use of innovative ideas and achieving a mission in society, can we consider the artists to be social entrepreneurs? Painters, actors, musicians, authors and other professionals in the cultural sphere see farther than people usually can see, they act by relying on their imagination and create new things. It is important to note here that the entrepreneurs are not only coming up with new ideas and implementing them, but are also realising such new ideas while achieving economic success, if we bear in mind the stability of the market and the positive financial impact on their community members.

Social entrepreneurship models that are based on cultural and artistic activities and projects have hardly been studied, not only in Europe, but also throughout the world. There are other places where hidden opportunities can be discovered in all the fields characterized by the contact or interrelation of different disciplines, just like in art and technology for example, the business world and arts, or the world of business and the media. Such contacts can lead the researchers, cultural managers and decision makers to new resources, new entrepreneurial ideas and new ways to build the infrastructure to support entrepreneurial initiatives in culture and civil society. The existing examples of social entrepreneurship on the international level have shown that it is possible to successfully manage a business and at the same time exert positive impact on the general public.

Researches in culture, cultural managers and artists albeit having at their disposal numerous potentials offered by the new technologies and technical innovations of the 21st century and in spite of the fact that they all live in various societies, continue to pose numerous questions to themselves, such as, for example:

- What aspects of social entrepreneurship can benefit from the existing new technologies?

- In what way do the social networks and mobile communications establish intercultural communities that are potentially suitable for spreading new ideas and able to encourage participation in social changes?

- To which extent do the models of social entrepreneurship that use the new technologies contribute to globalization, while at the same time support the "culture of consumerism"?

- Which forms of social entrepreneurship deal with the problems that are characteristic of technology and globalization?
- How can the institutions and individual artistic expression assist in preservation of cultural identity and social engagement?
- What is the "intercultural innovation" and what is its impact on economy, business world and culture?
- How can communities contribute to creation of culture of entrepreneurship as a complex and structural occurrences?
- How can the impact of social entrepreneurship be measured on the Internet?

PROJECT WRITING

Good idea is necessary for entrepreneurship. Good idea is the idea that is best suited to the emerging opportunity, that is, to the unsatisfied need perceived on the market. When you have a good idea, the next step would be to design a project, find the necessary resources and present it bravely to the world.

Generally speaking, a project is not initiated by good ideas but by people. You. Even if you have no money, you have the resources: your personality, your knowledge, and your personal contacts. Your personality will direct you towards a problem that will not be observed by other people. It will help you to come to the solution that other people will not perceive as such. It will help you and lead you to the solution that other people will never think of or even consider not to be viable. It will make your idea come true and develop it in a special way.

If you give an idea to three different people and return to see what they did with it within a month, you will get three completely different projects. Experience has confirmed this to us on countless occasions, because the three basic resources necessary to initiate a project are: who the man is, what the man knows and whom the man knows. The initial idea, that can be a hunch only, a question or problem that needs a solution, needs the "trigger": certain circumstances or a meeting, due to which we begin to work on the project.

Let us reiterate this point once again: the idea is often just a hunch or intuition or a question, least of a brilliant discovery, and sometimes it is nothing of the above: it took *five years* to the founders of HP and Sony after they had established their company to come up with their brilliant idea. In the beginning, the only "idea" that Hewlett and Packard had was to jointly produce electronic devices. The important thing is that once that an idea start emerging in one's mind, one needs to act quickly. Acting based on the idea is more important than the idea itself. Although we often think that an action is only the realization of an idea and careful separating individual ideas as in the great Cartesian tradition, this is not true.*Action is the true source of novelties in the world.* Hour and hours of thinking in your room will not produce anything useful for you.

Forget the brainstorming and creative teams' meetings. To shape your idea, it is necessary for you to act and to turn the idea through the action into a real opportunity.

At this stage,*you only have one chance, that is, one group of ideas, beliefs and activities that are to create the future product or service*. This is good, but not good enough. You still haven't devised the single indicator of actual feasibility of your project and of its actual dynamics. Moreover, what will happen if you make a business plan? At this stage, a business plan would only be a heap of papers with random assumptions and fantasies. Should you think about it a bit more? It would be quite useless, it would only make you run in circles. What is the solution to this? Talk with people around you and make them interested in your project. Just to remind you, theresources that are available to you are: your personality, your knowledge and your contacts. These resources enable you to imagine feasible goals, and goals help you to convince other people that they should need to support you. Thus, you acquire new resources. Somebody will offer you to use their office or one-off financial support, somebody will promise to buy your product or to tell other people about it, etc.Their involvement make them become stakeholders in your project. From that moment on, your project actually begins to live outside of your head.

In order for a project to be sustainable, it is necessary to involve as many stakeholders as possible, as partners, employees, clients, etc. It is exactly the socialdynamics that provide for the sustainability of a project. Involving stakeholders brings in new resources, which in turn make it possible for you to set new, more ambitious goals.

In a nutshell, *an entrepreneurial project is, above all, a social process*. It is thus not about the realization of a great idea, but about organizing a process that will not only bring that idea to the surface, but also actually realize it. Thinking, action and research of the involved stakeholders are the three basic points of support that the entrepreneurs tend to develop simultaneously. One does not go without the others. Less analysing and more working.

DEFINITION

The term "project" was for the first time used in 16th century and it originates from the Latin word"*projicere*", which means "to throw something in front of oneself". The Latin root of the word "project" implies then a movement, trajectory and an attitude towards the space and time.

The French Dictionary "Le Petit Robert" (Le nouveau petit Robert,2000) proposes the following definitions:

The thing thrown forward as a direction for action; a draft, intention, plan, decision, point of view; the first stage of a piece of work, preparation, draft; everything that a person wishing to change the world or himself can use in a desired way, draft object that is to be built.

Based on all this, we could say that a project is a method that enables us to, with the aid of various resources, go from the idea to action, by going through various stages over specified periods of time and with the aim to achieve individual or collective results in a social context of a given environment.

A project is a group of activities that are realized in phases or stages and that form units that enable us to achieve a specific, precisely defined goal. A project is thus defined in order to provide an answer to a need. The aims of the project are clearly defined and stated in order to enable us to achieve some clearly defined results. Since the project is aimed at resolving a problem, it implies a previous analysis of needs. By offering one or several solutions, the project tends to achieve a lasting change in a society. Project has its beginning and its end, it must be unique, innovative and it must imply creativity.

Project Success Criteria

- *Logical, systematic and standardized procedure*, which facilitates progress and work aimed at defining the problem, goals and strategies that are to be used;

- *Defining clear and realistic goals* that are suited to program policy and that are accepted by the partners;

- *Relevance*: this pertains to the reason for project implementation and to the links that the project as a whole has with its environment(social, economic, political, cultural...). It shows whether a project can respond to a problem that really exists and whether it is of any significance;

- *Feasibility*: it shows whether the goals of a proposed project actually can be achieved bearing in mind the context, the means and envisaged goals;

- *Quality* and involvement by project participants, seriousness of preparatory studies, exactness of available data;

- *Sustainability:* it is defined as the capacity of a project to continue to create profit even when the external support is suspended. Despite the fact that a project is always time bound, the benefit produced by the project should continue to exist even after the end of the project;

- *Planning of actions* that will be undertaken by various participants in the project and the coordination of such actions;

- *Organization*: it is necessary to regularly check whether the organization team in charge of project implementation is really equipped with necessary human and other resources;

- *Impact*: it is about the positive and/or negative, direct or indirect, envisaged or unanticipated, desired or unwanted impart produced by a certain intervention;

- *Regular monitoring and evaluation* of the intervention;

- *Flexibility of the actionplan* with the aim to make the necessary adjustments to the changes of the context or to the development of facts that were produced by the project.

PROJECT LIFE CYCLE

Project life cycle is a group of stages of a project, from the moment when it was designed to its end.

Project cycle consists of three main stages: before, after and during the project implementation.

During the first phase, we can usually discern the following elements:

- **Identification**, as a stage during which an idea originates and matures. The Project has not yet been elaborated or developed.

- Feasibility, as a stage during which we test whether the idea can succeed or not

- Project design completion.

The second phase consists of the following elements:

- Introduction of the management tools

- Implementation, which is in fact the realization of actions envisaged by the project

- Monitoring, reporting, audit/control, mid-term evaluation

- The third phase consists of the following elements:

- Drafting of the final report on project realization

- Ex-post evaluation

PROJECT DESIGN

Project can be designed in various contexts, depending on project partners. The most often used ones are the Logical Framework and the Results Based Action.

CONTEXT AND JUSTIFICATION OF A PROJECT

Project context or background information and Project justification include a general presentation of situation and results reached through analysis of the problem perceived or idea that we wish to realize. It should consist of a description of economic, political and social circumstances in the country or in the region in which the Project is to be implemented. Detailed problem analysis is provided and its interrelations on all the pertinent levels. Solid arguments are used to convince the person who reads your Project design that it is a Project worth financing. If the ideas that you present are less than convincing, you need to perform the problem

analysis again. We strongly advise you to present all the relevant arguments in this part that can show that your Project is justifiable.

Only the strong arguments can win a financier over and make him/her interested in your Project.

You should then provide information on your target group, that is, about the beneficiaries of your Project and about the main reasons for your choice of the presented target group.

Finally, it is necessary to prove relevance of your action for the needs and limitations perceived in the chosen country or region, as well as within the selected target group or final Project beneficiaries. In addition to this, you should explain how your proposed action is to provide for the desired solutions, especially in relation to Project beneficiaries and general public.

AIM OF THE PROJECT

The aim of the project should be specified to inform us about the general direction of the project, or about the expected result of the Project implementation phase. It should inform the person reading the project design about the things you strive to achieve, about the expected or desired changes that the Project is about to make.

Project Site - This part is used to define the site or the area in which the Project will be implemented.

Beneficiaries - Beneficiaries are the parties to which the Project indirectly or directly pertains.

Objectives and goals

Global Objective – The Object of Development - Global objective of the Project is the desired objective on the highest level, or in other words the main reason for the Project implementation. It takes a lot of individual projects to achieve such ambitious objectives.

Specific Goal – The Object of the Project - Specific goal is the very essence of the Project. It is the goal that needs to be achieved at the end of the Project implementation phase or within a reasonable period of time after the end of the Project realization phase.

These goals must be specific, measurable, achievable, realistic and timely. The acronym SMART is often used to specify such goals.

Expected Results – Output - Expected results are actually the real results achieved by the activities undertaken within a project. The group of results obtained must provide for achievement of a specific goal. It is important to identify all the required results in order to achieve the specific goal.

Activities – Actions Implemented - Once that the structure of goals is clearly defined, it is necessary to envisage the group of activities that should lead to achievement of results and desired goals.

Sustainability - Continuity is key for each project, but no partner will be ready to keep financing the same project forever. This is why it is necessary to design strategies for continuation of each project for the period after the retirement of project financiers.

Strategy for Plan Realization - Strategy describes how the project lead plans to implement activities necessary for project realization and achievement of desired project goal.

Monitoring - Monitoring is necessary in project realization, because it makes it possible to correct any mistakes, to make the necessary adjustments in activities or to undertake measures necessary for implementation of activities.

Evaluation - Project evaluation is used to gather information and make decision on whether a project should be continued or not.

Time Schedule - It facilitates activity planning and monitoring.

Table 1. Logical Framework Matrix Table

	Intervention logic	Indicator	Source of verification	Hypothesis
General objective				
Specific goal				
Expected results				
Activities				

Source: Author

HYPOTHESIS FORMULATION

Formulation of hypothesis and risk analysis include identification, analysis and evaluation of various factors that are not directly impacted by the project, but can, in one or another way, influence the project itself and its potential to achieve the envisaged goals.

OBJECTIVELY VERIFIABLE INDICATORS (OVIS)

Realization of each of the project goals is objectively determined by indicators that describe the goal in the terms of its quality, quantity, place, time and target group. These indicators provide precise elements necessary for project monitoring and evaluation, as well as for the measuring of progress achieved during the realization of individual goals.

PROJECT DESIGN BY USING THE RESULTS-BASED MANAGEMENT METHOD(RBM)

Since the Paris Declaration in 2005, maximization of project efficiency lies in the focus of attention of international partners and financiers. With the aim to improve project planning and impact evaluation, a new approach was adopted. This approach is focused on results-based management (RBM). This method describes the globalprocess undergone by an organization wishing to make sure that its processes, methods of work, products and services are based on results. It is based on precisely specified calculations of results and it is used to predict consistent monitoring, self-assessment and reports on progress achieved. The result here should be understood as the change that is measurable and that can be described and that came about as a consequence of project implementation.

Resource---▶Activities---▶Products---▶Use of products-▶Benefit---▶Impact

Figure 1. Project design that is based on Results-Based Management method

Source :Autor

This scheme will help us determine the significance and the influence of every element showed in the chain.
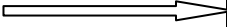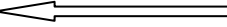
- **Resources**: financial, material and human resources necessary for project implementation. Examples: Project team, office materials, means of transport, required financial means, own financial contribution of the civil society organizations (CSOs)

- **Activities**: All the activities within one project that are necessary to create envisaged products and services, starting from the available resources.

- **Products**: Material and immaterial goods and services produced by implementation of activities.

- **Product Use**: Studying the potential use of the products by the target groups.

- **Benefit**: Potential and actual changes achieved immediately after the period over which the target group used the product.

- **Impact:** Positive and negative, primary or secondary longer-term changes, that came as the result of the use of the product**.**

Table 2. Chain of Impact

Description			Indicators
Impact		*Program level as a whole*	
Benefit	*Overall objective of the project*		
Use		*Project level*	
Service/product			
Activities			No indicators
Resources			

Source: Author

Table 3. Correlation of Impact and Logical Framework

Chain of Impact	⇒	⇐	**Logical framework**
Impact	Describes indirect change in some observed situation or behaviour where the aim is to achieve an ideal situation	Describes an ideal situation or state that should be achieved in the future. Projectresults produce only indirect impact on the achievement of goal.	**Global objective**
Immediate good	Immediate change owing to the use of products by the foreign target group or users	Immediate goal of the Project. The results of the Project produce direct impact.	**Specific goal**
Use	How is the product, goods, etc., used by the target group	Not applicable in the logical framework	
Products/Services	Material andimmaterialproducts, goods and services (works, knowledge...) produced by the Project	Products produced by the activities envisaged to achieve the specific Project goal	**Expected results**
Activities	Entire action necessary to render services or to produce products within the program/project	Tasks that need to be performed within the interventions envisaged	**Activities**

Source: Author

The above Table serves to show that the chain of impact is not an entirely new approach, although it is somewhat different from the logical framework. Strong orientation towards the impact is in the focus here, along with the logical sequence of actions of a civil society organization.

CONSLUSION

Based upon our reflections we can draw conclusions about the various ways to entrepreneurial success. .

Firstly, from the psychological point of view we should get rid of our past habits and behavior, which represent the main brakes in accomplishing the set goals. .

Despite the fact that the potential entrepreneurs should own psychological and other entrepreneurial qualities, we should take into consideration the exogenous factors when determining the entrepreneurial success. Firstly, we should consider economic, social and political factors, which determine the pace and the direction of the development of entrepreneurship in a certain country. (Radovic Markovic,M.2007).

When we talk about the social entrepreneurship, there are many debates which are larger than certain countries' borders. It is clear that we are talking about the global issue, which is becoming one of the highest priorities in scientific circles. (Radovic-Markovic,2009).World debate on social entrepreneurship is directed towards the research of new models that would increase the social influence and the influence on politics. Main issues are the following:

- What role can social entrepreneurship have in the societies where there were confrontations, in respect of quicker development of economic and political stability, as well as in the introducing of new formats to the societies in which there is peace?

- How can we encourage women participation in the programs of social entrepreneurship?

- Haw can social entrepreneurs influence the strategic decisions in the best and the most efficient way?

- To what extent is the social entrepreneurship recognized, understood and respected as a profession?

It is expected that the mentioned and other issues, that are imposing, will get answers from the world science, and that those answers will be the foundations of the politics of many countries, which recognized the significance of social entrepreneurship.

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PART TWO

THE APPLICATION OF INFORMATION
TECHNOLOGY THROUGH
ENTREPRENEURSHIP

ICT SECTOR AND ENTREPRENEURSHIP

Boris Jevtic[19]
Dejan Vukosavljevic[20]
Dusan Markovic[21]

Abstract: The main objective of the paper is to elaborate and suggest positive note on basic agenda existing in EU and candidate countries resisting the digital, web entrepreneur growth development and issue of ICT, for job c ration, especially as a chance for young people. The advent of ICT technologies and Internet has changed the global business landscape. Internet accounted for 10% of GDP growth over the past 15 years. Recent ICT developments like Enterprise 2.0, cloud computing, social networks, etc. are enabling dynamic new and smaller companies , entrepreneurs to develop and bring to market innovations that before were too expensive to develop. As the huge potential of ICT-enabled business innovations remains to be unleashed by SMEs. The extended use of ICT could help the entrepreneur for creating advantage, research participate in the global world of business for technology transfer, training, collaboration and employment entrepreneurial initiatives at the local and global level. The purpose of the Paper is to stress the importance of the Impact of ICT sector to the modernization and new business models in other industries, and innovative approach, entrepreneurial spirit for new enterprises founding in new ICT fields, as well as opportunities for job creation through web and technology entrepreneurship. The method used is desk research of ICT sector of EU and candidate countries, as well as of SMEs, and e-entrepreneurs and spirit

Key words: ICT, Web Entrepreneurs, Technology Entrepreneurship, Technological Change

JEL classification: M10, M15, M20

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[19]*Boris Jevtic, PhD student at The Faculty for ICT, Belgrade, Serbia, boris.jevtic10@gmail.com*
[20]*Dejan Vukosavljevic, Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, vukosavljevic.dejan@gmail.com*
[21]*Dusan Markovic, Belgrade Business School, Belgrade, Serbia, dusanbps@gmail.com*

INTRODUCTION

The high-tech industry keeps driving international growth. High -tech industry marks 5 per cent growth worldwide. The countries with the strongest growth rate are India (13.9 per cent), Brazil (9.6 per cent) and China (8.9 per cent). The USA are expected to achieve a plus of 6.5 per cent. ICT markets in Japan (1.4 per cent) and the EU (0.9 per cent) have a significantly weaker rate. The US is on top with a share of 26.8 per cent. China follows with 9.5 per cent and Japan with 8.3 per cent. The European Union holds a world market share of 21.8 per cent, Germany holds a world market share of roughly 4.5 per cent and ranks fifth behind Brazil with 5.0 per cent. International spending for IT and telecommunications is expected to increase by 5.1 per cent to reach 2.7 trillion Euro in 2013.

At the regional level, however, market performance couldn't be more at variance. The industry is booming in the emerging nations while it is stagnating or even shrinking in Western Europe. Mobility is the strongest market driver in the technology sector. In industrialized nations the trend towards mobile data use is creating additional sales in telecommunications. In emerging countries, mobile phones, laptops, tablets and the like have actually become the central point of access in the use of IT. The emerging countries are investing massively in their mobile ICT infrastructures and expanding their capabilities in this area. Emerging nations already account for more than a quarter of global ICT demand this year (27 per cent). By 2020 that figure is set to rise to almost half. The Chinese market is forecast to grow this year by 12 per cent, to 220 billion euros, and will displace Japan as the world's second -largest ICT market. Western Europe has the lowest growth rate of any region. The 2013 IT Market Trends and Predictions[14] from industry mainly include:

- Increase in IT spending of 5.7% globally. IT and Software (SW) growth is accelerating, with enterprises spending $65 billion on industry specific solutions. This spending will occur despite the worldwide GDP growth falling in 2013 (IT growth: 3-6%; SW growth: 6.4-6.9%; GDP growth: 2.6-2.9%)

- Mobile, Social, Actionable Analytics, Big Data, and Cloud lead the analysts' top five predictions in the 2013 Market Trends. Thus correlating with SAP's areas of innovation.

- Mobile applications continue to be key generators of smart device sales. Application integration spending will increase over the next 3 years by 33%. In 2013 for applications, there will a focus on strong user experiences and they will be designed for industries, with the highest spending in healthcare, utilities, oil and gas, and mining.

- Mobile revolution –Use of smart devices will increase by 20% compared to 2012 and will reach USD430 billion globally. Mobility will be this year's

top trend as identified by 5 of the top research firms. will move beyond BYOD in the enterprise into areas like M2M and mobile collaboration.

- Analyticswill see in increase to 54% of users actively using mobile in 2013, compared to 20% in 2012. Adoption will be driven by usability, relevance, and speed as "Big Data" meets social.

- Tenfold increase of cloud computing use in the next three years,resulting in facilitation of specific cloud services across industries. As the Cloudmarket expands, integration, platform, and services will be pivotal. And in 2013, 90% of consumer connected devices will have access to the personal cloud.

- Database & Technology will see "Big Data" evolve into mainstream. The U.S. government "big data deployments" will grow by 30%.

- Development of social networks in line with business needs. Social technologies will proliferate in the enterprise, while networked supply chains become a critical part of B2B collaboration, and emerging markets continue to be a growth engine focusing on key industries and leveraging key innovations such as mobility;

- Growth of developing markets – 34% of global investments in the IT industry will be focused on developing countries.

- Increase of use of convergent hardware databases for businesscompared to the traditional databases used so far.

New technologies related to mobility, big data, social networks and cloud will generate USD2 billion in 2013. The innovation can and should be accelerated despite the adverse economic conditions. He also noted that for the Serbian economy and business in general it is essential to recognize information technology as a major factor of business development and cost reduction. These benefits can be accomplished through automation and optimization of business processes, better reporting and improved business intelligence. The ***entrepreneurial spirit bolstered by ICT technologies*** can open up virtually limitless potential for the export of knowledge to the global market, as well as a number new web entrepreneurs and ICT SMEs start-ups (Yousefirad, 2013)

LITERATURE OVERVIEW

DEFINITIONS

Definitions of technology entrepreneurship can be found in further literature:

1. Organization, management, and risk bearing of a technology based business (Nicholas and Armstrong; 2003)
2. Solutions in search of problems (Venkataraman and Sarasvathy, 2000)
3. Establishment of a new technology venture (Jones-Evans, 1995)
4. Ways in which entrepreneurs draw on resources and structures to exploit emerging technology opportunities (Liu et al., 2005)
5. Joint efforts to interpret ambiguous data, joint understanding to sustain technology efforts, and persistent, coordinated endeavor to accomplish technological change (Jelinek, 1996)
6. An agency that is distributed across different kinds of actors, each of which becomes involved with a technology and, in the process, generates inputs that result in the transformation of an emerging technological path (Garud and Karnøe, 2003)

The definitions found in the literature suggest that technology entrepreneurship is about: i) operating small businesses owned by engineers or scientists; ii) finding problems or applications for a particular technology; iii) launching new ventures, introducing new applications, or exploiting opportunities that rely on scientific and technical knowledge; and iv) working with others to produce technology change. The field of technology entrepreneurship is in its infancy when compared to other fields such as economics, entrepreneurship, and management. Technology entrepreneurship is an investment in a project that assembles and deploys specialized individuals and heterogeneous assets that are intricately related to advances in scientific and technological knowledge for the purpose of creating and capturing value for a firm. Technology entrepreneurship has more to do with collaborative production based on a shared vision of future changes in technology (Radovic Markovic et al., 2012). The existing entrepreneurship literature, however, describes an entrepreneur as: i) "an alert individual discovering an existing opportunity" (Shane, 2003; Shane and Venkataraman, 2000); ii) "an innovative individual who shakes the economy out of its previous equilibrium" (Schumpeter, 1939); iii) "an experienced individual making judgments about an unknowable future" (Foss and Klein, 2005); iv) "an individual who believes she has lower information costs than others" (Casson and Wadeson, 2007); vi) "an individual with certain personality traits" (Hood and Young, 1993); and vi) "a charismatic leader" (Witt, 1998). The proposed definition eliminates three biases of entrepreneurship research: i) concentration on new firm formation; ii) focus on individual entrepreneurs; and iii) over-attention to opportunity discovery (Foss,

2011). Technology entrepreneurship is best understood therefore, as a joint-production phenomenon that draws from a team of specialized individuals from multiple domains, some or all of whom become embedded in the technology path they try to shape in real time (Garud and Karnøe, 2003). Technology entrepreneurship is not about a single individual or the inventions they introduce. It is about managing joint exploration and exploitation, where each individual has roles and responsibilities in collaboratively and cooperatively moving forward toward accomplishing shared goals (Foss, 2011). The reasons that technology entrepreneurship needs a firm are similar to the reasons why an entrepreneur needs a firm described by Foss, Klein, and Bylund (2011).

The concept '*Internet Entrepreneurship*' is therefore introduced here in order to try to capture characteristics of modern innovation processes. It is argued that internet entrepreneurship is a new means of innovating, and that the emergence of this phenomena can be seen in Linux, as a knowledge-intensive innovation. Internet Entrepreneurship is a concept which tries to capture the potentially worldwide distributed nature of innovation processes involving knowledge-intensive products in the modern economy. This implies that internet entrepreneurship refers to the social and economic phenomena, and not just the technology per se such as information technology, computers and the internet. The following four characteristics define Internet Entrepreneurship, and they together result in the five characteristic:

1. That multiple persons are distributed organizationally and/or geographically but can still interact in real time to create novelty, enterprise in digital field (Elyas et al., 2013);
2. That one person can be both user and developer but s/he does not necessarily combine both roles;
3. That copying and distributing information may be costless or it may be costly, depending on the situation;
4. That distributed persons contribute to innovation through the investment of their resources (time and effort) - without necessarily being 'paid' for their labor.

This part of paper provides an overview of international practices relevant to ICT jobs classification. In the absence of a unified and internationally accepted definition of ICT employment, here are offered several working taxonomies developed by contrasting approaches used by, on the one hand, the ILO[15, 16], the OECD[25] and other competent technical bodies, and on the other, reputable researchers who tackle employment and ICT-related issues empirically at the international level (Omolaja et al., 2013). Flexibility in defining ICT employment allows us to choose an appropriate definition with the data at hand.There are several important dimensions of skills and industry structure that may help in adescriptive analysis of ICT employment dynamics. In this paper, the following three groupsof taxonomies are considered:

1. ICT sector taxonomy groups industries based on whether they produce ICT goods and services, or whether or not they use ICT intensively.

2. ICT occupations taxonomy concentrates on the use of ICT by skilled labor.

3. ICT skills taxonomy focuses on general labor force skills, defined by educational attainment.

ICT sector taxonomy. Though hypothetically there is no linear relation between the size of the ICT sector and the dynamics of ICT-related employment in a broad sense, the question of the role of the ICT producing sector has been intensively debated, in particular from the perspective of a comparison of European economies in terms of ICT specialization with that of other regions of the world. The legitimate concern as to whether the ICT sector fully captures the total employment engaged in production of ICT goods and services is based on the fact that, in practice, ICT production can be found everywhere in the economy. However, the identification of employment in the sectors whose main activity is to produce or distribute.ICT products constitutes a first-order approximation of the ICT employment.

The ICT sector is identified according to the OECD definition, first released in 1998 and further revised in 2002 and in 2007.[27]

The original OECD definition of the ICT sector included a combination of manufacturing and services industries that capture, transmit and display data and information electronically (OECD, 2002a). The definition was based on an international standard classification of activities and acted as a first attempt to break the traditional ISIC dichotomy between manufacturing and services activities. In ICT manufacturing, five ICT subsectors5 were added. At the same time, it was decided to exclude sectors that produce measurement and control instruments, appliances, and equipment.6 The argumentation behind exclusion the above sectors was based on the fact that ICT is embedded into a growing number of products that are manufactured using electronic processing to perform some detection, recording or process control, and it would become increasingly difficult to distinguish industries that do use electronic processing in a significant way from those that do so in an incidental way. The ICT services grew up to twelve subsectors.[27] According to the Working Party on Indicators for the Information Society (WPIIS), such narrowing of the definition will lead to a clearer message, and therefore useful analysis.

Empirical literature on economic growth and productivity often divides the economy into segments depending on the extent to which single industrial sectors are involved in the production or use of ICT goods and services. Thus, some authors (Inklaar et al, 2005) group sectors into three aggregate categories: ICT-producing sectors, ICT-using sectors and non-ICT-using sectors. O'Mahony and van Ark (2003) apply a more detailed approach and divide industries into the following   seven   groups: ICT-producing   manufacturing,ICT-producing

services,ICT-using   manufacturing,   ICT-using   services,non-ICT manufacturing,non-ICT services and non-ICT other services.

ICT occupations taxonomy

An ICT occupations' taxonomy as defined by the ILO discussion paper by D. Hunter (2006) for ISCO-88. A more updated, but still unpublished ILO definition, discussed in the previous chapter, is based on ISCO-08 and could only be applied to the LFS data from 2011 onwards. The LFS provides ISCO classifications of occupations at the 3-digit level of disaggregation.

Additionally, we suggest grouping ICT occupations into high- and low-skilled categories. One of the ways to do this is applied by the OECD (2002a), which groups ICT occupations as follows:

The *high-skill* ICT occupations:

- computing professionals (including computer systems designers and analysts, computer programmers, computer engineers);
- computer associate professionals (including photographers and image and sound recording equipment operators, broadcasting and telecommunications equipment operators);
- optical and electronic equipment operators (including computer assistants, computer equipment operators, Industrial robot controllers).

The low-skill ICT occupations: electrical and electronic equipment mechanics and fitters and computer workers. An alternative way of discriminating between high- and low-skilled ICT employment is tolook directly at the level of education for each occupation.

RESULTS OF DESK RESEARCH OF ICT SECTOR

The ICT industry is critical to Europe's future both as a major industrial sector in its own right and as a driver of productivity and improved service quality in virtually all other industrial sectors and public services. ICT sector Value Added (VA) in the EU amounted to € 470 billion in 2009. This represented a share of 4.0% of EU GDP. ICT Services represented by far the largest share of ICT VA (91.9% or € 432 billion in 2009), and amounted to 3.7% of EU GDP, while ICT Manufacturing VA represented 8.1% of ICT VA (€ 38 billion), amounting to 0.3% of GDP.

A comparison of ICT Manufacturing and Services sub-sectors in terms of contributions by Member States to ICT VA in 2009 shows that, Germany dominated ICT Manufacturing (contributing 22% of EU ICT Manufacturing VA), followed by Italy (contributing 12%) and several other countries (Finland, France, Sweden and the UK which contributed similar shares of 7-8%). On the other hand,

the ICT Services sub-sector was dominated by a group of four countries (France, Germany, Italy and the UK) that represented almost two thirds of the total EU ICT Services VA. The biggest differences in

Member States' contributions can be seen in Finland (7% in Manufacturing vs. 1% in Services), France (8% vs.18%), Netherlands (2% vs. 6%) and the UK (7% vs. 17%). The twelve new Member States contributed more to ICT VA in ICT Manufacturing (13%) than in ICT Services (7%).
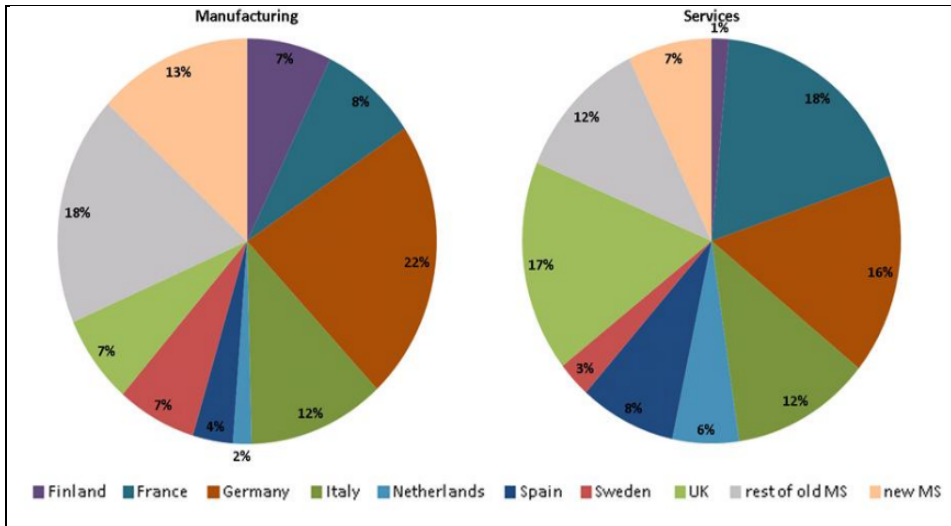

Figure 1: Comparison of ICT Manufacturing and Services: distribution of ICT VA among biggest Member States contributors

Source: Eurostat, elaborated by Ivie and JRC-IPTS

In 2009, over 6.1 million people worked in the EU ICT sector, representing 2.7% of employment in the EU. ICT employment is highly concentrated in ICT Services: 5.1 million people worked in ICT Services (85%) whereas 0.9 million worked in ICT Manufacturing (15%).ICT Trade services employed 0.5 million people (0.2% of total employment). In ICT Manufacturing, most employment is provided by two subsectors: Manufacturing of electronic components and boards employs 0.4 million people (0.2% of total employment) and Manufacturing of communication equipment employs 0.3 million people (0.1% of total employment). 12 countries employed in total almost 30% of all employees from the EU ICT Manufacturing sub-sector, significantly above the 20% employed by Germany. In Services, however, their contribution was only half that value (14%). In terms of single - country contributions, Germany dominated both ICT Manufacturing and Services (providing 18 -20% of EU ICT employment). France,

Italy and the UK together contributed 31% and 42% to total EU ICT Manufacturing and Services employment, respectively. Compared to other analyzed indicators, the differences between individual country shares (Manufacturing vs. Services) remained quite stable.
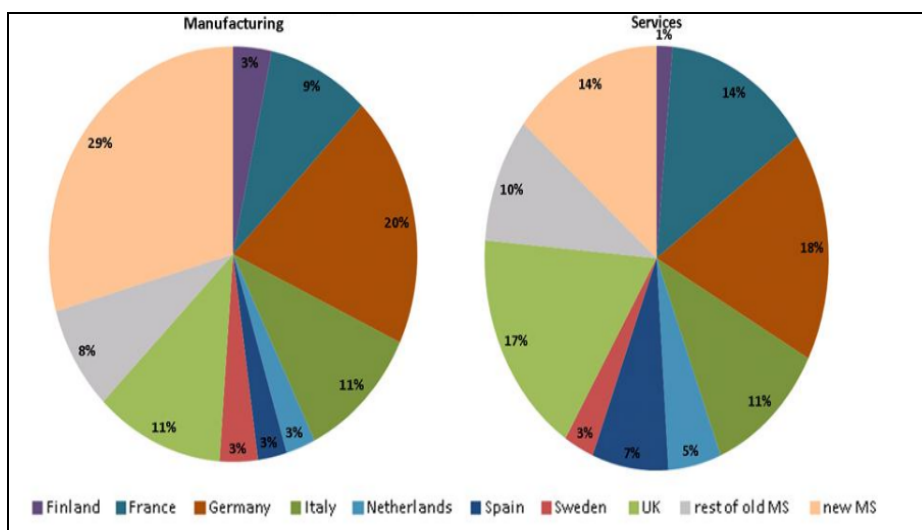

Figure 2: Comparison of ICT Manufacturing and Services: distribution of ICT employment among biggest Member State contributors

Source: Eurostat [7]

Table 1: EU ICT Industry growth rate 2012-2020

Industry	Data volume		Annual data volume growth
	2012	2020	
IT, Telecommunication, Media	8	10	50-60%
Healthcare	5	9	40-50%
Mobility & logistic	4	9	40-50%
Finance & Insurance	8	10	30-40%
Professional Services	5	8	25-35%
Industrial	6	8	20-30%
Retail	2	7	20-30%
Utilities	6	8	10-20%
Government/Education	3	8	10-20%

Source: Expert on Group 2012[8]

Today the ICT services industry is globalized; yet in the EU the ICT services industry is characterized by a large proportion of SMEs. For computer services and related activities, SMEs represented 99.4% of the enterprises, 69% of the employment, and 58% of the total turnover in 2009 and these proportions have not changed much since 2001. In other words, the growth in ICT services of approximately 300,000 new jobs has been evenly spread across the different enterprise size categories. By far the largest proportion of these enterprises is SMEs with less than 250 persons employed. In fact, nine out of ten enterprises within each of the three sub-sectors of the European ICT services industry, ICT wholesaling , ICT consultancy, telecommunications, are micro enterprises with less than 10 persons employed.
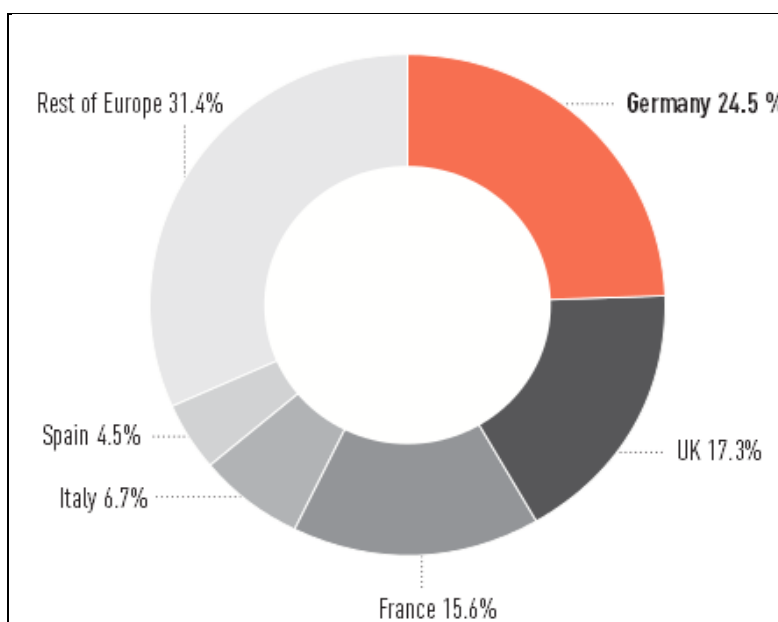

Figure 3: European Software Market 2011

Source: Eurostat

The growth in the size of the European ICT services industry also largely has been driven by innovative micro -sized start - ups, particularly within telecommunications and ICT consultancy, who have exploited new mobile technology and rapidly diminishing processor costs as well as increasing internet capacity to offer tailored and specialized services to a growing market extending by now to all other sectors of the economy. Not all SMEs manage to stay profitable or even reach profitability with annual micro enterprise churn rates (enterprise births and deaths rates combined) as high as 35 -40% within telecommunications and

25% within ICT consultancy (the annual micro enterprise churn rate within ICT wholesaling is somewhat lower at 15% and comparable to elsewhere) and only a limited number of newly established enterprises rising out of the micro enterprise size class (at least in terms of employment, albeit comparatively larger shares of enterprises have done so within telecommunications than elsewhere). The best performing SMEs are characterized by a high degree of collaboration and networking with suppliers, customers, competitors and external sources of knowledge about service innovation. They use this model to position and reposition themselves in the emerging value chains, whether as first, second or third tier service suppliers. But other SMEs in the industry struggle to stave off international competition from countries outside the EU with lower labor costs that may provide cheap and effective standard service solutions in many areas. With average labor productivity levels significantly below those of large enterprises and which cannot sustain long-term price competition most, if not all, European SMEs need to compete on other qualities such as service flexibility and customization of services, as well as specialization in niche markets in terms of specific technologies, sectors and/or processes (for instance specialization in open source solutions) has proven a viable strategy internationally as well for European SMEs in the ICT services industry.

The information and communication technology (ICT) sector is a key contributor to growth in the EU, and is the EU's most innovative and research-intensive sector, accounting for 25% of the total EU research effort in the business sector.

GERMAN ICT INDUSTRY

The digital or ICT internet economy - the sum of data services, applications and IT services, online advertising, online video games and online gambling, e-commerce (B2B and B2C) and hardware - generated turnover in Germany of EUR 84 billion in 2011. Between 2009 and 2011, the digital economy in Germany recorded a growth rate of 26 percent in total(BMW, 2012).

A significant feature of the German economy in general is the importance of small and medium-sized enterprises (SMEs). SMEs represent 99.7 percent (3.6 million companies) of all companies in Germany and employ almost 80 percent of all employees. These SMEs are best characterized by a philosophy of sustained technological and market innovation which has allowed them to become world leaders in all number of important industries and niche markets. This expertise helps to open up a number of niche markets – catering to both traditional and new industries alike. Highly skilled and specialized employees are a key feature of the German labor market. Germany's renowned universities offer some of the best IT

degree programs in Europe. This is particularly true for the digital economy in Germany:

- Its high level of diversification and the importance of SMEs have created a vibrant digital ecosystem in which there are no dominant industry giants. This leaves a lot of room for new companies – or "smart-ups" - seeking to enter the German market with their innovative ideas and products. Germany's metropolitan areas of Berlin, Hamburg, Munich, Cologne, Frankfurt (Main), and the Ruhr-Area

- Attract many mostly young and highly educated people from all over Europe.

- This multinational mix not only helps create a large, multilingual labor pool, but also makes Germany an attractive home base for rolling out business to other European countries. Current market conditions are propitious, with the digital economy in Germany far from being saturated. The sector is currently less established than the ICT economy, but it is one of its most dynamic branches. The B2C area is still in a developing stage. Ongoing digitization will drive developments in the publishing, journalism, TV and film sectors, creating new and sustainable business models. The digital B2B sector is already more developed, but new business models and innovative means of monetization are in high demand. There are many promising opportunities for international companies with innovative products and business models in the German digital economy.
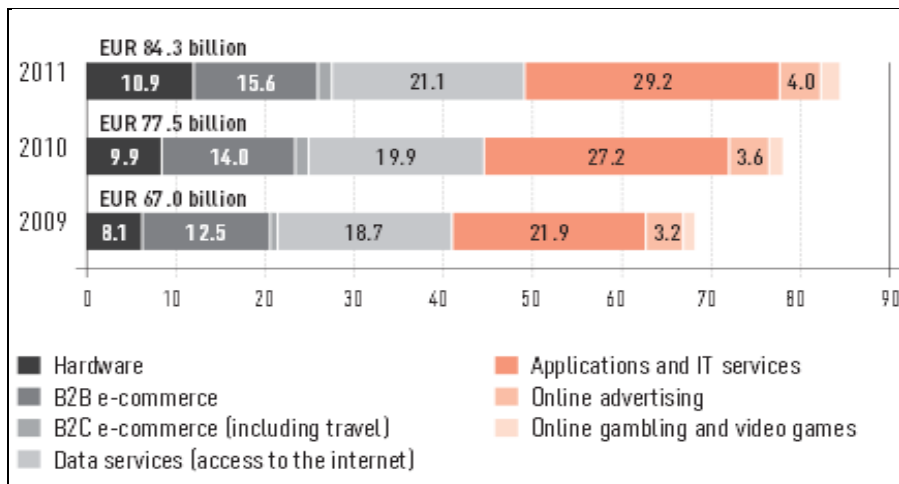

Figure 4: Digital Economy Development in Germany by Subsector

Source: BMW 2012

ICT German Industry in Numbers:

- Europe's largest ICT market in terms of revenue volume (20 percent of total EU market volume).

- With 5.5% global market share, German ICT industry is ranked fourth worldwide.

- Turnover of EUR 137 billion.

- Germany's ICT industry employs a workforce of around 850,000 - making it the country's second largest employer industry (only behind machine and plant manufacturing).

- The goal of the broadband strategy of the German government is the availability of connections with 50 MBit/s to 75% of German households until 2014.

- In 2010, nearly 10% of all ICT-related patents granted at the EPO were from Germany. With 519 ICT-related patents granted, Germany ranks first in Europe and third worldwide.

Ten IT companies from the states of Saxony, Saxony-Anhalt and Thuringia joined forces in 2010 to form the Cluster IT Mitteldeutschland e.V. ("IT Central Germany").

Germany is the single largest software market in Europe. The country accounts for 24.5 percent of the European software market by value, with the UK and France in distant second and third places (17.3 and 15.6 percent respectively). The most significant market potential exists for expert suppliers of industry-specific software products and services.
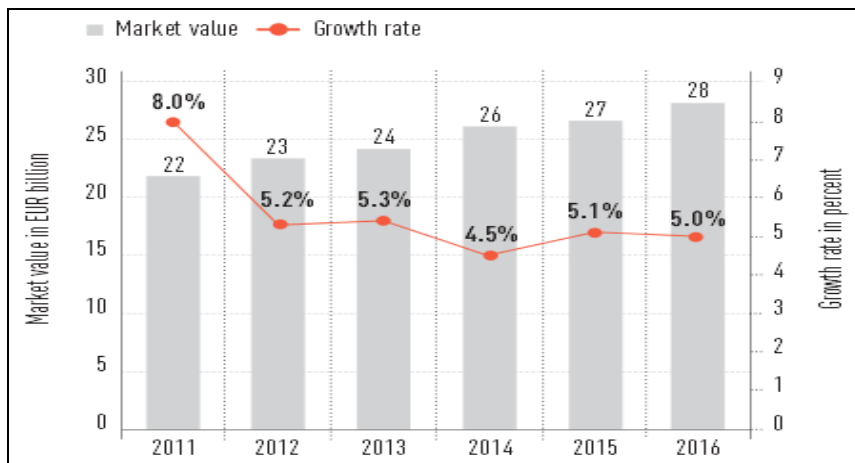

Figure 5: German Software Market Value Forecast

Source: Marketline 2012[21]

Traditionally Strong Market Home to 23 million active gamers, Germany is Europe's largest gaming market. Total games revenue grew to EUR 1.8 billion in 2010. Although in the region of 14.5 million gamers use the internet as their primary gaming platform, German gamers are historically multiplatform users (4.1 platforms per user on average) and continue to maintain high interest levels in traditional boxed games. Gamers in Germany are also expressing increased interest in online digital content. Online and browser games in particular recorded promising two digit growth rates over the last ten years. Fifty-three percent of game time in 2011 was already spent on online and mobile gaming platforms. In 2011 the digital economy generated turnover in the region of EUR 84 billion.

SERBIAN ICT SECTOR

Information and Communications Technology (ICT) is one of the most vibrant and fastest growing sectors in Serbia, enjoying a two-digit annual growth rate in the years prior to the economic crisis -37

per cent in 2007 and 19 per cent in 2008. In 2010, steady recovery continued, and Serbian ICT companies are pushing hard to gain new business opportunities, especially in the field of outsourcing. Serbia is becoming one of Europe's most attractive IT hot spots. Over the past few years, the development and promotion of IT services, such as mobile internet technologies and applications development, outsourcing and data transfer has increased significantly. The number of economic entities using and dealing with IT in Serbia is also growing. On the global market, IT companies from Serbia are mainly engaged in the outsourcing of software development, testing software and designing websites, but also providing solutions in embedded industry. The main markets for outsourced industry are Germany, the USA, Great Britain and the Netherlands. There is also a recognized trend among Serbian outsourcing companies to try to make their own products that have high export value in foreign markets.

There were around 1,600 Serbian IT companies with more than 14,000 full-time employees in 2011, and the average number of full time employees per company was 9. The IT market value showed a growth of 5 per cent from €404 million in 2010 to €423 million in 2011. Export of IT services was worth around $200 million. The growth of the ICT sector has decreased since the beginning of the economic crisis but in 2011 recovered to €423 million. Market value grew by 34 per cent between 2005 and 2011, 37 per cent in 2007 alone.
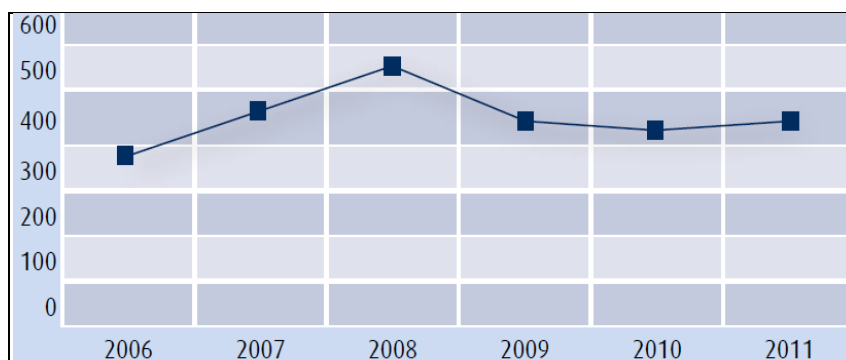
Figure 6: Serbian IT Market Growth (mill. EUR)

Source: SIEPA[32]

The structure of IT Services Export in Serbia consists of: programming 45 per cent, computer services 38 per cent, embedded 13 per cent and system integration 3 per cent. Many leading global ICT firms have already made the decision to set up business in Serbia, including Cisco Systems, Motorola, Ericsson, Oracle, Google, Redhat, Hewlett Packard, SAP, IBM, Siemens, Intel, Telenor and Microsoft.

Engineering education in Serbia is particularly strong, with approximately 33 per cent of all university graduates coming from technical schools. The industry employs a highly skilled workforce, of which 86 per cent completed university level education. Serbian engineers are competent in a broad range of technologies that support an effective development of first-class software and systems integration. These professionals have extensive expertise in developing front-end, back-end and middle-ware components, but are also very proficient at understanding client requirements and creating tailored software and systems solutions.There are numerous ongoing initiatives for establishing scientific-technology parks in Belgrade, Novi Sad, Niš and Kragujevac. There is also a technology park in Vršac. Those scientific-technology parks are designed to encourage public-private synergy between universities and the business sector, often supported by local self-government and/or line ministries. In addition, these are being establishedwith the aim of creating a sound basis for innovations in the field of advanced technologies, including IT.Technical education in Serbia is particularly strong, with 33% of university graduates coming from technical schools.

- High-quality technical education is largely based on elementary and high schools, which offer more advanced curricula in technical sciences than those in most other CEE countries.

- Serbia has the highest percentage of English speaking working population (49%) in the SEE region.

- Highly skilled ICT workforce; 70% are University graduates
- Over 1500 of creative and talented IT professionals produced yearly
- Impressive number of prizes at the World Science Olympiads: more than 220 since 1968.

ENTREPRENEURIAL SPIRIT BOLSTERED BY ICT TECHNOLOGIES

The Information and communication technologies (ICT) sector accounted for a substantial part of EU GDP and employment, as well as in developing and transition countries. Most of companies in the sector are small and medium, more than 98% in ICT services make these companies. It is a highly R&D intensive sector, accounting for around a quarter of EU R&D. As general purpose technologies, ICT goods and services are important drivers of productivity growth and economic performance across all sectors, and new job creation based on entrepreneurial spirit bolstered by ICT technologies.

The overall dynamism resulting from ICT use leads to job creation in other areas to an extent that more than offsets the losses. In this context, the matching of skills poses a major challenge for the design and conduct of the labor market. The ICT skills gap is a major risk hampering further growth in Europe and transition countries. The situation is particularly sensitive due to declining demographic trends and the decreasing level of interest of young Europeans in scientific studies.

ICT SECTOR JOBS CREATION

Casonato, Beyer, Lapkin, Richardson (2012), stated that by 2015, big data demand will reach 4.4 million jobs globally but only one-third of those jobs will be filled. The reason can be seen in fact that the ICT is gaining new roles bridging IT business, include analysts, chief data officers, data scientist, legal IT professionals and in IT information architects, data stewards, where are needed advanced information management analytics skill, business expertise. It means that globally, companies will hire many business information experts to support growing volume. The demand for big data services spending is projected to reach 132.3 B$ in 2015, another 40.000 jobs will be created at software vendors in the next two years.

At microeconomic level, the e-Economy is leading to important changes in organizational market structures. The faster pace of technological change is having a major impact on the structure and lifecycle of enterprises. Firstly, ICT reduces the economic impact of distance and the cost of access to information, thus

increasing the scope for competition within markets. Secondly, ICT often tends to lower the cost of setting up small enterprises thus, potentially, providing for additional competition. Thirdly, ICT creates the opportunity for new cooperative means of product and service delivery, which can lead to improved quality and cost efficiency.Finally, and perhaps most importantly, ICT gives rise to many new products and services. The process of creating new enterprises and of adapting or replacing traditional enterprises is indicative of the way the economy adapts to new market conditions. Products are increasingly becoming "extended products" which include an important service component.
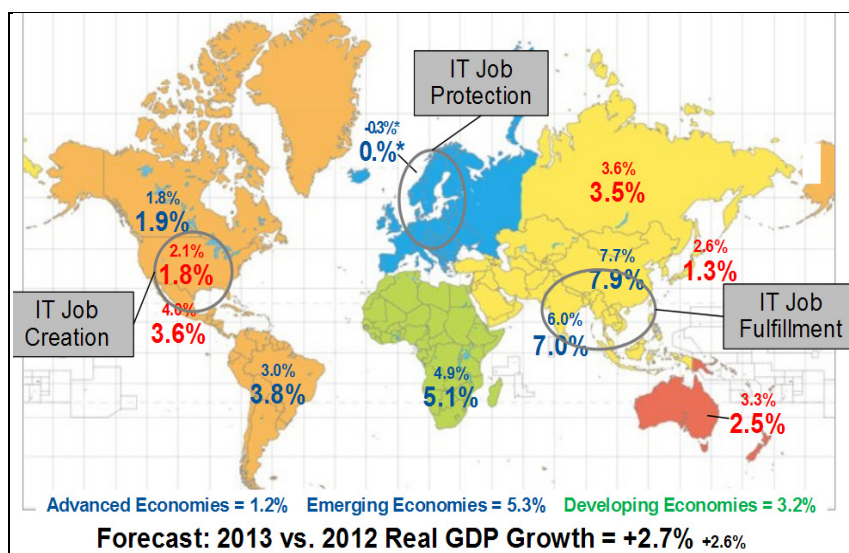

Figure 7:Global GDP Growth Affects and Depends on IT Sector Jobs (*= EU)

Source: IHS Global Insight 2012

Internet-oriented enterprises are starting to acquire the characteristics of traditional enterprises, such as warehouses and chains of shops. Conversely, traditional retailers are starting to move part of their activities on-line, adding new distribution channels and new sourcing strategies.

The impact of ICT varies, however, from sector to sector. Information-rich sectors (digital goods, information services, financial and business services, etc.) witness the emergence of new business models and increased market competition. In industries where entry barriers are higher, such as construction and heavy engineering, the impact is likely to be more gradual. Digital interactions between administrations and business are key components of the e-Economy. By offering online access to public services, administrations can add concrete, direct incentives for enterprises to go digital themselves.

One characteristic of the e-Economy is the emergence of new business models, of which many are proved to be viable, notably in the business-to-business (B2B) area. Entering the e-Economy at a more mature stage may constitute an opportunity rather than a disadvantage for enterprises which have learnt from the mistakes of pioneers. Enterprises can now use tried and tested technologies, as well as viable business models - more specifically B2C (business-to-consumer) whose potential has still to be tapped.

E-Economy enterprises increasingly need to define and manage the risks associated with extended and dynamic enterprise configuration - not just the risks associated with the information infrastructure but also, and especially, those relating to access to adequate financial resources. While the Western European IT market is expected to grow at an annual average rate of 6.1%, the Central and Eastern European markets are expected to swell by 13.2%, which could result in almost 1 million new jobs in the ICT sector in the whole EU. More importantly, ICT has significant indirect effects on productivity, knowledge diffusion and innovation across the economy, which is the crucial point of entrepreneurship. ICT is driving a rapid evolution in product design and process by embedding both automation and intelligence into nearly every product and service. In addition, tackling and solving some of the world's toughest challenges needs ICT-literate scientists, economists, doctors, engineers and architects. As a result, steadily growing demand for people with "e-skills" (ICT skills) is a long-run trend for business of all sizes and sectors, and in the public sector. Similarly, non-ICT related professions increasingly require at least basic user e-skills.

Innovation and ICT are thus highly dependent on the e-skills of the workforce, in terms of practitioner, user as well as ICT-related business skills. Moreover, the transition to a knowledge-based economy will make education and training a lifelong process rather than a one-off activity. Where knowledge becomes the main value driver for business and the key to be employable over the duration of a working life, technology-enabled learning (e-learning) can significantly contribute to lifelong learning and make it a reality – if it is effectively and consistently promoted and can build on the necessary ICT user skills of learners. Information technologies cut across all industries and services and create wealth, growth and jobs. More than 75% of the value added created by the Internet is in traditional industries. The ICT's main impact is through the modernization of traditional activities. Smart innovation enabled by the Internet and ICT developments leads to higher productivity and has benefited all industries.

ICT enables all forms of innovation, from social to organizational and technological innovation. ICT boosts businesses' efficiency and competitiveness in the global market.

The EU initiative "Small Business Act" for Europe, recognized the importance of promoting ICT related innovations, through a series of sectorial demonstration actions to help SMEs participate in global digital supply chains, and to support new

startups in the sector. The Innovation Union flagship aims to remove obstacles to innovation – like market fragmentation, slow standard-setting and skills shortages – which currently prevent ideas getting quickly to market. It aims to ensure that innovative ideas can be turned into products, services and business models that create growth and jobs.

This initiative is complementary to the actions included in the Digital agenda and a key step towards the implementation of the Digital Single Market. This initiative consists of a series of demonstration actions, with the objective to catalyze the creation of interoperable e-Business frameworks that would help link SMEs to larger enterprises in an efficient way.

The broader tangible and intangible benefits for the different types of stakeholders are expected to be:

- For SMEs and potential startups in ICT sector: - facilitating the entry into the market of new, dynamic players; strengthening business relations between SMEs and big companies; helping SMEs become fully integrated international business partners; streamlining business processes; increasing returns on investments in ICT; improving business transactions; reducing administrative overheads or errors.

- For larger companies**:** increasing their innovation capacity by partnering with other innovative SMEs,

- enhancing customer satisfaction through more flexible, personalized services;- shorter time-to-market;

- For the economy and society: promoting a more dynamic and competitive economy, facilitating the market entry of new players, on fair terms.

The closely interrelated issues to be answered in future in favor of technology entrepreneurship initiatives are:

- How to create and promote an environment that attracts and retains highly skilled ICT practitioners.

- How best to interest future generations in the process of ICT innovation and the application of current ICT technologies, specifically taking into account the gender gap.

- How to foster the employability of the workforce at large, including the lower-skilled workforce.

- How to foster lifelong learning and how to apply ICT to transform the way people learn and work (i.e., how to obtain, manage and share knowledge and transform business processes).

To maximize the benefits arising to European enterprises from the e-Economy is needed:

- the fostering of a culture of entrepreneurship;

- enhancing the ICT skills levels needed to participate effectively in the e-Economy;

- raising the ability of European enterprises to compete in a modern global economy;

- further improving the functioning of the internal market.

WEB ENTREPRENEURS

Web entrepreneurs represent a specific category of entrepreneurs who create new digital services and products that use the web as an indispensable component. They have specific characteristics, and thus particular needs, which require tailored support measures, aimed at strengthening, structurally, the web startup ecosystem. From an economic perspective, the importance of web-based businesses for growth and jobs creation (especially among the young) is increasingly visible. Today start-ups create the majority of new jobs, and a significant part of the new start-ups are web-based start-ups.

The problem of the skills gap (entrepreneurial skills and technical ICT skills) has been addressed through a number of initiatives, notably in the European Employment Strategy and in the e-Learning Action Plan (2001-2004). Taking into account these challenges, there is a need to:

- Accelerate the development of focused skills programs and e-learning solutions;

- Strengthen research efforts not only in the area of technology, but also with regard to related socio-economic issues and to the effects on human resources;

- Strengthen on-going initiatives at all levels to help enterprises, especially small and medium-sized enterprises (SMEs), acquire ICT and e-business skills;

- Monitor the demand for ICT and e-business skills in Europe, benchmark national policies, and strengthen co-operation and co-ordination at the European level;

- Launch focused projects in 2002, in close co-operation with member states and the private sector, which aim to address the specific needs of enterprises, particularly SMEs.

The EU has a role to play in to supporting mobility, connecting existing local ecosystems and web entrepreneurs across Europe, accelerating entrepreneurship by helping to create awareness about ICT careers, increasing access to ICT training, sharing and replicating best practices, and celebrating ICT and web entrepreneurship. In 2013 in EU are launched a series of initiatives to improve the

business and entrepreneurship landscape in Europe, notably strengthening the ICT sector, which is a driver of competitiveness and growth. These initiates aim at joining forces with the public and private actors to help existing and new activities reach more people across the EU.Running an online business is an increasingly attractive alternative to an office job, particularly for a new generation of young entrepreneurs. These web entrepreneurs can have a major impact on the creation of high-quality jobs and growth throughout Europe - the "apps economy", for example, offers entrepreneurs completely new opportunities to start up their microenterprise. Supporting Europe's best web entrepreneurs to launch and grow sustainable businesses is therefore central to Europe's Digital Agenda.Web entrepreneurs create new jobs for young people what is of the most importance, as the unemployment rate in Spain and Serbia for young increased to 30 percent; their businesses help transform the economy & society. The barriers and challenges, as perceived by stakeholders, refer to access to finance, innovation and entrepreneurial culture, human resources, skills and training. The measures proposed deal with these concerns. The Startup Europe Partnership, providing access to advice, mentoring, and resources, stimulating social networking with successful stakeholders and supporting Web business to grow and expand globally will be a concrete initiative dealing with a combination of the identified issues. The Web entrepreneurs Leaders Club will help improve the entrepreneurial culture in Web business, especially amongst the young generation. The network of Web business accelerators will combine benefits in terms of human resources, mentoring, skills and access to services, as well as seed funds. The crowd funding and venture capital action will complement existing measures by focusing on networking and coordinating available resources in the Web business field. The activities included under the heading of "Fostering Web entrepreneur talent" will explore the potential of some innovative methods to reduce the skills and training deficit.

EUROPE'S START-UP HUB

New Business models are also new entrepreneurial ICT initiatives. The internet-based economy is relatively young. The nature of its products and services also means that traditional business models are not always capable of matching the speed and nature of customer- vendor interaction in the digital economy. Concepts like cooperative value chains, the evolution of value chains to value networks, and the involvement of consumers in "production" via social media are all relatively new. When it comes to monetizing digital content such as films, articles and music, new business models that combine acceptable revenue for the content creators and acceptable prices for consumers are in high demand. Intellectual property is a sensitive topic in Germany, especially when it comes to ownership of creative

content. The most promising business models appear to be Direct-to-Fan marketing, personalization, ad financing, and crowdsourcing (defined as crowd investing and crowd funding). Crowdsourcing in particular is becoming increasingly popular, with a number of successful platforms including Startnext, inkubato, Pling, and VisionBakery.

Monetization Models. For the monetization of apps and games, there are essentially three business models: "premium," premium," "freemium" and "ad supported." Hybrid versions of two or three of these models also exist. A recent Accenture study found that German mobile internet users are less annoyed by ad banners and text advertising than other Europeans (although annoyance and indifference levels remain comparatively high). Conversely, coupons and special offers are perceived a lot more positively.

Transition countries still stand at the beginning of the implementation of these new business models. Their successful employment will largely depend on a holistic integration of enabling IT solutions and digital content. International companies who have already successfully implemented alternative forms of monetization are likely to have a head start in the market where impulses from abroad are welcome.

Here is found the winning mix of talent, creativity and location for our business.

SME Business Culture. The EU and the economy of transition candidate countries is largely shaped by small and medium-sized enterprises. Entrepreneurial spirit has resulted in a broad and diversified economy which the national economies have been able to rely on in testing economic times.

Start-up Friendly Environment. In the digital economy, companies can be founded without significant initial capital investments. This has led to a true digital boom in EU and candidate countries resulting in the emergence of start-up hubs in the countries major cities, attracting a lot of young and creative people from other parts because of combination of opportunities and a dynamic and creative atmosphere.

Attractive Digital Ecosystem. The availability of co-working spaces, local networks and numerous industry events help to create a vibrant digital ecosystem which also contribute to make an country attractive investment proposition for start-ups and internet companies alike.

DISCUSSION AND CONCLUSIONS

From the issues researched in this paper can be confirmed that the advent of ICT technologies has changed the global business landscape. Recent ICT developments like Enterprise 2.0, cloud computing, social networks, etc. are

enabling dynamic new and smaller companies, entrepreneurs to develop and bring to market innovations that before were too expensive to develop. The competitive challenge is sharper still in the face of a new wave of technological change and market opportunities, which carry the potential to reshape the industry and the ways in which its products and services are used.The positive impact of ICTs on the quality of life and ultimately on growth and competitiveness is widely recognized. The growth of the ICT sector itself is essential for the growth of the economy as a whole.Beyond that aspect, a greater use of ICTs by society as a whole can significantly improve Europe's competitiveness on the global scene. This is why ICTs are a cornerstone of the EU strategy for growth and jobs.

ICT are a key component of the Lisbon strategy too, what is supported in this paper. Their importance stems both from the contribution which they make to overall economic performance, and also from the benefits which they offer to society at large. It can be concluded that:

- The ICT equipment and services sector is an important sector in its own right. The information and communication technology (ICT) sector is a key contributor to growth in the EU. The information and communication technology (ICT) sector is the EU's most innovative and research-intensive sector.

- ICT are central to boosting productivity and improving competitiveness. Economic gains from ICT stem directly from growth and innovation in markets for ICT goods and services and from the use of ICT in raising the performance of businesses. Also, ICT increasingly form an integral part of all industrial and service markets, either through the embedding of ICT components in goods (for example in consumer devices, automobiles, medical devices) or as part of the service offer (tracking of parcel deliveries, e-banking.

- ICT provide a boost to citizenship and to the quality of life. ICT allow more and better services to be provided to larger numbers of people.

- Small businesses, accounting for 99% of all European enterprises, as well as of the all enterprises in the candidate countries as Serbia is, and contributing in many sectors up to 80% of all employment, are the ones suffering the most from limited understanding of ICTs and their potential, limited budget for ICT investments and difficulty in recruiting ICT professionals, and not enough support of potential of ICT-enabled business innovations.

In future growing areas which are defined in the paper, authors see new opportunities for job creation on the basis of entrepreneurship, technology entrepreneurship, internet entrepreneurship, web entrepreneurs starting a new business. These areas are: Cloud Computing because of the significant international demand for secure and cost-effective cloud solutions and services; Cloud infrastructure(turnover; Smart Gridsbecause of the increasing importance of sustainable energy supply offer great opportunities for smart grid adoption and ICT

solutions for smart grid (Introduction of smart grids is inevitable in the midterm for the integration of decentralized energy production and network control; Market today is still driven by the supply side - waiting for political regulation and standardization as growth drivers; ICT part of the smart grid market is expected to nearly double until 2030 (from EUR 27 to EUR 46 billion in Europe). Gamesbecause the gaming market is growing at a fast pace. Germany remains Europe's largest and most attractive games market (Over 23 million Germans play electronic games (14.5 million online); Industry revenue in 2010: EUR 2.3 billion; Online games segment with average growth rates of up to 47%; Market entry conditions are highly attractive, as the German market is not dominated by large companies that control huge market shares).Internet Business**:**EU, especially Germany, which is taken as a case in this paper, offers significant business potential when it comes to online business thanks to the highest number of internet users in Europe.IT Security**:** The market for IT security is growing due to steadily increasing risk potential- Focus increasingly on mobile data, social media and cloud security; Identification, authentication, and biometrics revenue forecast to increase in EU by 87% by 2015).Mobile Data Servicescan be a huge opportunity field for future entrepreneurial ventures asthe fastest growing segment within the telecommunications market is an enabling technology for several other industries such as banking, entertainment and energy. Mobile payment services are also an upcoming opportunity.

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PRESENT SITUATION AND PERSPECTIVES FOR DEVELOPMENT OF TECHNOPRENEURSHIP IN SERBIA

Milan Krstic[22]
Ana Skorup[23]
Djordje Minkov[24]

Abstract: It is imperative for the Serbian economy in the future to achieve growth in industrial production and export, and this will in turn require intensified economic activity that can be stimulated, among other things, by developing entrepreneurship. Entrepreneurs are people who invest in business ventures in order to achieve financial, social, psychological or other effects. Special focus is on technopreneurs, a specific group of entrepreneurs operating in the field of high technology. Development of technical, managerial and entrepreneurial competencies of entrepreneurs is crucial for success of technopreneurship. Serbia is currently striving to implement the knowledge-based economy and technopreneurship, primarily in the information technology sector (IT), which is demonstrated by the number of registered companies, the presence of large global companies, as well as by the market growth, which is why the Serbian IT sector is becoming profitable. Despite the current gloomy economic situation, it can be safely said that the future perspective for the development of technopreneurship in Serbia is optimistic, providing that the following preconditions are realized: science and technology parks in several university centres in Serbia are established; strategy for education development in Serbia by the year 2020 is implemented; and adequate technopreneurship curricula within the entrepreneurship study programs are designed in two levels of academic study.

Key words: Entrepreneurship, Technopreneurship, IT industry, Higher Education, Development

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[22]*Milan Krstic, Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, mykrstic@gmail.com*
[23]*Ana Skorup, Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, anaskorup@gmail.com*
[24]*Djordje Minkov, Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, djordje.minkov@vspep.edu.rs*

INTRODUCTION

The origins of entrepreneurship can be traced back to 18th century, when the term 'entrepreneur' implied an employer, in the sense of a person who admits or undertakes the risk and who engages in business activities. In 19th century, the function of entrepreneur changed and entrepreneurs became at the same time the process' coordinators, who were indispensable for the industry and trade of scale of that era. In 20th century, entrepreneurship grew out of the industrial framework and it was based on innovation, which became the basis of the entrepreneurial competitive advantage. The end of 20th and the beginning of 21st century was marked with the emergence of a special kind of entrepreneurs, primarily due to the technological progress, and they perform their business activities in the field of the highly developed technologies, and that aspect of entrepreneurship was dubbed the technopreneurship.

The purpose of this paper is to underscore the importance of technopreneurship and in that sense to produce a critical review of the current state of technopreneurship in Serbia, as well as to examine the available perspectives of its future development.

Thus, at the beginning of this paper technopreneurship is being examined in detail, and definition of technopreneurship is provided within this initial part as well, and for the purpose of providing a more detailed explanation of this term, examples of successful technopreneurs in the field of ICTs are presented, along with the companies that they built on the principles of technopreneurship. Further on, the necessary preconditions for the success of technopreneurship are presented, specifically for the field of ICTs, among which special focus is set on the following: existence of ICT consumers and development of technopreneurial infrastructure (ICT centres; centres for business incubation and innovations; Science and Technology Hubs). Further on, the importance of technopreneurial competencies is especially highlighted.

As for the current situation regarding the development of technopreneurship in Serbia, this paper highlights the efforts to create all the aspects of the economy that is based on industrial knowledge and education, as well as to the fact that technopreneurship has been represented primarily within the IT industry sector. A short overview of the current situation of the entrepreneurship in Serbia is then presented, followed by the conclusion that it is certainly the most profitable sector, which has seen the highest growth rates, as well as that the potentials for further growth in this sector have not yet been used to the fullest.

As for the perspectives of future development of technopreneurship in Serbia, it has been concluded that despite the current gloomy economic situation in this country, future perspectives for technopreneurship can be deemed to be optimistic, providing that certain activities are realized, and specifically: science and technology parks in several university centres in Serbia are established in

compliance with the plans contained in the Strategy of Scientific and Technological Development in the Republic of Serbia for the period of 2010 to 2015; the Strategy for Development of Education in Serbia by 2020 is realized; and study programs for technopreneurship within entrepreneurship study programs are designed in two levels of studies in the technical and technological scientific fields.

With the realization of the above listed prerequisites, necessary preconditions will be created to prevent further brain drain primarily among the graduates of the technical professions and to provide the necessary stimulus for the development of entrepreneurship.

THEORIES OF ENTREPRENEURSHIP

To this day, no universal and consistent theory of entrepreneurship has been adopted (Krstić M., Đorđević Lj., 2005). It could rather be said that the theory of entrepreneurship comprises of different scientific approaches to the interpretation of the same phenomenon. Despite the fact that until now there has been a number of attempts to develop a multidimensional approach to the studies of entrepreneurship, it can se concluded that there is still not even a shared theoretical framework for the synthesis of the different points of view.

Attempts at combining two or more different contexts in one multidimensional model have not proven to be particularly successful, since they all lead to certain methodological difficulties, especially if we start from the presumption that all the entrepreneurs are similar to each other, including the owners of small businesses and the owners of large enterprises. The problem here arises with the attempts to provide an explanation and to predict the behaviour of both the aforementioned types of entrepreneurs, due to a large number of varieties and heterogeneous characteristics of different types of entrepreneurs.

Today, different partially developed theories are used to interpret the phenomenon of entrepreneurship, depending on the authors' focus or depending on what the given theory supports, and these include the following theories:

- Functional theory of management;
- Risk Bearing Theory;
- Managerial Theory;
- Psychological Theory;
- Sociological Theory;
- Anthropological Theory;
- Population Ecology Theory;
- Fuzzy Set Theory.

Different theories, just like different definitions, can be used in different contexts. This is further supported by the example presented in Figure 1 that can serve to identify the relevance of individual entrepreneurship theories.
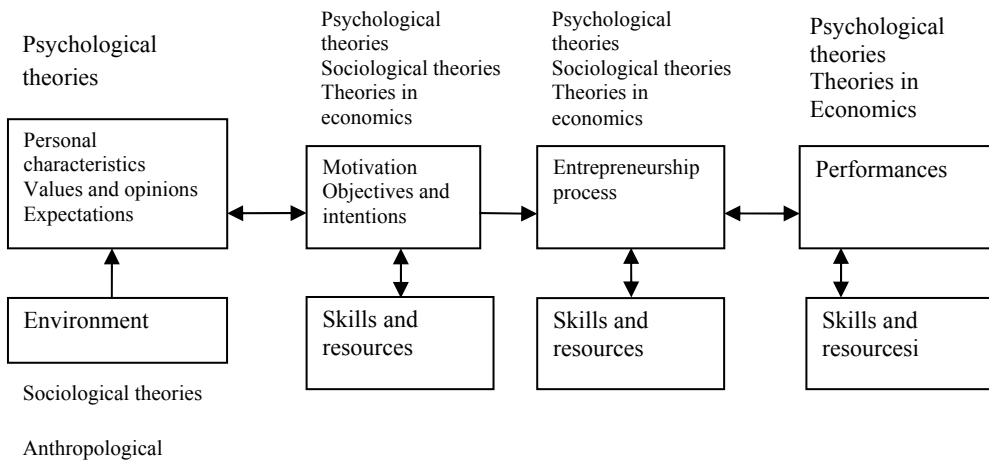
Psychological theories

Psychological theories
Sociological theories
Theories in economics

Psychological theories
Sociological theories
Theories in economics

Psychological theories
Theories in Economics

| Personal characteristics Values and opinions Expectations | Motivation Objectives and intentions | Entrepreneurship process | Performances |

| Environment | Skills and resources | Skills and resources | Skills and resourcesi |

Sociological theories

Anthropological

Figure 1 – Different theories used to define entrepreneurship

Source: Virtanen M., 2004

Thus, the predominant theories dealing with assessment of traits of character of an entrepreneur, or in attempts directed at evaluation of personal characteristics, a person's values, attitudes and behaviour, are the psychological theories; in addition to these, dealing with the aspect of the assessment of the influence of the environment there are also the sociological and anthropological theories of entrepreneurship.

In addition to the psychological theories, the economic and the sociological theories are of relevance for the assessment of motivation, goals and intentions, as well as for the very process of entrepreneurship.

In attempts to evaluate the performances, economic and the psychological theories were created as well.

ENTREPRENEURS

The use of the term *entrepreneur* is today generally accepted and it usually implies the person who possesses the spirit, industriousness and ideas. The term entrepreneur[25], according to [ENC 2004], signifies a person who undertakes or admits the organization, management and risk of business activities of an enterprise. It was used for the first time as a technical and economic term in 18th century by the famous Irish economist, Richard Cantillon, who lived in France.

For the representatives of classical theories of economics in the late 18th century, this term signified the employer, in the sense of a person who accepts the risk, who engages in the business management, or an undertaker of the economics of an enterprise. By the 19th century, in practice entrepreneurs were no different from the ordinary capitalists, when their function developed to promote them into the process' coordinators who are necessary for industry and trade of scale.

Joseph Schumpeter and other economists of 20th century were of the opinion that the innovation is the competitive edge of the entrepreneurs and the motivator of capitalistic development. Richard Arkwright in Britain and William Cockerill in Europe are prominent examples of the growth of the class of entrepreneurial producers during the industrial revolution. Henry Ford is a prominent example of the American entrepreneur of the 20th century, and later on this role was taken by Steven Jobs...

In the recent past, the word *entrepreneur* was attributed a much more precise meaning, because it signified only those who created their own enterprise. In the meantime, the use of the word 'entrepreneur' expanded to include the person who is at the helm of an enterprise – for example, the person who presides over the General Motors Company, the owner of the fruit shop at the corner, the owner of a McDonalds' franchise or the person collecting subscriptions for a magazine using their telephone at home.

According to (Siropolis N., 1995) there are two different groups of entrepreneurs: pure entrepreneurs and entrepreneurs who undertake the jobs that were already established and running.

The first group of entrepreneurs comprises of the so-called *pure* entrepreneurs, persons who start their businesses from the scratch and create them from their own ideas by applying persistent efforts and work. They lead their businesses to become successful enterprises, led by their own instinct for opportunity, sense for the right timing, persistent work and ability to generate ideas. There is a general impression that most of these people are predominantly motivated by their wish to establish

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[25] The term used in the English language is **"entrepreneur"** – a person who undertakes a business venture.

their "own kingdom", by the willingness to be better than their competitors and by the sheer joy of creation, than by the wish to generate profit merely.

The second group of entrepreneurs comprises of those who cannot be qualified as pure entrepreneurs, but as those *who undertake the businesses that have already been established*, after the person who established the business has left it regardless of the reason for their leaving (retirement, death, sales, etc.), which they then continue to develop further.

There is a significant difference between the terms *entrepreneur* and *entrepreneurship*. If the entrepreneur is defined as a person who launches and establishes new businesses, then the entrepreneurship is by far a broader term. It can be said that entrepreneurship is the ability to introduce innovations, investments and expansion to new markets, products and techniques. It is present both in the enterprises that are already established and running, as well as in the newly established enterprises, in large and in the small businesses alike.

TECHNOPRENEURSHIP

TECHNOPRENEUR

The term technopreneur is nowadays generally used and accepted and it pertains to a special group of entrepreneurs. From the aspect of etymology, the word "technopreneur" was created from the following two words: 'techno' + 'preneur'. Thus, the term technopreneur[26] denotes a specific entrepreneur who operates in the field of high technology (the high-tech field).

It is now well know that the high technologies and entrepreneurial skills are the modern generators of economic prosperity in the knowledge-based economy. A technopreneur is thus a person who integrates different ideas of different groups of people and from different disciplines.

A technopreneur is an entrepreneur who is well educated in the field of technology, creative, innovative, dynamic, but also a person who dares to be different, somebody who takes an unexplored road, and somebody who is very passionate about their work. A technopreneur constantly undertakes challenging business ventures, without any fear of failure, because they consider failure to be a useful experience that is to be learnt from; and finally, they endeavour to be successful in their life. (Shakya, R., 2007).

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[26] http://en.wiktionary.org/wiki/technopreneur

A technopreneur is a person who destroys the existing economic order by introducing new products and services, new forms of organization, the use of new materials, and so on. In order to achieve this, it is necessary to provide for certain preconditions, which will enable growth and development (Fournier A., J., T., 2011):

From the aspect of marketing:

- • Businesses start from ideas, but ideas in themselves do not make business;

- • Customers do not buy ideas; they buy products / services;

- • Customers pay the price and value is what they get.

From the aspect of business realization:

- • Excellent market opportunity;

- • Superb entrepreneur (and management team);

- • Resources needed to start the company and make it grow.

From the aspect of education for a technopreneur:

- • Holistic approach;

- • Education for team work;

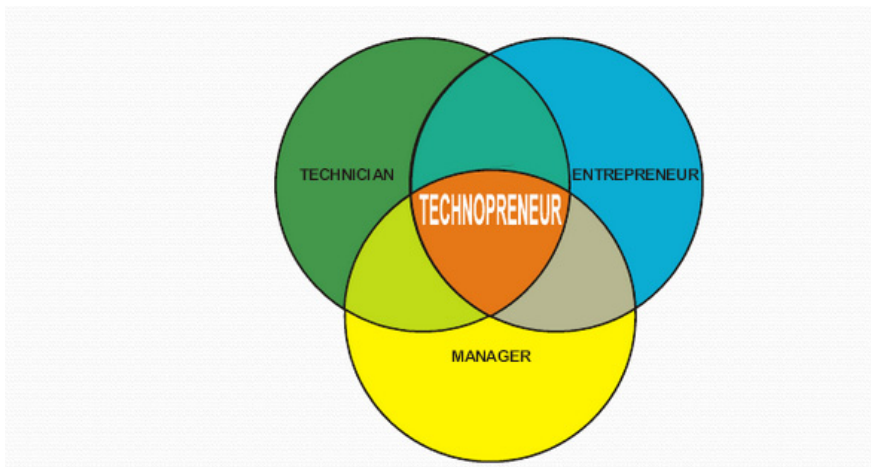- • Emphasis on development of technical, managerial and entrepreneurial capabilities (Figure 2).

Figure 2 – Technopreneurial trilogy

Source: Fournier A., J., T., 2011

SOME EXAMPLES OF SUCCESSFUL TECHNOPRENEURS

Some characteristic examples of successful technopreneurs in ICT sector are presented in Table 1, along with the companies that they built on the principles of technopreneurship.

Table 1 Characteristic examples of successful technopreneurs in ICT sector

Technopreneur(s)	Company	Relevant Company Data
Bill Gates and Paul Allen	*Microsoft Corporation*	Established in 1975, a multinational software company with its official seat in Redmond, Washington, USA, it develops products related to computers; the world's leading software maker.
Jerry Yang and David Filo	*Yahoo*	Established in 1994, an Internet corporation headquartered in Sunnyvale, USA; well-known as the web portal and search engine; launched as students' hobby, it grew to become a global brand.
Larry Page and Sergey Brin	*Google Inc.*	Established in 1998, a multinational corporation specializing in Internet-related products and services that include Internet services, software, cloud computing and online advertising technologies. At the time when it was launched, its founders were still students at the Stanford University. Their "Initial Public Offering - IPO". The first sale of stock in 2004 reached the value of 1.67 billion of US dollars.
Sabeer Bhatia and Jack Smith	*Hotmail*	Established in 1996, a free web-based email provider, it was one of the web-based email services. It begun its operations with USD 300,000, and it was sold two years later to Microsoft for a reported USD 400 millions.
Pierre Omidyar	*eBay*	Established in 1995 as a multinational Internet C2C (consumer-to-consumer) corporation that manages online auction and shopping website; launched as the market for sale of services and goods for individuals.
Jeff Bezos	*Amazon.com Inc.*	Incorporated in 1995, a multinational company with its official seat in Seattle, Washington, USA; it was among the first major companies to sell goods over the Internet; leading online bookstore internationally.

Ahti Heinla, Priit Kasesalu, and Jaan Tallinn	*Skype*	Established in 2003 by entrepreneurs from Estonia, as a closed software application for communication by voice and video over the Internet; it was bought by eBay for USD 2.6bn (£ 1.4bn).
Mark Zuckerber	*facebook*	Established in 2004, as a social network based on the personal profiles of its users and of their friends. In 2012, it reached the number of 1 billion of users.
Chad Hurley, Steve Chen, and Jawed Karim	*YouTube*	Established in 2005, a company established in San Bruno, California, USA; it operates as a video-sharing website for free of charge distribution of video; a website on which users can upload, view and share video clips: it was bought by Google in 2006 for USD 1.65 billions.
Steve Jobs	*Apple Inc.*	Established in 1976, a multinational corporation with its official headquartered in Cupertino, California, USA; it designs, develops and sells consumer electronics, personal computers, etc.

CONCEPT AND DEFINITION OF TECHNOPRENEURSHIP

Technopreneurship is the field of activity of the technopreneurs and it is an effective source of long-term sustainable competitive advantage on the company level, on the group of companies' level, or on the national level.

According to the Law on Innovative Business Activities (LoIBA, 2010) "technopreneurship is an activity that comprises of knowledge, skills and abilities directed at launching, organization, development and introducing innovations in technological processes, with the primary objective of creating new markets and achieving profit".

Technopreneurship is thus a successful integration of knowledge on technology and entrepreneurial skills by the technopreneur and it includes the external and the internal entrepreneurial activities of both the existing companies and of the fledging companies, which operate under the technologically intensive conditions. (Thérin F., 2007)

Technopreneurship comprises of entrepreneurial business ventures in the high technology field[27]. High tech industry includes the following industrial sectors: aerospace, automotive, Artificial Intelligence, Biotechnology, Information Technology, Electrical Engineering, Information Systems, Photonics, Nanotechnologies, Nuclear Physics, Robotics and Telecommunications.

EXAMPLES OF SUCCESSFULLY REALIZED TECHNOPRENEURSHIP BUSINESSES

Here follow some characteristic examples of companies from the high-tech industry sector:

• From the ICT industry sector

Cisco Systems, Inc. that designs, produces and sells the network based Internet protocols (IPs) and other products, which all pertain to communication and information technology industry, and provides services associated to these products and the use thereof. It offer a line of products for transport of data, voice and video recordings within buildings, campuses and worldwide. Its products are designed in such a manner as to transform the connections among people, their communication and cooperation.

Intel Corporation is an American multinational semiconductor chip marker corporation headquartered in Santa Clara in California. Intel is the world's largest and highest valued semiconductor chip maker, based on revenue;

• From the Internet industry sector

Google Inc**.** is an American multinational corporation offering Internet-related products and services, including Internet search, cloud computing, software and online advertising technologies.

In addition to the above mentioned company, the following companies from the same filed can be listed here as well:

• e-Bay,

• FEDEX,

• SMART money transfer,

• e- learning, and others.

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[27] The term **high tech** – high technolgy, refers to technology that is currently at the cutting edge, i.e. the most advanced technologies that are currently available. The following terms are ofter used interchangibly, as synonyms for 'high tech': high-tech or high-technology.

From the biotechnology industry sector

- Genentech Inc., - Genetic Engineering Technology, Inc. is a biotechnology corporation, founded in 1976 by venture capitalist Robert A. Swanson and biochemist Dr. Herbert Boyer.

- From the nanotechnology industry sector (in medicine, environmental protection sector, etc.),

- The above list of examples of successful technopreneur companies is, of course, not exhaustive.

NECESSARY PRECONDITIONS FOR DEVELOPMENT OF SUCCESSFUL TECHNOPRENEURSHIP

Owing to the fact that the ICTs are the most broadly represented industry sector in the overall technopreneurship field, the focus hereinafter shall be on the IC technologies. Necessary preconditions have to be provided for the successful development and growth of the ICT-based technopreneurship, among which the existence of ICT consumers and development of technopreneurship infrastructure (ICT hubs; business incubator and innovation centres; scientific and technology centres) are the most important ones. In this area, special significance is being attributed to the development of ICT hubs. The following can be listed here are as especially successful ICT hubs on the international level:

- Silicon Valley
- Taiwan S & T Hub
- Bangalore
- Japan S & T Hubs
- Singapore S & T Hub
- CyberJaya (future), and
- Others.

In order for the ICT hubs to be successful, it is necessary to provide for a number of preconditions, and specifically:

- There is a system for development of human resources through universities and higher education;
- Culture of innovation and creativity is nurtured;
- Efforts are invested in development of strong public-private sector partnership;
- Entrepreneurship incubators are adequately supported; and
- The private sector is entrusted with the initiative in development.

When speaking about the development of human resources through university and higher education, development of study program on all the three levels of higher education are implied. These study programs should be focused on the things that the future technopreneurs should be able to achieve. In a knowledge-based economy in which industry was built on the power of mind, the individual, corporate and national economic success require that new and deepened competencies and skills are established, as compared to those that were required in our recent past. Competencies and skills *per se* are not sufficient to guarantee success, since they have to be adequately incorporated in successful companies. This means that without competent people who possess relevant technopreneurship expertise, no development of successful high tech companies can be reasonably expected.

This presumes acquiring of certain competencies, which should lead to new and significant interconnections and outcomes, which interact with new ideas and knowledge/expertise, people and environment, and which include:

- Development of creativity,
- Operating in multidisciplinary teams,
- Efficient communication,
- Acquiring of up-to-date knowledge about latest technological developments, as well as
- Thorough understanding of basic technical concepts and their latest applications and improvements.

However, the traditional academic programs that are entrepreneurship-oriented are not suited or sufficient to provide adequate education for technopreneurs, since these do not comprise of adequate curriculum and teaching methods that are necessary to achieve transformation in the modern-day entrepreneurship and management students into creative, innovative leaders of the global vision that thoroughly understand the importance of technopreneurship. The omnipresent globalization, embodied in the technological progress and global competitiveness, has changed and broadened the studies of entrepreneurship in the domain of the social sciences and humanities in the sense that it imposed the necessity to include the technology management in addition to the people management. The aim is not to create new study programs within the social sciences and humanities, but to integrate contents that pertain to technics and technology into the entrepreneurship curricula. (Cereijo M., 2002)

Higher education institution internationally have already recognized this fact and they have offered study programs based on the above mentioned concept, as presented in the Table 2.

Table 2. Higher education institution

No.	Higher education institution	Study Program
1.	SMU Bobby B. Lyle School of Engineering,	B.S. in Mechanical Engineering - Engineering Management and Entrepreneurship Specialization
		M.S. in Information Engineering and Management
2.	University of Huddersfield, Huddersfield, United Kingdom	e-Entrepreneurship Master: Science [M.Sc.]
3.	University of Surrey, Guildford, United Kingdom	Technology Entrepreneurship Bachelor: Science [B.Sc.]
4.	University College London, London, United Kingdom	Technology Entrepreneurship Master: Science [M.Sc.]
5.	Northumbria University, Newcastle upon Tyne, United Kingdom	Technology, Innovation and Entrepreneurship Master: Science [M.Sc.]
6.	University Malaysia Perlis, School of Business Innovation and Technopreneurship	

TECHNOPRENEURSHIP DEVELOPMENT IN SERBIA

PRESENT SITUATION WITH IT INDUSTRY SECTOR DEVELOPMENT IN SERBIA

Since the IT industry sector is the most developed one among the high tech industry sectors in Serbia, focus shall be placed on this industry sector hereinafter.

Serbia is currently striving to create fully developed economy that is based on the most profitable industry knowledge and education. It can safely be said here that the technopreneurship as practice has already been quite developed and it has taken roots in Serbia. To corroborate this statement, there is data indicating that in the beginning of 2012, there were approximately 1,200 registered companies in the information technology industry sector (IT) in Serbia.

Almost all large international ICT companies opened their representative offices in Serbia, and many of them, such as the *Asus*, *Del*, *Intel, Samsung and some other* opened their regional offices for Western Balkans in Serbia as well.

The Serbian IT industry market has seen continuous growth over the past seven years, and it has already become the largest IT market in the Western

Balkans. Analyses have shown that the structure of this market is as follows: IT equipment - 63%, IT services - 25 %, and software - 12 %.

It can be concluded from the analysis of the industry operations in Serbia that the IT sector is a promising industry sector, since the computer services have seen uninterrupted export growth, from EUR 62 millions in 2007 for example, to EUR 200 millions in 2012; there are some estimates according to which Serbia is yet to achieve a significant increase in this sector. This means that the IT industry sector is the prospective export chance for Serbia. The part of the IT industry sector that pertains to the programming services is currently in the development stage, since it has shown the annual employment growth rate of 22.8 %, which is a trend that is expected to continue over the next years as well.

This contributes to the reduction in brain drain trend among the highly educated and expert staff, and it is a well-known fact that it has been especially prominent in Serbia. The highest brain drain trend among the highly educated and expert staff has exactly been seen among the graduates and academics of the technical schools, and it is the highest among the graduates of Electrical Engineering and Computing. One in three academics that has graduated from the Electrical Engineering School leaves Serbia to live and work abroad without even thinking of getting any job in their homeland, and the situation has been similar among the graduates of other technical schools. Some university graduates do not even try to get any employment in their homeland, but only see their future abroad, primarily in the Western countries.

For the time being, there are no reliable or precise data indicating the exact number of highly educated university graduates from Serbia that live abroad. There are some estimates according to which as much as 70,000 Serbian university graduates live and work abroad, and there are other estimates according to which Serbian government had spent approximately USD 12 billions on their education.

At the time being, there is the greatest demand internationally for the electrical engineers, mathematicians and physicists. It is evident that out of the total population of graduates and academics from the technical schools, Serbia has effectively used only 20% to 25%, which is a very low percentage, bearing in mind the level of investments made into their education. There is an impression that we do not know how to adequately use the highly educated staff.

Current situation is even worse if we take into account the general population structure of 15+ years of age, according to the 2011 Census data on education levels. Based on the Census data (Statistical Office of the Republic of Serbia, 2013) 20.76% of population in Serbia has only the elementary school diploma; 48.93% are high school graduates; 5.65% are higher education graduates and there are only 10.59% population members holding diplomas of the postgraduate studies. After years of brain drain trend among the highly educated graduates, which is continuing even now, at the same rate and with unabated intensity, it is possible that the percentage of population holding university and post university degrees is

even lower. It should then be no wonder that the Serbian younger and middle age diaspora is currently among the best educated ones internationally owing to the continuous and intensive brain drain trend.

DEVELOPMENTAL PERSPECTIVES OF TECHNOPRENEURSHIP IN SERBIA

Despite the current gloomy economic situation in the country, there is a developmental perspective for technopreneurship. This developmental perspective can be optimistic providing that a number of potential presumptions are realized, and specifically:

1. Science and technology parks in a number of university centres in Serbia are established;
2. Education Strategy in Serbia by 2020 is realized;
3. Study programs for technopreneurship are designed within the studies of entrepreneurship in two study levels;
4. Technopreneurship is promoted in Serbia.

Work on creation of science and technology parks in a number of university centres in Serbia has started in compliance with the Strategy for Scientific and Technological Development of the Republic of Serbia for 2010 - 2015 (SSTD 2010), and specifically: in Novi Sad (University in Novi Sad), Zvezdara in Belgrade (Mihajlo Pupin Institute, Vinča Institute, Institute for Chemical Sources of Electricity) and in Nis (University in Nis) and Kragujevac (University in Kragujevac). Funding for the realization of these Parks was provided from the loans of the European Investment Bank and other institutions by 2014, with the total investment amounting to approximately EUR 300 millions (Manić M., 2012)

Currently, Feasibility Studies have been produced for the above locations, Project implementation has been started, funding has been provided, and Competition for Best Technological Innovation in Serbia has been initiated as a subsidiary activity as a method to select the future inhabitants or hosted companies for these Parks.

Science and technology park is an organization providing infrastructure and services to assist innovative companies in successful realization of their business activities in the market, especially in the high technology field. (Manić M., 2012)

According to (Wiki 2013), a science and technology (ST) park is a specific type of industry park that is an agglomeration of companies – small and medium-sized enterprises (SMEs) operating in the high technology field. According to OECD, companies engaged in the high technology (high tech) field are companies that invest more than 8% of their expenditures in research and development. In addition to this, these companies are affiliated with the institutions of learning

(primarily of higher education) or research (institutes), offering the infrastructure and services for realization of their primary activities, and in that sense, they provide housing and business premises, facilitated process of technology transfer. An ST park is thus intended to provide support to economic development primarily on the level of its neighbouring region and on the national level as well.

An ST park offers a broad range of various services to hosted companies, providing the hosted companies with considerable advantages compared with their competition outside of the ST park.

The aim of a ST park opening is to achieve reindustrialization (which shall be explained in more detail within another presumption below), regional development and synergy creation. It is of great importance, when it comes to the creation of any ST park, to provide for adequate legal environment that, from the aspect of the hosted companies, encompasses a range of business activities, intellectual property ownership rights, simple procedures for establishing and closing down of the companies hosted in a ST park, tax reliefs and financing for the ST park and its hosted companies.

The following factors are of importance for successful operations of a ST park:

- Broadband Internet connection,
- Developed traffic infrastructure,
- Quality and scope of services offered to the hosted companies, and
- Quality of environment.

As a rule, ST parks typically include incubators for technology companies serving as a launch pad for the new companies, but also providing the newly founded companies with the necessary support in the first and most critical stage for their survival.

It can be expected that the launch of the planned ST parks in Serbia will facilitate intensified company growth in IT industry sector.

Strategy for Development of Education in Serbia by 2020 according to (MESTD, 2012) envisages industrial development of the Republic of Serbia by 2030, which should provide for the process of renewal and transformations in the areas of traditional industrial sectors (*low technologies* and *middle technologies*). For the purpose of realization of the above mentioned process, implementation of transformation instruments has been planned according to the following implementation schedule: revitalization (2011 – 2015), reengineering (2015 – 2020) and developmental expansion (2020 – 2030).

Within the above mentioned transformational processes and technology types of the future production system in Serbia, the following key directions for development and application are of special prominence:

- New production paradigm of personalized (customized), of multivariate production;

- Standards in energy efficiency, renewable energy sources and efficiency in the use of natural resources;
- Standards in environmental protection and climate change.

Technological basis of the *new production paradigm* consists of the industrial information and communication technologies, with additional cognitive functions that are built in the production equipment, such as: the intelligent robots, intelligent machines controlled through a computer program (the so-called Computer Numerical Control machining), intelligent automation and intelligent production systems.

The aim here is to implement the European Commission Program called the Factories of Future (FoF), which comprises of three key components:

1) Smart Factories – development of technological platform based on agile production and product customization (personalization), including automation in the management of production processes, production planning, production simulation and optimization, and so on;
2) Virtual Factories – development of technology platform based on creation of new values for products and services by using the global business network, including the management of global supply chains;
3) Digital Factories – development of technology platform based on design of production processes and systems for effective management of product life cycle, including simulation, modelling and other ICT CAx engineering techniques, during the product life cycle.

Despite the fact that the current state of the ICTs-based industry is far from reaching the goal that has been defined in the above manner, providing that the necessary support is provided for the engineering sciences, especially for the purpose of reversing the above mentioned brain drain tendency involving the domestic graduates, there are already the capacities in Serbia to create both the strong and sufficient basis for efficacious transfer of new production technologies and for their implementation within the industrial system of the Republic of Serbia. There is another necessary precondition here and that is the development of technopreneurship in Serbia.

The additional necessary precondition for faster development of IT industry sector, that is for development of technopreneurship in Serbia, is designing of study programs for technopreneurship on two levels of studies. In that sense, this paper focuses on some important aspects of study programs for technopreneurship.

In specifying the future concept of technopreneurship study program one may start from the current situation with required competencies for jobs in IT industry sector, which shows that according to (The New Magazine, 2013) the level of the most wanted IT knowledge and skills in 2013 is as follows:

The programming expertise is ranked first in this list. The pool conducted by Computerworld.com for the American market has shown that among the

interviewed 334 directors from the IT sector, as much as 60 percents of them plan to employ candidates with these exact skills.

In the second place of this list, project management expertise and competencies in information technology are ranked. Interviewed company staff stated that their needs for project managers in IT industry were on the rise, due to the rise in the number of projects that were launched in these companies.

In the third place of this list, knowledge and skills in providing services in the field of technical support are ranked.

Top 10 IT skills that the companies require and look for among the candidates for the jobs they offer (presented in percentages) in 2013 are as follows:

1. Programming (60 per cents)
2. Project management (40 per cents)
3. Technical support (35 per cents)
4. Information system security (27 per cents)
5. Analytical and business skills (26 per cents)
6. Cloud technology (25 per cents)
7. Virtualization (24 per cents)
8. Networking – network systems (19 per cents)
9. Development of mobile applications and devices (19 per cents)
10. Data centres – Centres for data storage (16 per cents). (The New Magazine, 2013)

It is evident that the above listed competencies in demand in the IT industry sector in line with the above mentioned Strategy for Development of Education in Serbia by 2020.

In production of concept for the new study programs for education of future technopreneurs in two levels, in addition to the above mentioned study programs presented in Table 2 should be taken in consideration as well. These study programs should serve as a quality basis for a comparative analysis of study programs from the point of expected outcomes, competencies, study courses, etc., for the purpose of arriving at optimum solutions.

Much stronger focus should be placed on promotion of technopreneurship in Serbia over the future period. Special efforts should be invested in awareness raising, especially with the young population, in relation to the need for a much more active approach to self-employment, and technopreneurship is exactly a suitable ground for that.

CONCLUSION

Sustainable economic development of Serbia presumes achievement of significant growth in industrial production in Serbian economy in the future, which can contribute to an increase in exports, and which requires intensified economic activity in general. It has been proposed that incentive for economic activities can be provided through incentives for further development of technopreneurship in Serbia for which comparative advantages have already been established.

There are necessary conditions for development of technopreneurship in Serbia in the IT industry, which should certainly be used, and it can contribute to a significant discontinuance of the brain drain trend among the graduates, especially among those who hold degrees in technical professions.

In order to achieve significant development in technopreneurship in Serbia, in addition to its promotion which is currently below the satisfactory level, it is also necessary to provide for specific education for the young population members to support stronger technopreneurship implementation. In that sense, there is a need to provide the theoretical basis for technopreneurship in addition to the practical one, which should take the form of organization of study programs in technopreneurship. At the moment, existing needs for organization of academic studies of technopreneurship are being assessed, on a minimum of two study levels within the technical and technological scientific fields.

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"CLOUD COMPUTINGY" TECHNOLOGY AND THEIR USE IN EDUCATION

Zorica Medic[28]
Jovan Zivadinovic[29]
Nebojsa Stefanovic[30]

Abstract: The purpose of this paper is to show how, in theses times of information, knowledge and innovation, to optimize the use of existing resources, to plan long-term direction and make the right decisions regarding the investment by applying cloud computing technology. We will try to explain how it works, the application models, services offered, as well as the justification for its introduction with the benefits it brings. Given the area of research, the authors used the inductive and deductive methods as the basic logical methods which, in the course of the research, allow the derivation of certain conclusions on the subject of the research, descriptive methods and the study of technical, foreign and domestic, literature, the study of documents and the methods of examining case studies. The paper focuses on the advantages of cloud computing in education, which can help increase the quality of higher education and reduce operational costs. The introduction of Cloud computing meets the educational needs of students. It allows for the connection and exchange of knowledge on all levels, direct access to a wide range of different educational resources, research applications and tools. By applying the technological platforms of Cloud computing, operating systems can be more innovative, capital and operating costs are lowered, and the need for human resources is reduced, the use of IT resources is cheaper, and all with the aim of achieving revenue more quickly, increasing efficiency and flexibility in relation to its competitors. The focus of the work is on getting acquainted with an innovative technological platform, which is widely used in different business systems, allowing the development in line with the changes in the business environment, changing the mode of operation, which contributes to cost-effective operations, with emphasis on improving the service, risk management and cost reduction

Key words: Cloud Computing, Inovations, Electronic Learning, Internet, Web Technologies

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[28]Zorica Medic, Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, zjovan50@gmail.com

[29]Jovan Zivadinovic, Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, zjovan50@gmail.com

[30]Nebojsa Stefanovic, Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, stefann127@gmail.com

INTRODUCTION

The global economy, as well as the widespread innovations in field of technology have significantly changed the way of business in the global market and introduced novelties in business. Technological changes do not only reduce costs but enable the business system to change its market orientation, and the introduction of new technologies opens new markets.

By introducing innovations, business systems will be developed in accordance with the changes of the business environment, changing the mode of operation, which contributes to the use of services in a more economically efficient manner. Innovations include the use of new knowledge, with the aim of change in an organization, in order to create new products, new services, improve operations and reduce costs. They include a set of scientific, technological, organizational, financial and commercial activities.

It is the pursuit of innovation in information technology has led to the emergence of cloud computing (CC). During the year 2008, at the center of media events dedicated to information technology was the cloud technology, that has emerged as a response of information technology professionals to increase the capacity of hardware resources without investing in new infrastructure and training needs for technical staff or the purchase of new licensed programs.

Cloud Computing can be considered as the fifth generation of computer development. The first generation is represented by Mainframe computers and terminals from which data was sent for processing, then the second generation were personal computers (PCs), third and fourth generation are client-server computing and network computing.

The development of technologies will enable the encouragement of knowledge sharing at the international level, with e-learning deleting spatial boundaries as a barrier, and lead to multicultural integration which is being pursued.

It is estimated that by the year 2020, the Cloud technologies will overcome the current state of problems and become the dominant technology. This is ensured by most companies that invest in the development of platforms for "Cloud Computing" (Amazon, Microsoft, Google, SAP) or in the development of software solutions for some of the platforms (Google, Microsoft).

LITERATURE REVIEW

According to Gregory G. Dess the sources of new knowledge include "new technology, the results of experiments, the results of creative research or information from the competitors" (Dess, 2007, p. 435).

Innovative companies are companies that have introduced new or improved products or services on the market, or new or improved business processes. It should be borne in mind that innovation is new to the business system to which it is introduced, regardless of whether it is new to the competitors (domestic or foreign (Radman et al, 2003, p. 4)).

DEFINITIONS

There are many definitions of Cloud Computing, but the National Institute of Standard (NIST), defines it as:

"Cloud computing is a model for enabling convenient, on demand network access to a shared pool of configurable computing resources (e.g., networks, servers, storage, applications, and services) that can be rapidly provisioned and released with minimal management effort or service provider interaction".

INFORMATION TECHNOLOGIES AND STRENGTHENING OF CAPITAL

The development of information technologies promotes the transformation of business systems and their transition from a closed to an open business model. Business systems are expected to take advantage of the opportunities that modern technology provides, and to take internal communication and communication with external partners and customers in the business, up to the highest level.

It may be noted that the business systems are slower to accept business and technological innovations, but the market's demand for cheaper, more modern and widely available information and services, and the need for increasing competitiveness, led them to incorporate a high level of flexibility and innovation to the business environment.

Cloud computing integrates modern Internet and Web technologies which are the key to competitive advantage in the market, and also can encourage the creative potential of business users for the realization of various business plans and ideas or to improve existing business processes.

High-speed Internet is one of the problems faced by the countries of the European Union. Since these are times of markets based on information and communication technologies which require higher participation of business systems, it is clear that the European innovation potential is limited due to the lack of widespread high speed Internet. It is believed that high-speed Internet should be the meeting place for the exchange of knowledge, goods and services. Europe 2020 strategy aims to fund research and innovation, to ensure that innovative ideas can be turned into products and services that create a boost of growth and employment. (COM, 2010 p.6).

CLOUD COMPUTING – SOURCE OF COMPETITIVE ADVANTAGE

The rapid increase of the use of CC technology is motivated by economic considerations, and technological inventions. In Cloud technology IT resources are provided as services, enabling users to access services on the Internet without special knowledge, expertise or the need for the surveillance of technology infrastructure.

Potential users of Cloud hosting are all companies that have requirements for simplified information technology (IT) infrastructure, scalability, high availability, and pay only for the IT resources they really need. An important fact is that an already prepared standardized service that facilitates and speeds up the operation is leased. This approach corresponds to the vendors and users in times of economic crisis, when the costs are considered far more than investments and new business concepts.

In many ways, cloud computing offers business systems "the best of both worlds", providing solid support for core business functions on one hand and the development of new and innovative services on the other. Services of cloud computing are particularly attractive for companies that can not allocate a large initial investment in IT equipment and the development of their own data centers.

Business systems find the reasons for the application of the cloud computing model in its flexibility and cost effectiveness. Modern services provided by operations in the "cloud" significantly reduce the amount of time and money required for the supply and installation of new hardware systems and software, and the existing maintenance costs of the information infrastructure of the business system. This leads to easier and faster production of new products and services, requested on the market.

Cloud computing is separated from traditional Internet service by the inherent dynamic and flexible architecture that allows users of information technology to pay only for those services they really need, and that in a short period of time increase the scope of services several times.

TECHNOLOGIES OF CLOUD COMPUTING

Cloud computing is a new concept based on previous models of distributed services that have been created in the last decade, which includes computing as a service (utility computing), on-demand services, grid computing and software-as-a-service.

Cloud computing is closely related to grid computing and utility computing. In grid computing system, network computers are able to access and use the resources of each computer in the network. Utility computing is a business model where one company pays another company to access the computer applications or data storage.

Figure 1: Grid computing

Source: Author

Virtualization and clustering (partition of clusters) are two key technologies that make both grid computing and cloud computing.

Virtualization turns one computer into multiple computers which means:

• The size and strength are configurable.

• Virtual machines can be migrated without shutting down.

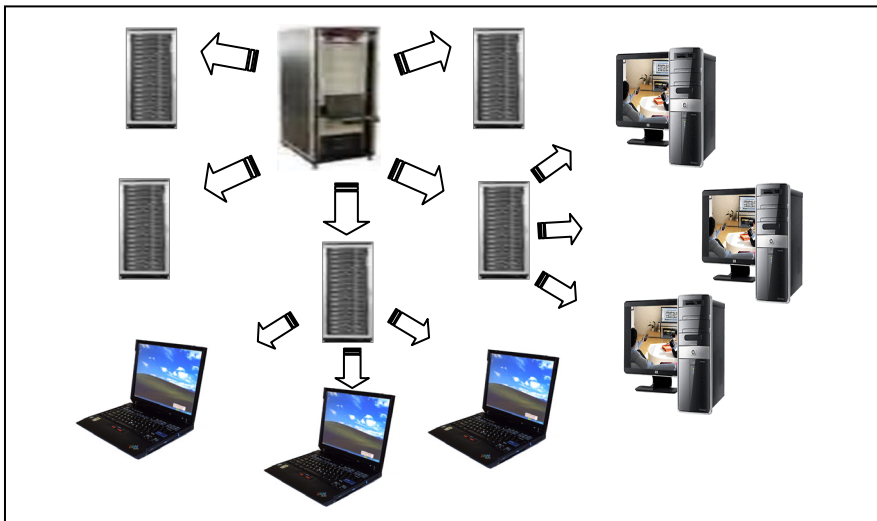• Virtual machines allow more detailed resource management.

Figure 2: Computing as a service

Source: Author

Rather than dedicate specific hardware for each application, virtualization allows hardware resources to be shared and assigned to a number of applications, resulting in greater efficiency of utilization and lower costs.

In addition, the possibility of expanding or reducing, moving applications by cloning or by live migration of virtual machines are also possible with virtualization. In this way it is easy to "wrap up" entire applications, including their settings, resulting in a high mobility of applications, which is useful for "moving" an application from the development phase to the production phase. It is possible to create a test environment where the product will be tested and possible errors corrected.

The user may request the provision of standard services, including computing power and data storage resources. The user sets these resources into a virtual environment and thus provides the necessary computing power and resources, regardless of the strength of their devices.

Clustering turns multiple computers (or virtual machines) into one resource which enables:

- Huge databases and middleware layers (software that allows interaction between processes on one or more machines) can be created.
- Redundancy of clusters for high performance and scalability through parallel operations.
- Redundancy ensures high availability, because clusters can survive a decline of one or more nodes.

MODELS OF CLOUD COMPUTING

Multiple models of cloud computing are available, providing solid support for core business functions and flexibility in delivering new services. Cloud computing is divided into three segments: "application", "storage" and "connection." Each segment serves a different purpose and offers different products for companies.

SaaS (Software as a Service).

SaaS is the realization of a complete application solution that is used as a service on demand. SaaS is a software developed by a third party, and set by the SaaS service provider. End users access the software through the Internet. The user of SaaS software does not need to install any additional software on his machine, he doesn't have to know where software is physically located, which operating system is used and what programming language it is written in (Zhu et al., 2011). All users of the same SaaS provider use the same software for their needs (Google's Gmail and Apps, Yahoo!, Vonage VOIP and Skype).

If the company already has a developed application, it is necessary to check if a SaaS application already exists which would provide the same or more functionality as the application already used.

When examining the cost-effectiveness of application, the cost of training users of new applications and the costs of possible changes of business processes must be included.

Much of the responsibility for security management is on the cloud provider. SaaS provides a number of ways to control access to Web portals, such as managing user identities, configuration-level applications and the possibility of limited access to specific IP addresses.

PaaS (Platform as a Service).

Provider offers a platform that is required by the Company relating to the provision and installation of application environment and platforms for developing SaaS applications to end users. Services of PaaS platforms represent an integral computing platform consisting of an operating system, middleware and a set of application solutions. Usually they are specialized in language or API (e.g. Google's AppEngine is Java and Python, EngineYard is Ruby on Rails, Salesforce's Force.com is a variation of Java, etc.).
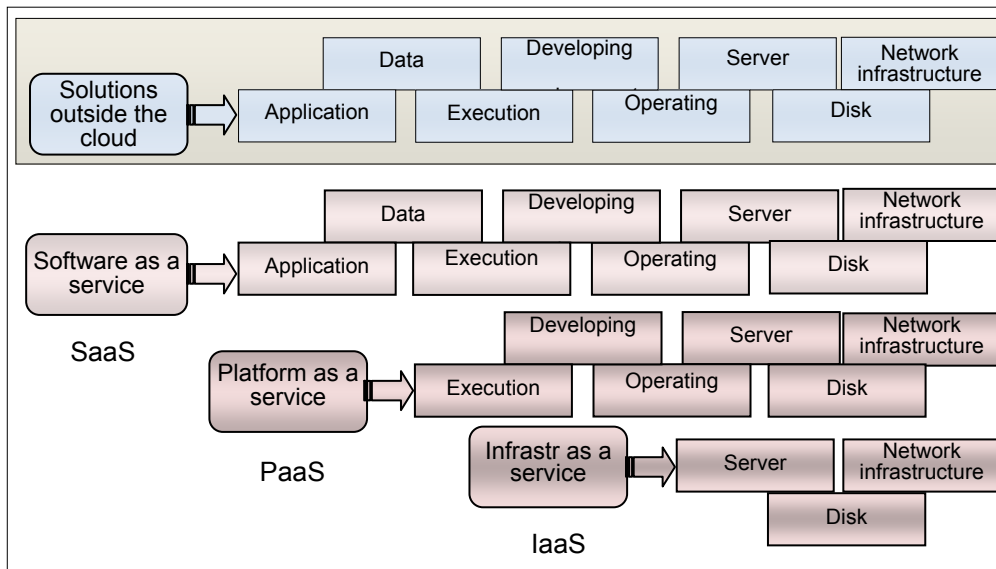
Figure 3: Services in cloud computing technology

Source: Author

PaaS is used to secure development environment, testing environment, server platforms, and other services, where users can develop applications based on the Internet as well as other server services.

IaaS (Infrastructure as a Service).

Provider offers clean resources, system software, virtual server, processing power, network organization, storage, clusters, etc. Further organization is the user's responsibility. IaaS model shifts the control and responsibility for the security from cloud providers to the client. In this model, access is allowed to the operating system that supports virtual images, networking and storage.

There are many ways for clients to access Cloud computing:

• through hardware devices: Standard computers, PDAs, mobile phones,

• software applications: Web browsers.

There are four models of Cloud Computing application which can be subscribed to, depending on the needs:

• Public – Publicly available services, representing the concept of "outsourcing", where business systems (institutions, companies) only rent cloud services from the provider, and do not deal with the administration and maintenance;

• Private – Companies within their IT departments make a private "cloud" on their own hardware of virtual machines and applications that take advantage

of CC technology. This is used by larger companies who own their own private CC and administer, maintain and use it themselves. This method can save resources, but it can contribute to a drastic reduction of costs, because the company still has to worry about maintaining the overall system.

- Community – Similar to private, only more companies join together and combine their resources. Community members share access to data and applications in the cloud in order to obtain savings.

- Hybrid – A combination of a public and a private cloud (connecting the two "clouds" or combining the server instances within a "cloud" with real hardware). For certain services "outsourcing" is used by utilizing a private cloud, and some services are still in the domain of internal control. This term has a broad meaning and practically any combination can be said to be hybrid.

The public models include an SaaS cloud such as IBM LotusLive, PaaS cloud such as IBM Computing on demand, IaaS and Security and data protection as a service (SDPaaS) cloud like IBM Vulnerability Management Service.

Private cloud offers as many benefits as the public cloud, and give the company greater flexibility and control. It provides less delay than a public cloud during the strongest traffic period. Many companies accept both the public and the private cloud integrating the two models into a hybrid cloud. Hybrid clouds are designed to meet specific business and technology requirements, helping optimize security and privacy with minimal investment in fixed IT costs.

THE MANNER OF FUNCTIONING OF CLOUD COMPUTING

The company rents IT resources from Internet Service Providers in scope to match its current consumption. This means that there is no initial investment in expensive equipment and there is no depreciation. Also, the speed of delivery of the finished solution to customers in the form of ready-made service to use, enables the user to create their own server in a few minutes, which previously required several days.

Cloud platform allows visual management of IT resources in a very simple way, using the Cloud Control panel. The focus of cloud computing is the user experience and the bottom line is to separate the delivery of computer services from basic technologies. Behind the user interface, the technology behind the cloud remains invisible to the user, which makes cloud computing incredibly friendly to the user (user-friendly).

Cloud Hosting is a leading trend in the information technology market in recent years, because of the infrastructure that is variable in accordance with the current needs of the company and because of far greater savings in the use and

management of resources than those which the traditional hosting infrastructures allowed. Two important characteristics of the Cloud we use are the price tailored to real needs and the speed of delivery of the finished solution to customers.

JUSTIFICATION OF CLOUD COMPUTING SERVICES

Analyzing the standard utilization of average computers, analysts have come up with data that it does not exceed 20 percent. If we consider the fixed costs of investment for the establishment of a data center, a lot of space for its storage, hardware procurement, buying ready-made software solutions (SAP, Oracle, Microsoft), software "updates", establishing the computer network with good communication bandwidth, large expenditures for maintenance, this percentage indicates a significant loss on underutilized resources. The costs for the introduction of CC are drastically smaller than the ones mentioned above and also save staff time.

Today's data centers are sets of multiple hardware systems, operating systems, and applications that are accumulated over the years in response to the demands of different internal business units. Systems are often created to meet the specific needs of a business unit or process functions without operation with the rest of the database or the needs of other parts of the organizational unit. Therefore, there were several versions of databases, operating systems and hardware from different manufacturers and with different performances and greatly increased the number of technical staff required for maintenance, and also increased the risk of service interruption.

By introducing virtualization, increased efficiency was achieved and also the reduction of costs. An even greater reduction in operating costs and increased utilization is achieved by the introduction of cloud computing, which is one of the key objectives of this technology.

ECONOMICAL ASPECTS OF CLOUD COMPUTING

Cloud computing is a very flexible, cost-effective, "user friendly" proven platform, whose main task is the delivery and providing of business or consumer IT services over the Internet. Cloud system resources are developing rapidly, with all processes, applications, and services obtained "on demand", regardless of the user's location or device within a broadband Internet network.

Cloud computing is defined by the following characteristics, which are oriented toward the user:

- Availability of applications from anywhere, at any time (the only limitation is the link to the provider);

- Measured services – services are paid on a "pay-as-you-go" basis, consumption of resources can be measured and charged to the user, e.g. monthly;
- There is a very wide network access – e.g. employees can work from home;
- Elasticity - The user can adjust resources according to his needs;
- Self-service – available at any time, with the possibility of alteration, adjustment of server or applications, and labor costs are reduced;
- Applications are "user-friendly" and there is no need to invest time and money to maintain software (licensing the software shall not be paid, there is no need to develop your own software or worry about compatibility with hardware);
- There is no need to invest resources to improve the data center, servers, or their maintenance;
- High-performance computers are not necessary for users to run the applications. They can be safely run from the Cloud platform;
- There are no problems with fonts and formats;
- Savings in physical space required for the data center. Studies have documented that cloud computing can save 80 percent of the costs required for a data center;
- Energy consumption is reduced. Power and air conditioning costs for data centers are large (increased eight-fold over the past 12 years), and the data center resources have low utilization (below 20 percent). Energy savings go up to 60 percent.
- From the standpoint of the provider, the major response is also economy:
- Service providers do not need to invest in infrastructure so that they can begin to make a profit without investing;
- Providers have the ability to use servers and storage hardware, as needed, or as a commodity. In this way, companies can be offered exactly what they require;
- Via provider, application developers can more easily get to the user, by offering their software solutions to the provider, and the provider will offer them to customers.
- From the standpoint of IT experts:
- IT professionals can devote the time and resources to development activities;
- They can promote innovation and the true potential of the data center.
- Executives in IT must change their position to leaders who can add to their company a new level of performances and efficiency through IT. This means focusing on improving the service, risk management, cost reduction through

effective use of technical staff. If we take into account that IT labor costs represent 70 percent of the IT budget then it is imperative that IT professionals devote more energy to improving the value of IT usage in their company.

- As the advantages are mentioned, it is necessary to bear in mind some of the downsides and disadvantages:

- The problem of security, or the confidence that "the owner of the cloud" won't take over the users of applications, steal data or the application itself;

- It is necessary to adopt a new way of developing applications. Platforms which are offered today by different manufacturers such as Microsoft and Amazon are very different and require a special way of architecture designing of such applications;

- There are no standards for connecting applications (services) in the "clouds" of different manufacturers (or even the same manufacturer), information exchange, or the transfer of the data and software support from the "cloud" of one manufacturer to another;

- Different parts of applications can be in several places in the "cloud." Means for monitoring and maintenance are not good. There are tools for the system management of the "cloud" environment, but may not be integrable with existing tools;

- The problems of delays of Internet connections or limited bandwidth. Basically, the provider controls the hardware, so unexpected sharing and relocation of machinery can occur, which can affect the execution time.

CLOUD IN EDUCATION

Education in the future should be a source of innovation, creativity and social engagement. For this to be feasible it will have to change the pace of progress, strategy, content and style of learning. This requires a new strategy, completely adapted to the student, new curricula, changes in the role of teachers in education, and the providing of personalized learning materials. It is also necessary that students can see a clear link between education and employment, and in this sense increased cooperation between schools and businesses is also required.

In our country, there isn't enough investment in the IT education. One of the main reasons is the lack of economic development and lack of awareness about the importance of information technology in everyday business activities.

Knowledge is the foundation for the progress and development of society. Investing in knowledge requires expenditures for education, research and software. This means investing in research and development of, particularly private, high

quality research institutions, collaboration in research between universities and the industry and the protection of intellectual property. Disposal of investment in knowledge and measurement of these investments is one of the most important issues facing the knowledge-based economy. It is defined by the OECD as an economy that is "directly based on the production, distribution and use of knowledge and information."

Almost every higher education institution has its own computer center that was built for its own use. Capacities eventually become inadequate and can not meet the various requirements of educational and scientific research activities, and at the same time, they are expensive to maintain. Students' practical projects and laboratory exercises require computers with the latest hardware and specific software. The key issue is how to ensure the scalability and reliability of hardware and software applications, research and education processes and how to resolve the problem of a growing number of students and teachers accessing the electronic education system. The solution to these problems is provided by the application of the CC concept and the establishment of the necessary IT infrastructure model. CC in higher education can provide direct access to a wide range of various educational resources, research applications, and tools.

The introduction of "cloud computing" in the educational process is a way of relocating teaching outside the school building. The utilization of this service would allow students practical and targeted use of the Internet in the learning process, and the computer would become the primary means of learning. IBM launched the IBM Cloud Academy (2009), a global forum for educators, researchers and staff from information technology educational institutions to pursue research and development of CC.

The realization of electronic learning in an institution of higher education by applying the concept of internal CC would allow all students and teachers in higher education institutions to have their own data and applications in a way that is much more economical, safer and easier to handle compared to the classical approach in the use of computing resources.

For each user of the institution of higher education, this would ensure his own virtual computer that is less expensive than a standard computer, with the functionality and comfort of the virtual and physical computers being identical. Students will be able to access their virtual PCs from institutions of higher education and from home, even from their mobile devices.

ELECTRONIC LEARNING FRAMES BASED ON THE CLOUD PLATFORM

Electronic learning based on Cloud has all the needed resources, such as hardware and software needed to improve the traditional learning infrastructures. Educational materials for the electronic learning systems are virtualized within Cloud servers, so they are available for use to students and other educational institutions and business systems. There are two important Cloud environments that offer a wide range of electronic learning services to students and other users: Virtual - VLE (Virtual Learning Environment) and personal - PLE (Personal Learning Environment).

VLE is used to represent an interactive system of electronic learning. Here, students are faced with a classroom, learning material and a teacher through computer applications and a Web platform. The main advantage is that students can participate in many lectures at the same time, while moving freely from one lecture to another, in the way that suits them best.

PLE is an electronic learning system, which allows users to manage their way of learning. PLE is used to integrate WEB 2.0 technologies such as Wikis, blogs, online materials, online social communities with independent students. PLE offers users a wide range of services, some of them being:

- A student can manage his learning goals so that they fit their own electronic learning system;

- A student can manage the electronic learning system as well as the organization of the learning materials and the system's processes;

- A student can communicate within the learning process with other users who are in the same electronic learning system.

- Electronic learning involves learning methods and techniques with the help of a computer, by using the Web and other internet technologies, which offers possibilities of remote teaching and learning. Electronic learning developing environment includes (http://www.microsoftsrb.rs/Elektronsko _ucenje.pdf.):

- Electronic learning systems (Learning Management Systems – LMS). They control the distribution of multimedial content, towards all or the selected users – students who applied for electronic learning.

- LMS environment managing systems (Managed Learning Environments – MLE). They allow tracking and researching of lessons based on the so called Scrambled Book, test results, and notes stored in the student achievements database.

- SCORM (Sharable Content Object Reference Model) (http://en.wikipedia.org/wiki/SCORM). A collection of standards and specifications for electronic learning, the basic material which students get. One SCO usually consists of multiple files (html, flash, video and audio, interactive media), which students follow in the form of a normal or an interactive lesson, and it can also represent different types of tests (Blinco, et al., 2004).

- There are three layers which form the electronic learning on the Cloud platform:

- Basic layer which provides the hardware resources needed for the platform layer and connects enormous system reserves to provide all the needed services (Madan, et al., 2012).

- Platform layer supports hardware organization, takes care about the data storage, development of software and computer environment, and handles the tasks of completing data storages and processing business intelligence.

- Application layer for electronic learning provides application software and the required services for schools and universities. In this environment a user can access all the digital services at any time and from any place (Rajam, et al., 2010).

CLOUD COMPUTING IN SERBIA

There has emerged a business need for public and private Cloud solutions in our region. Services within the CC domain are offered by Telekom in cooperation with Coming Computer Engineering Company, based on VMWare solutions which offer a flexible use of virtual infrastructure, and renting of virtual servers, (server and user applications or the whole platforms). This service is naturally followed by systems for supporting data security, as well as the „disaster recovery" mechanisms. The partnership between these two big companies guarantees security and data center supervision with the highest standards, a secure VPN connection, virtual firewall, data encryption and anti-virus protection.

Also, Cloud services in Serbia are offered by the company 'EUnet'. This internet provider has secured a functional infrastructure to support Cloud computing, by renting Telenor's Tier 3 data center in Belgrade, as well as those in London and Miami. This company's solutions are based on the CA3 AppLogic platform and they stand out with their agility and scalability when creating, sorting, managing and monitoring the Cloud applicaitons. Services offered by Eunet are diverse and they cover all of the business segments – from renting the Cloud servers (offered in four different variants) to private Cloud servers (also in four varianta) and Cloud applications created to develop and manage complex portals (Web Cloud server, LAMP server with firewall and load balancing support)

Official sale of the Symantec Cloud solution for integrated computer safety is offered by the company Net++. In corporative ecosystems, Symantec is considered

to be the top offer and it has become available in our country within a relatively short period. By renting Symantec, a company or an individual place responsibility for the IT safety upon a third party – into Cloud, together with more than 10 million users worldwide. Updating the security system is done automatically, and users aren't aditionally charged for maintenance of the system, that is considered to be a part of the initial service.

Positive examples of companies in Serbia that have transferred to Cloud (RTS portal), show that it is possible to create a functional money-saving project in our region as well (a system that uses citizen's money), and one that allows easier use. So it is not surprising that plans to introduce Cloud services are pointed at the public companies and parts of the public and Government sectors, where the savings which are guaranteed by using Cloud also mean lower budget expenses, which certainly helps the tough economic state of the country.

CONCLUSION

Improving current knowledge in the field of innovations by using high technologies and detailed research within the service activities represents a challenge for innovative management, because changes are supposed to become a part of the way they do business. Contemporary model is not perennial and the environment will soon force upon them a need to change their business model again. The most successful business systems will be those that dictate the changes, instead of waiting for them to happen. They will always be one step ahead, carefully studying the future and predictions.

In this work, new possibilities and solutions were considered, which indicate how companies can optimally use current IT resources in the condition of economic crisis, simplify the IT infrastructure with low investments and pay only for those IT resources which are really necessary. Introducing Cloud Computing technologies provides a solid support for the main business functions on one side and development of newer and more innovative services on the other.

From this paper, it can be concluded that using Cloud technologies contributes to connecting and exchanging knowledge on all levels, allows a direct access to a wide range of different educational resources, research applications and tools, increases the quality of doing business, reduces capital and operational expenses with a goal to achieve profit as fast as possible and increases work efficiency.

The goal of this paper is to encourage future research of new possibilities and solutions within the area of Cloud computing technological platform, related to scientific research activities in higher education institutions.

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EDI TECHNOLOGY IN BUSINESS COMMUNICATION

Dusan Trajkovic[31]
Bratislav Mikaric[32]

Abstract: In the e-business for the last 20 years, appeared a new system for exchanging electronic data - EDI (Electronic Data Interchange). EDI is a narrow segment of the overall development of information technology, which is used exclusively for business purposes, which is its most important aspect of application. For EDI is said to be the backbone of e-business as it is integrated into it and connects all its other segments.

EDI, as well as electronic data interchange system, an electronic exchange of business documents between the computer business partners, or between their business applications, while eliminating the need for retyping data. This EDI data exchange system to connect ERP (Enterprise Resource Planning) systems business partners through automation of business transactions (end-to-end) without human participation.

EDI has the greatest application in the procurement of goods and logistics, due to the large volume of documentation and due to the large impact on efficiency.

Modern EDI software provides to users different levels of implementation of EDI technology. The simplest and cheapest solution in the form of EDI applications via a Web portal in the form of electronic forms (e-Forms) which does not require any installation by the user, and are practically available to all potential participants in the exchange of EDI. For companies which wants to have full control over the exchange of EDI documents with their business partners, there are developed solutions that enables complete automation of the execution of transactions without human participation.

In this paper it's summarized the application of EDI technology in business with an emphasis on current, low-cost WEB EDI solutions for primarily small and medium-sized enterprises which have less scope for the exchange of documents.

Key words: Electronic Data Interchange, WEB EDI, Business, Documents, Efficiency

JEL classification: M10, M15, M20
UDC 659.23:004.7(082)

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[31]*Dusan Trajkovic, Graduate school of proffesional management studies in business and industry, Krusevac, Serbia, dusantt@gmail.com*
[32]*Bratislav Mikaric, Graduate school of proffesional management studies in business and industry, Krusevac, Serbia, bmikaric@gmail.com*

INTRODUCTION

The development of information technology has brought revolutionary changes in the business world, the advent of electronic business (e-business), especially the emergence and development of the Internet as a global network. In the field of information technologies that have been developed in recent decades, electronic data interchange - EDI (Electronic Data Interchange), is a narrow segment of the overall development. For EDI is said to be the backbone of e-business as it is integrated into it and connects all the other sections of it:

- EC (Electronic Commerce);
- BI (Business Information);
- CRM (Customer Relationship Management);
- SCM (Supply Chain Management);
- ERP (Enterprise Resource Planning).

EDI is one of the ways the transition to a paperless society and can be defined as the inter-organizational exchange of business documents in the form of structural-ready for computer processing. EDI can be used for electronic documents such as purchase orders or invoices, and transfer of financial information and payments electronically. A special development of EDI has experienced in the last decade thanks to the massive shift in Internet communications environment, resulting in:

- the development of EDI software (desktop and WebEDI solutions);
- involvement of smaller suppliers in EDI data exchange system;
- increasing application of non-proprietary open standards for data exchange in particular XML (eXtensible Markup Language) format;
- Development of mechanisms for the protection and validity of transactions on the Internet using qualified digital certificates, digital signatures and security protocols;
- significantly lowering the cost of EDI services by EDI providers and others.
- Contemporary EDI software provides users with different levels of implementation of EDI technology. The simplest and cheapest solution in the form of EDI applications through a Web portal in the form of electronic forms (e-Forms) which does not require any installation for users, and are practically available to all potential participants in the EDI interchange. For companies that want to have full control over the exchange of EDI documents with their business partners have developed solutions that enable complete automation of the transaction processing without human participation.

EDI TECHNOLOGY

In the EDI environment, instead of old traditional methods of transmission, for example, purchase orders between the buyer and the seller, the data is entered into the computer system of the customer, and then, without re-keying, and entered into the computer system seller. EDI is an integral part of the application so that the data between business partners not only does not have to be entered twice, but they are electronically exchanged between applications of business partners (Figure 1).
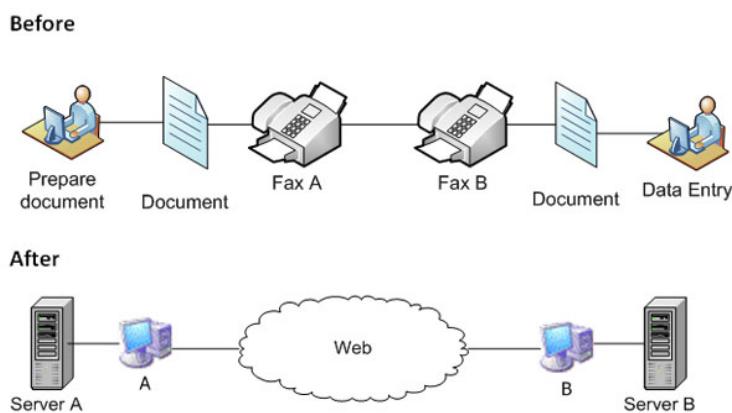

Figure 1. Traditional (before) and EDI (after) exchanging documents

Source: http://www.softmap.com.my/product_pms3.html

One of the most acceptable definition is the EDI-oriented exchange of structured business documents between the computer separate companies, performed without manual intervention, electronically, through a standardized messages that replace traditional paper documents. Under structured data implies recognition per batch, the meaning and format of the data.

Production of business documents is done almost instantly, instead of a few days, reducing the possibility that the documents are lost or damaged. Unlike other types of electronic communication, EDI enables the computer to process the information received, thus eliminating transcription and possible errors when retyping. EDI system takes the information from the return address and the network sends them directly on the application that processes the data. The possibility that the information is forwarded directly to the EDI application makes a powerful tool for business.

EDI is based on two-way communication between the computer where you can extract the following features:

- direct communication between two related applications;

- use of electronic media for data (computer network);

- use of electronic postal compartments for sending and accepting of business documents that are the basis for the quality exchange of business documents;

- use of precisely structured documents that are formatted according to the rules of syntax and semantics of each field, strictly based on internationally agreed standards of electronic data. (Nikolić, 2007, pp. 23)

In the EDI system can only be exchanged business documents that has undergone the standardization and are in standard electronic form approved by the relevant standardization bodies. The fact that the messages/documents transmitted in a strictly structured form, in accordance with agreed standards, contributes to the overall message is sent understood without further explanation, to anyone who knows and applies the agreed standard.

BUSINESS ASPECTS OF EDI USING

EDI is the most important aspect of the business aspect. All other aspects of EDI: IT, telecommunications, legal, standardization and security aspect, are subordinated to the business aspect. EDI represents a new way of conducting business with the help of modern information technology. The reasons for the introduction of EDI to be found in lower profit margins are forcing companies to take all available measures to reduce costs and increase market competitiveness. This can be achieved if the EDI properly integrated into the operations of the company.

EDI has been initiated for the purposes of trade and e-commerce is the most important part of the implementation of EDI, and most of all EDI transactions represent the purchase order. Trade (commercial) EDI comes to the fore between producers and intermediaries in retail and wholesale.

In addition to the main application of EDI systems in the buying and selling of goods and services, it can be applied even in a wide variety of business applications. Jobs that can be automated using EDI are: storage and production planning, quality control between distant parts of the company, legal management and many others. State agencies can use EDI to exchange any type of transaction with other companies, including order forms, tax forms and permits. EDI and related applications of information technology can be used to disseminate public information and sharing information with other government bodies or organizations.

Other activities with significant EDI implementation are: state authorities, electricity, electronics, education, aerospace, transportation and healthcare (Figure 2).
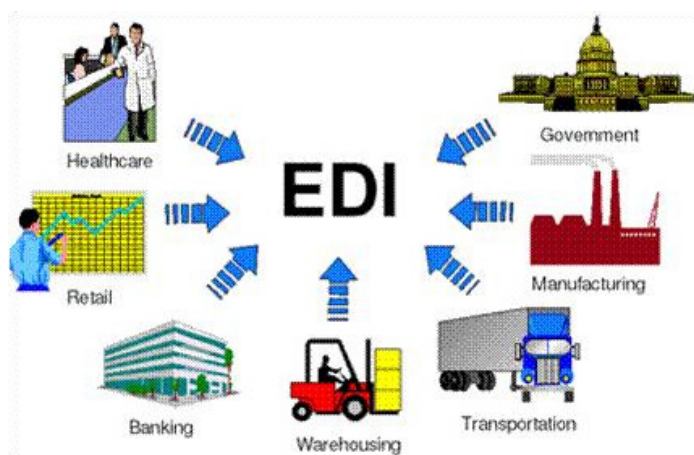

Figure 2. Industries with the highest application of EDI

Source: http://sriniedibasics.blogspot.com/2011/08/edi-flows-overview.html

An example of the usual exchange of documents between the trading partners, the buyer-seller relationships is shown in Figure 3, and could consist of the following activities:

1. A buyer has a need for merchandise and creates a Request for Quote document,

2. The seller responds with a Quote providing the price and other pertinent, information as to how the request would be fulfilled,

3. Upon acceptance of the quote, the buyer sends a purchase order document to the seller requesting goods at quoted prices,

4. The seller responds acknowledging that the goods can be delivered at the prices specified and in the time frame indicated. A functional acknowledgment transaction may also be sent indicating successful receipt of any EDI transaction without indicating any conditions or details of the business transaction,

5. The seller ships the goods and sends a shipping notice providing details regarding the carrier, product identification, dates, and other information about the shipment,

6. The seller sends an invoice document, billing the buyer for the goods. There is also an EDI document that allows a combined shipment and billing notice,

7. The buyer notifies his bank that payment is to be made (payment order) and uses another form of the same document (remittance advice) to inform the seller that payment is being made.
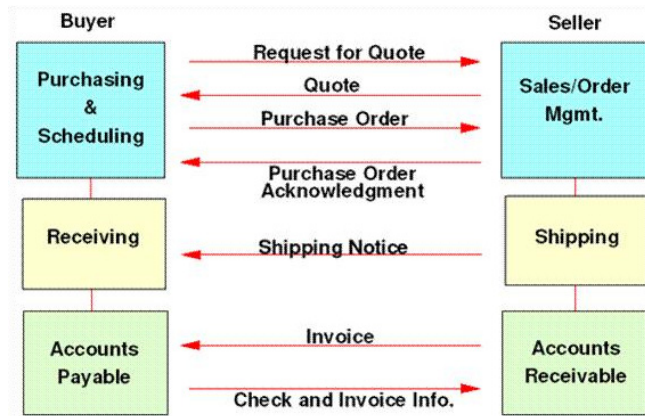

Figure 3. A typical EDI business cycle

Source: http://sriniedibasics.blogspot.com/2011/08/edi-flows-overview.html

BENEFITS OF EDI

The numerous advantages of EDI systems can be represented as follows:

- increase efficiency;
- support process re-engineering;
- reduce data processing costs (as opposed to the traditional system of distribution of data, where data must be typed, copied, mailed and entered into another computer, which can last for several days, and using the EDI system all this is done only a few seconds);
- increase the efficiency of data (because the data is entered only once in the original source);
- increase the accuracy of data (eliminating the need for multiple data entry, which is the most common source of error);
- shortening of the sales cycle of the supply;
- improving inventory management;

- eliminating the space-time barriers in international business and more efficient data processing in the customs administration, banks, shops and other;
- EDI standardization at the international level allows communication between partners without any limitations and contributes to the process of globalization of markets;
- increase productivity;
- Delivery of documents without loss or damage;
- possibility of electronic communication with other companies without hardware and software compatibility. (Nikolić, 2007, pp. 26-27)
- In general, there are two main types of benefits that EDI can provide its user: direct and indirect. Indirect, which are essentially important and can bring significant benefits, resulting from the re-engineering of business processes and realized in terms of sophisticated use of EDI technology.

DIRECTLY BENEFIT FROM EDI

Direct benefit or saving the user will say immediately after the application of EDI, but they are, in general, do not have the financial scope to be so much to justify the investment in EDI interchange. In addition to the cost of paper and postage costs, direct savings will be reflected in the reduction of the human effort required when handling paper documents, entering data into the computer, and their control and correction.

Cost reduction

Reduce direct costs resulting primarily from those activities that are related to a paper document:

- reduction of human labor engaged in the processing of paper documents (printing, sorting, registration, packing, despatch, etc.);
- control accuracy and completeness received paper documents;
- reducing the workload of data entry into the computer from the received documents, control of entry and making the necessary corrections;
- reducing the cost of making paper document templates;
- exclusion of all costs related to the classical system of sending mail (envelopes, postage meters, courier service, etc.).

Reducing the volume of human labor

By using EDI with proper re-engineering of existing computing applications, the documents on the transmit side of the form automatically, electronically transmitted to the computer systems of business partners and on the receiving side of the machine to read and interpret. Human intervention in this process of work can not be fully excluded, although this is not always the case.

Save time

The EDI interchange will certainly provide much faster exchange of information / documents from the classic postal service. It may or may not be a "current". To exchange EDI messages through "third party" - VAN (Value Added Network), the speed of delivery of messages depends on the applied system of taking and delivering messages, which is subject to the agreement of the parties exchanging and out.

In applying the system "save-and-download" (store and retrieve), the message sender at intervals to teach messages offline. VAN may, but need not, immediately make a connection with the recipient, and to give him a message. If the agreed principle that the recipient in time intervals and checks for messages intended for it to download, then you are dependent on how large the delay to get the information. If the exchange system is not fully automated, further delay may occur due to the necessary conventional (*manual*) processing the received document.

Reduce errors

Automatic generation of EDI, excluding postal services in the information transfer system, and turn off the need to re-enter data into the computer, automatically exclude all those errors that in those places could occur.

Statistics show that good data entry operators make one mistake for every 300 beats or one of every 20 documents contain significant error. That does not mean that the received messages can appear other errors. Syntax errors and mistakes "incompleteness" of the data register and remove the transmitter side of the translational software release. For example, could appear like defects wrong item ID that is ordered. Therefore, the recipient EDI message must predict effective system of logical control of received data and their quick fixes, because of such individual, sporadic errors to avoid delay of processing the whole document.

Availability and clarity of information

Business information besides the speed, accuracy and usability must have feature easy accessibility and user-friendliness. These features are not characteristic of paper documents, especially when you are looking for chronological

information. Information that is exchanged electronically formed and provide the best user-friendliness and accessibility. User-friendliness of the application of unique, generally accepted standards and the availability of electronic information because they are suitable for the efficient interpretation and processing.

INDIRECTLY BENEFIT FROM EDI

Indirect benefits are much more significant benefits that EDI interchange can provide user. They are planned in the long term and come to the fore when the introduction of EDI combines the activities of the re-engineering of business processes. In addition, the introduction of EDI exchange information basis only to re-engineering business processes to be implemented.

It must be emphasized that the introduction of EDI exchange and accelerating the flow of information between business partners by itself does not necessarily bring greater benefits if it is not used as a basis for organizational business improvement. Imposed by the modern principle of doing business with a minimum non-activated business resources, but with a high degree of logistics in the organization of work and business relationships with partners.

JIT (Just-In-Time), and philosophy of business, it has brought a significant change in industrial production and inventory management, especially in the automotive industry, where it is mostly applied.

It is understood that the implementation of JIT delivery technology, in addition to the appropriate business climate requires effective information basis, the transfer of business information also on JIT technology and a strong correlation of information systems exchange partners. Based on continuous, rapid and accurate monitoring of production, driving activity for ordering the required parts and planning the date of their delivery is now automated, JIT and EDI messages arising from this process, very accurately defines all the elements of supply: quantity, time of delivery, method of packaging and more. Also of relevance feedback to the client during date with all the elements of the planned delivery.

Once again it should be noted that the EDI technology information sharing is a starting point that this can achieve, but it will not automatically lead to results if you make the necessary re-engineering of business processes. The actual gain is achieved if and automate internal and external business processes.

EDI STANDARDS

One of the main characteristics of EDI systems is the use of precisely structured documents strictly based on internationally agreed standards of electronic data interchange.

When returning, every business partner can own transactions outside of your own business applications translate into a standard format and align with other business partners. When receiving a business transaction partner checks in a standard format, and the appropriate software may be translated into the format needed for internal business applications.

The diversity of applied data exchange system is an obstacle to their further successful development. Therefore, in addition to demands for accuracy and speed of transfer occurs and a request for a general intelligibility of information, which is applied and standardization.

Public standard formats for EDI transactions are ANSI ASC X.12 and UN/EDIFACT. Most EDI transactions to exchange these formats (with the advent of web, there are other formats that are used).

Standards for automated, electronic data interchange, these elements regulate the exchange:

- unique semantic definition of the meaning of certain terms;
- standardization of the presentation of certain information by type, length, number of decimal places and the rest;
- encoding general terms, that is. preparation of general ledger importance;
- type, content and syntax of messages / documents to be exchanged;
- rules for transfer and messaging.

The second level, which are the standards for EDI document exchange, document formats and includes messages transmitted in the EDI system.

In each of the areas of business are of international standards and procedures that are specific to a given area, such as:

- EDIFACT (Electronic Data Interchange for Administration, Commerce and Transport) for trade and transport administration, or for the area, in the broadest sense;
- SWIFT (Society for Worldwide Interbank Financial Telecommunications) in Banking and Finance;
- IATA (International Air Transport Association) in air transport;
- ODETTE (Organization for Data Exchange by Tele Transmission in Europe) in the European automotive industry;
- TDCC (Trading Data Coordinating Committe Standard) in trade (retail and wholesale);
- DISH standard for the transport of goods;
- TDI standard for warehouses and other. (Nikolić, 2007, pp. 79)

Documents that are exchanged in each of these areas are extremely numerous. To illustrate, using the EDIFACT standard exchange invoices, purchase orders,

confirmation of orders and statements about the shipment and receipt of goods, price lists, contracts, proposals, reports, billing, custom reports, forwarding messages, reservations, directions of transport and a number of other documents.

It should be stressed that the development of EDI standards followed by the development of unique international system of encryption, such as the EAN (*Europian Article Numbering*) in the field of encryption commodities and materials.

How open standards, in addition to e-business, starting a significant impact on the overall business in the world, the world's leading IT suppliers have joined together and formed the W3C (*World Wide Web Consortium*) (4) consortium that successfully control and coordinate the development of open standards for the Internet.

THE THIRD PARTY IN EDI INTERCHANGE

To EDI exchange between business partners to be effective, in addition to solving all the problems of their internal information systems, it is necessary to solve certain problems in the use of telecommunication infrastructure, such as:

- efficiency and speed of network connections with various partners who use different equipment or standards;
- Protection of data during transmission;
- provide chronological data in the event of disputes between the parties to the exchange of EDI;
- various types of expertise the potential to EDI exchange.

Independently or direct connection with EDI partners means independently solve many problems by the participants in the EDI interchange. He is obliged to continuously for 24 hours a day, a connection with our partners, each separately, and to solve problems of different protocols, transmission speed, EDI standards and parameters applied in a partner. Direct connection is not without its problems in chronological tracking of data exchange views and evidence in disputed cases.

In order to effectively address these issues and better implementation of EDI exchanges have appeared in the role of intermediaries in the exchange of so-called VAN (Value Added Network) commercial organizations (Figure 4) providing services to the use of telecommunication infrastructure and other services related to the establishment of reliable EDI exchanges between partners.
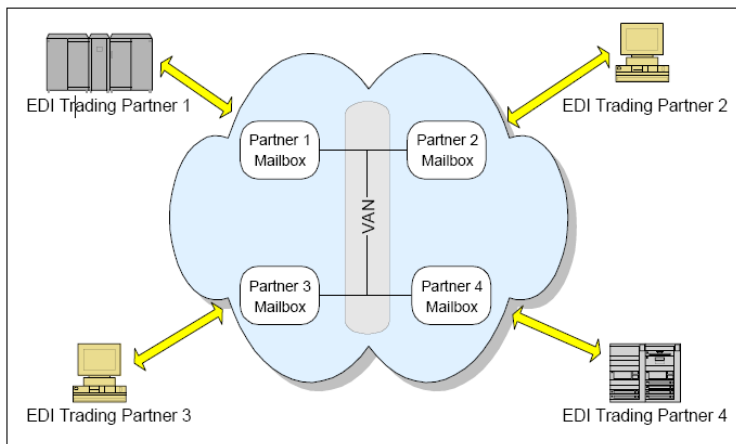
Figure 4. EDI VAN network

Source: Van de Putte, 2003, pp. 9

VAN is a specialized organization that, in addition to the basic services using telecommunications networks, providing technical support to a range of additional services in order to realize financial benefits. It is common for VAN services provide organizations that belong to or are in some way related to national, state mostly, telecommunications organizations that consent to operate in areas outside services.

The role of the EDI VAN exchange is very important given that they possess not only physical resources (telecommunications infrastructure), but also the knowledge and the possibility of establishing a direct or indirect communication links with all partners in the EDI interchange. In legal terms, they are responsible for the transmission of data quality, record keeping and credibility of the documents and procedures applied exchanges.

VAN playing the role of "the third party" in the EDI interchange. Often referred to as "electronic postman". The main advantage of using the service out to the exchange of EDI in order to establish connections with any partner in trade, should establish a single connection, and this is a link to their VAN. VAN with a third party to establish a connection to the participants in the exchange of EDI is quick and easy.

The main functions of the EDI VAN exchange are:

- acting as a "clearing house" that provides communication and messaging within your network, and exchange data with other network partners in the WAN;
- translating data from the user's format to EDI format and vice versa;
- ensuring your mailbox, the network management and control reports;

- translate messages from one to the other EDI standards;
- providing services on the host computer, such as:
  o   the e-mail;
  o   the electronic transfer of funds;
  o   of access to databases, etc.;
- providing a continuous period of 24 hours;
- provide other types of technical and professional services.

Messaging is done on a "store and retrieve". VAN receive messages that the sender are stored in the mailbox, the recipient, to the setting requires the recipient to download them. Then the message is forwarded to the recipient. VAN may apply to other messaging scenarios, depending on the demands of foreign exchange and scope exchanged messages, emergency messages, etc.

LEGAL ASPECTS OF EDI INTERCHANGES

The essential elements of safe exchange of EDI are reliable identification of the parties to the exchange, a reliable identification of the disputed posts. For reliable identification of the parties to exchange digital signature is the most reliable method that has legal force. Verification of the digital signature based on "the reliability of the method of" protection through the "public" and "private" keys, and taking into account all other relevant circumstances that may affect the security of message transmission.

Although digital signatures provides a high degree of protection against unauthorized messages insight into its contents and confidence into the authenticity of the source, absolute protection of messages, however, can not be provided. Theoretically, there is always the possibility that an unauthorized person has learned the contents of the message or send a false message. This can be affected by exchange privacy, or may be caused material damage to the parties to the exchange.

Security of EDI involves the exchange of three systems of protection:

- at the telecommunications network;
- the application level;
- level messages.

A common way of regulating relations in foreign exchange EDI is the conclusion of the exchange. These agreements regulate the legal and technical aspects of EDI exchange and serve as a replacement for the missing national or international legal regulations in this area.

For commercial development of trade over the Internet important to preserve the security and confidentiality of commercial transactions which are concluded by the means of communication. For businesses, the basic question of identifying participants who negotiate the conclusion of legal work over the Internet.

This means that the principle of authenticity must be met. The reason is that contracts may be concluded between the parties that did not have direct contact with, or have had the opportunity to examine the goods or services that are the basis of the contract delivered or made contrary to established practice, not electronic.

EDI AND INTERNET

Traditional EDI, which is done via WAN closed network is a reliable system for all participants in the exchange. However, due to a number of limitations, primarily long-term implementation and the high cost of maintaining the majority of the company's EDI exchange system was unavailable. Therefore, the leading provider of EDI orient all available Internet network enabling massive and much cheaper electronic data between business partners.

These facts gave rise to the users, but also an increasing number of suppliers EDI solution turns Internet based systems bring many advantages, among which the most important:

- packaging EDI data in XML format to allow the use of the Internet as a transport mechanism;

- expansion of EDI standards to facilitate performance in real time as opposed to the current packet processing;

- introduce new functionality to simplify the processing of current transactions, and thereby reduced the total cost of use.

The consequences of these innovations is the trend of re-orientation of the closed system of EDI XML Web-based virtual private networks operating in real time, which made the choice a number of suppliers of solutions to significantly reduce costs and significantly expand the number of users and potential business partners.

However, it is known that it has many flaws which manifest themselves in the form of unregulated and undefined legal, ethical and technical - technological relations, then the safety and reliability of the monitoring process of message transmission.

The problem of Internet security of message transmission network is of particular importance because it significantly affects the decision to implement this kind of open, public networks for the transmission of EDI messages in the field of

business. Efforts to address this problem have led to the development of many of the security mechanisms, such as:

- S/MIME (Secure/Multipurpose Internet Mail Extension);
- PGP (Pretty Good Privacy);
- PEM (Privacy Enhanced Mail);
- SSL (Secure Socket Layer) and others.

In addition to these disadvantages, advantages that make the Internet more and more used to the EDI:

- access the Internet on a global scale;
- many network connection;
- easy connectivity and low cost services;
- use standard software to access;
- use of existing services (e-mail, Web, ...);
- there are adequate safeguards;
- use of open, non-proprietary standards for the transmission of messages (XML);
- easy integration with existing back-office systems;
- layered applications (EDI) over existing, proven, applications;
- widely available public domain software and protocols, including multiple platform tools to build.

Large companies have become aware of the opportunity to use the Internet drastically reduce the cost of communication with their business partners. At the same time, provides an opportunity for cooperation and smaller companies that had not previously been able to use a set of EDI solutions.

WEB EDI

Web EDI is a web-based EDI subscription service that provides suppliers with an easy-to-use and cost effective solution for processing EDI documents using a web browser and internet connection.

For inbound EDI documents, such as purchase orders, Web EDI provides readable reports of the EDI data. For outbound documents, such as invoices, Web EDI provides entry screens for rapidly creating EDI documents.

Wherever possible, data from incoming documents or data stored in templates for recurring documents are pre-loaded into outbound documents eliminating much of the data entry required to create an EDI document.

Web EDI takes the complexity out of doing EDI by allowing subscribers to access and process business documents rather than EDI data. All connectivity to trading partners is handled by EDI provider, regardless if they want to use a Value Added Network or peer-to-peer solutions such as EDIINT AS2. There is no software to download, install, and support and no "data mapping" to be accomplished.

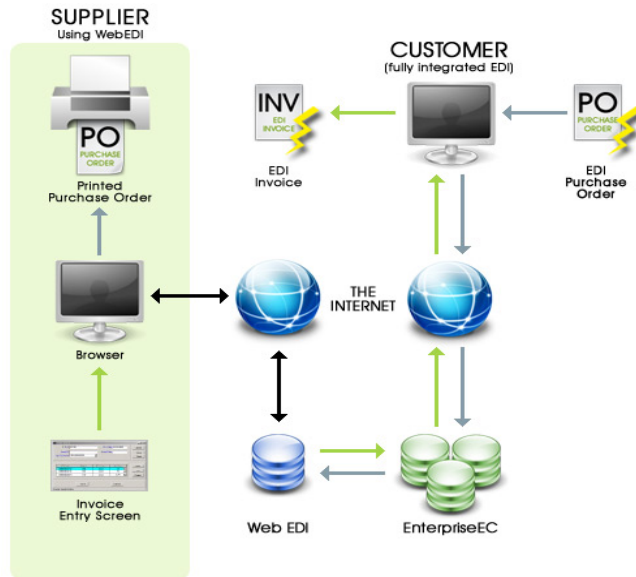Web EDI was designed to allow customers to focus on their core business, not EDI issues (Figure 5).

Figure 5. Involving suppliers in Web EDI exchange

Source: http://www.webedi.com/information.html

Supplier Benefits

Web EDI was designed to assist suppliers to quickly and easily accommodate the EDI requirements of their customers.

EDI has many proven benefits:

- Speeds the transfer of business documents;
- No mail delays or busy fax machines;
- Eliminates lost paperwork;
- Reduces administrative phone calls with customers;
- Reduces manual data entry errors;

- Integrated EDI eliminates data re-keying;
- Potential errors are captured faster;
- Allows different computer systems to share data regardless of operating systems;
- Automated confirmation of document receipt;
- Minimizes chargebacks;
- Reduced document processing time;
- More efficient use of personnel;
- Strengthens relationships with valuable customers;
- Provides accurate data for customer service;
- Increases the chance of Preferred Vendor Status.
- Web EDI extends these benefits:
- By supporting multiple trading partners, suppliers can log into one system to handle all of their EDI needs;
- Extensive data edits insure that data sent to trading partners meets their requirements;
- Document turnaround and template capabilities reduce the amount of data that needs to be entered.

Buyer Benefits

Managing and expanding an electronic trading community can be a difficult, time consuming, and expensive task. Many companies have invested in their ability to transact business with their trading partners electronically, but have stopped short of gaining the full benefits of their investment.

Most companies are satisfied with converting 80% of paper documents to fully integrated electronic transactions. While this is very beneficial, the other 20% still requires resources and paper-based systems to process a relatively small amount of transactions.

In fact, it is this last 20% that may bring the most benefits from the initial investment in doing Electronic Commerce. By getting 100% of a targeted trading community on-line, the internal costs associated with maintaining the ability to process paper transactions can be eliminated.

The largest challenge has been justifying the effort necessary to get low-volume trading partners to support an Electronic Commerce initiative. There is an assumption that the return on the effort needed to get small and medium size trading partner participation does not provide a large enough return to justify the resource expenditure. Due to the costs of supporting both electronic and paper-based systems, this assumption may not truly reflect the benefits of 100% trading partner connectivity.

The second largest challenge is to manage the larger trading community efficiently. To assist with managing a large trading community, Edict Systems has developed an extensive set of web-based tools. These tools monitor trading partner activity and document flow, provide activity reports, send e-mails to trading partners when document receipt is not acknowledged, and provide sophisticated document searching capabilities.

Edict Systems has developed solutions to enable customers to effectively manage large trading communities and to extend the value of existing Electronic Commerce capabilities deeper within a trading community to maximize the benefits of transacting business electronically.

This solutions enable 100% participation from all trading partners regardless of their size or technical capabilities. Whether trading partners are new to Electronic Commerce, or just haven't added support for a new trading partnership due to low volume or priority, it has solutions that take the pain and expense out of reaching the ultimate goal - 100% Electronic Commerce.

WEB EDI - LIAISON ATHENA

For small and medium-sized companies that are willing to invest in expensive EDI solutions and with a lower volume of documents for exchange, developed the low-cost EDI solutions based on the Web known as Web Forms EDI or EDI. A feature of this software is that there is no need for any installation on the user's computer as a complete software on the Web site. WEB EDI environment is similar to the environment of e-mail. (Trajković, 2010, pp. 36)

An example will be shown Liaison Athena - WEB EDI software made by company Liaison Technologies (8). Liaison Technologies is a global integration and data management company providing unique & high-value solutions to securely integrate, transform and manage complex business information on-premise or in the cloud.

Liaison Athena (9) is a highly sophisticated web application that the quality is not inferior to desktop applications. There is no limit to the number of business partners with whom to perform electronic exchange as well as the number of EDI documents. All you need to access the application Liaison Athena's Internet service provider and Web browser.

Opportunities offered by the Liaison Athena software are:

- attractive templates EDI documents based e-forms;
- ability to generate bar code (bar code);
- Generate reports on completed EDI traffic;

- automatically generate a certificate of acceptance of delivery (997 or CONTRL);
- e-mail notification of incoming EDI documents;
- double entry of data;
- advanced Search option;
- a calendar that tracks important dates related EDI documents and informs the user.

The user first logs on to the system as a registered user or as a guest of the test application features.

After logging in gets the job Web environment similar to an e-mail applications. On the left side of the window the folders and business partners for each of them the ability to view incoming (inbox), sent (Sent) and documents waiting (drafts).

Figure 6 present an overview of the received purchase orders (Purchase Order). On this order form you can answer via the Reply, by selecting one of the two available documents, invoice (Invoice) or the delivery (Advance Ship Notice). These adjustments are made to the program module TPK (Trading Partner Kit) for each business separately, and included determination of types of EDI documents to send a business partner as well as the information contained within these documents.

Figure 6. Incoming EDI purchase orders

Source: https://athena.softshare.com

Figure 7. E-form of automatically generated EDI Invoice

Source: https://athena.softshare.com

By selecting the appropriate call accounts TPK and automatically generates complete HTML-form document account with most completed information on the order form (Figure 7). To remain just that supplementing with certain account information and selects items for billing, after which the paper bill sends a business partner - client by pressing the Send button.

It should be noted that the presented e-forms automatically generate documents in EDI format and in the ANSI X.12 standard.

If you need to generate a new document, choose the option Compose, wherein the application generates an e-form selected document and partially filled general information, while the user document complements other data.

If a business partner requirements, including the supply of goods and bar codes, user can create and print directly from Athena. The printed bar codes to conform to the bar code number sent in the document of delivery (Advance Ship Notices), allowing easy pairing business partner which the delivery arrives.

CONCLUSION

In traditional EDI interchanges within closed VAN networks, participants in the electronic exchange were larger companies and companies that could afford a set of EDI solutions. Due to the long-term implementation and the high cost of maintaining this system of exchange was not available to small and medium enterprises which have less scope for the exchange of documents and, occasionally involving the exchange of EDI.

Moving to the Internet communication environment created the conditions for the inclusion of small businesses in the EDI exchange. The Internet has brought a number of benefits in the form of: a global approach to network multiple lower-cost electronic exchange up to 90%, the use of existing infrastructure, the use of existing Internet services (e-mail, web) for EDI data exchange and more. The development of security mechanisms to protect EDI transactions has become a reliable system for the exchange of business information on the Internet.

EDI technology as a system of electronic exchange of business data is comprised of three components: a standard for business documents, software, and communications media through which messages are exchanged. As such, EDI technology has in essence remained the same, reliable system for the electronic exchange of business documents. On the other hand EDI technology is integrated into the modern e-business and adapting to new information technologies.

Implementation of EDI technology in the world is a highly developed and many companies daily exchange business documents electronically with their business partners. EDI has the greatest application in the procurement of goods and logistics, due to the large volume of documents and the large impact on efficiency.

The easiest way to popularize electronic data is the application of a simple, low-cost Web EDI solutions that enable small and medium-sized businesses with the minimum of effort and cost involved in electronic data exchange with business partners through EDI provider. For this level of EDI implementation took only a computer and Internet access. For the complete automation of business data are developed EDI solutions in which the software is a data conversion software integrates communication into a single functional unit.

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RAPID PRODUCT DEVELOPMENT BY USING COMPUTER AIDED – TOOLS

Sanja Markovic[33]
Jelena Milanovic[34]
Bratislav Mikaric[35]

Abstract: Throughout history it has been proved that tendencies in the manufacturing floor are a reflection of the changes in the customer's demands. Today, markets increasingly require more customized products, with shorter life cycles. The methodology of this study is designed on theoretical research opportunities to accelerate product development. The success of innovative engineering processes depend on iterative and short development cycles which offer the possibility of high quality and cost-efficient product on the market. All these new methods are subsumed under the term Rapid Product Development. The aim of this paper is discovering reserves for revitalizing and increasing local company's performances that are located in areas of rapid new products development. The engineering design suported by CA-Computer Aided tools allows optimising the product concept for rapid product development and rapid set-up production in advance. Rapid prototyping technique has shown a high potential to reduce the cycle and cost of product development, and has been considered as one of crucial enabling tools in digital manufacturing to effectively aid rapid product development. In this paper theoretical analysis and description methods, as well as the comparative method have been used. However, a theoretical analysis method has special place because it provides an objective obtaining of relevant information about Rapid Production technologies. Introducing the production environment with possible ways of increasing the enterprises competitiveness as the creation of a basis for making models of rapid prototyping approximately serial feature will enable rapid commercialization of new products on the market.

Key words: Concurrent Engineering, New Product Development, Rapid Prototyping, Computer Aided Tools

JEL classification: L74, O14
UDC 005.591.6:004.9(082)

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[33]Sanja Markovic, Graduate school of proffesional management studies in business and industry, Krusevac, Serbia, teodorasanja@gmail.com
[34]Jelena Milanovic, Graduate school of proffesional management studies in business and industry, Krusevac, Serbia, milanovic0602@gmail.com
[35]Bratislav Mikaric, Graduate school of proffesional management studies in business and industry, Krusevac, Serbia, bmikaric@gmail.com

INTRODUCTION

High quality, reliable, cost effective, modern and in one word attractive product represents fundamental development and survival of any company. The resulting characteristic of modern production is changing. In view of the above fact, it is likely that only a few companies can launch products (which are not subject to change in the long run) at the global, contemporary market. As a result, most companies are "condemned" is a daily struggle, innovating their products and permanent monitoring of the competition, making products more "flexible" and individually adapted to the user, but consequently more complex since this process requires new materials and technologies ... The result of this policy has led to the transfer of production from the now classical approach to the "mass production of a product" to small series. The competitiveness of the market and the complexity of modern products require the company to face strict requirements applicable to the production in terms of: cost, quality and time. Table 1 illustrates some key results acquired during the global competition for the automobile industry in the 1980 's. Although this analysis is for one industry, it is very representative of what is going on in the world. As it can be seen Japanese developed automobiles in far less time and for many fewer development dollars. (Xie and Tu, 2005, pp.424)

Table 1 - A comparison of world leading auto-manufacturers

Activity	Japanese volume producer	US volume producer	European volume producer	European high-end specialists
Engineering hours (millions)	1,7	3,2	3,0	3,0
Percent to US	53%	100%	94%	94%
Lead-time: concept to market (months)	45	60	57	63
Percent to US	75%	100%	95%	105%

Source: (Clark and Fujimoto, 1991)

The importance of time and delivery time, most notably, through which the production contributes to improving the competitive position of the business and manufacturing systems. (Bulat Bojković, 1999, pp.5) Intensive replacement of product with stressed marketing approach, with the ever present element of aggression especially in areas with a high material standard reproduces intensive replacement of the product by shortening the production cycle and the number of operations between factory and end-user product... However, more recently the focus has been shifting acceleration in the sphere of design, development and production preparation.

INTEGRATED PRODUCT DEVELOPMENT

From the very beginning of man's productive activity was directed towards satisfying personal needs. By the time the relationship with the environment changed as well as the organization of production and technology. Today's market is characterized by a keen international competition, increasingly complex products and an extremely high innovation dynamic. Parallel to the shortening of innovation cycles, the life cycles of products and the time until investments pay off are decreasing. (Fig.1) (Bullinger, et al. 2000, pp. 99)
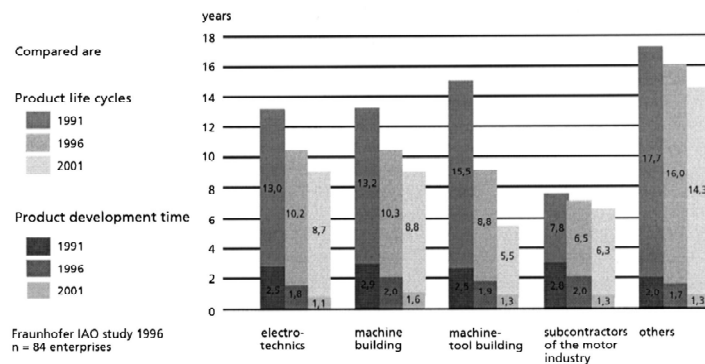

Figure 1 – Product life cycles and development times

Source: Bullinger, et al. 2000, pp. 100

Product in a broad sense may be all that can be offered on the market that would cause attention, interest, use, or consumption and that might satisfy some desire or need. Product can be: a physical object, service, place, idea, event, organization or a combination of the following is. Characteristics of a product are more or less a masterful synthesis of business potential, technology (technical) and production capabilities, and user needs. The mutual dependence and dynamic character of the above determinants over time, causes an extremely complex process that is covered under the "lifetime" of the product. Figure 2 shows the "lifetime" of a successfully achieved product.

First phase - Research and Development is based on the creative potential of the business - the production system in order to find a solution that the ideal way to reconcile the needs of users and the technical, technological and production capabilities of the system. In the second phase - The introduction of the product - the product is launched in the market by selling where it first encounters with users. Since at this stage of the product usually accept a limited number of customers, high marketing costs, increased demand, and therefore production are slow, and the profit is low.
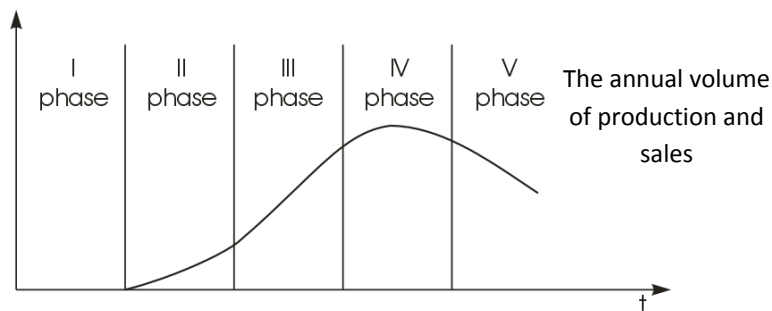
Figure 2 - The life cycle of a product

Source: Bulat Bojković, 1999, pp.34

The third phase - Growth - is characterized by the growth of production and profits, and thus reducing costs and product prices. To be retained as long positions at this stage of the product, its marketing efforts should focus on maintaining or increasing the quality of existing products, punctuality of delivery, establishing good business relationships with customers. This phase and the other can take from several months to several years.

In the fourth phase - Maturity - the product reaches its peak acceptance by the user, with the further tendency of stagnation. Production stagnation is a signal that producers are struggling to preserve its market position by lowering the price, modification of the product, increased intensity of propaganda ... Often at this stage manufacturers already have prepared, transformed, or new products.

The fifth stage - Decline - the advent of new, quality products existing product is being gradually suppressed until its complete elimination from the market.

PRODUCT DEVELOPMENT

Product development can be defined as a process consisting of a series of steps or activities that companies use to conceive, construct, develop and commercialize the product. Product development can also be a part of the production cycle, and organizational units within the company. Product development is a process that begins with the idea of creating a new product, and ends with the launch of the product on the market.

For product development as part of the production cycle is different:

• Development of new products and

• Reconstruction or improvement of existing products.

Under the new product means a product that is a new product on the market. However, under the new product means the appearance of a new product that binds to a particular company, but nothing new on the market. (Veljović, 2004)

Product development involves the following steps:

- Design and construction products
- Technological design and manufacturing processes,
- Development and testing of prototypes,
- Pilot production.

In modern companies of different functional areas such as design, construction, technical preparation, production, maintenance, etc.., are not only spatially and temporally separated, but there is also the problem of communications, which is especially noticeable in the early stages of development. Consequently, both the teams and individuals involved in the development and penetration of new products would be to constant interaction to order adopted solution in the designing process would be processed on a multidisciplinary basis, in order to avoid possible errors, inconsistencies and remarks.
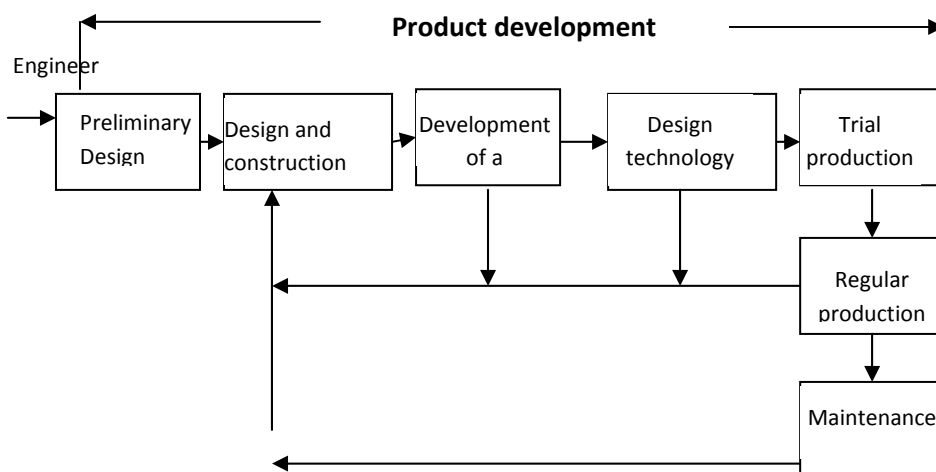
Figure 3 - Product development in companies

Since modern product development requires several iterations before getting the product that is totally ready for production, it is necessary - if there made a change to the construction (reconstruction) or design - a return to the previous phase of the project; however this requires extending the process of winning new products and increased costs. Thus, for example if the problem has been observed on a prototype is necessary to restore the technical documentation of the project or construction office, where he will perform update documentation, and review, and testing of a modified prototype.

Table 2 shows the comparison of percentage effort in product development for shipbuilding over various production stages. Since the Japanese shipbuilding industry is getting a strong market share, the data is very noteworthy and reflects a general trend in product development: substantial engineering efforts should be invested in the product definition stage to produce a competitive product. (Liou, 2008, pp.4)

Table 2 – Percentage Effort in Product Development for Shipbuilding over Production Stage

Company	Definition (%)	Design (%)	Redesign
British company	17	33	50
Japanese company	66	24	10

The development of computer technology and computer-aided tools (CA-Computer Aided) enabled shortening the time of some activities in the product development process - especially during the product design and technology (using the database of ready-made elements, relatively simple correction of drawings, etc...) CA tools can be classified into three groups:

- CAD - Computer -Aided Design,
- CAE – Computer - Aided Engineering,
- CAPP – Computer - Aided Process Planning,
- CAM - Computer - Aided Manufacturing,
- CAQ - Computer-Aided Quality assurance

The following software is developed in order to design and produce high-quality parts. Computer Aided Design software is designed for rapid design and geometric modeling of 2D and 3D models. The task of Computer Aided Engineering is the thermal analysis and analysis of fluid motion, static analysis, kinematics, dynamics and vibrations, structural optimization and others. Determining the sequence of technological operations, standardization of time, choice of machines and tools, work piece selection, determination of the machining and others are the task of Computer Aided Process Planning's. For computer-aided drafting program works used Computer Aided Manufacturing.

RAPID PRODUCT DEVELOPMENT

As a result of innovations in the field of prototyping, computer, communication, and CAD technology in the early 90's of the 20th century developed a new approach in the field of technology to shorten the time (Time Compression Techniques - TCT) known as the "Rapid Product Development" (RPD) process. Bullinger et al. defined RPD as an interdisciplinary methodology to combine all influences of an engineering process to an iterative product development. BRP research focuses not only on the product, but also the development process. The main objectives of RPD are (Bullinger, et al. 2000, pp.100):

- to shorten the time to market,
- to development innovative products by optimizing the factors time, cost and quality
- to increase quality in the sense of the principles of completeness.

The basic approach RPD is based on the concept of an evolutionary design cycle. The concept of RPD is based on shortening the time of implementation of new products and the use of modern methods of communication (e.g., maintenance of multimedia conferencing) all parties involved in the project. Unlike the traditional approach with clearly defined stages in the product design and the relevant technical documentation (e.g. specifications.), RPD is evolutionary in the sense of constant comparison and adaptation results with changing environmental demands. The whole RPD cycle is triggered by the project environment, such as market developments, legislation or new technologies. The evolutionary concept of RPD is based on the assumption that the new requirements which will subsequently raise the product and the emergence of new methods of design and construction, technology, tools, materials, may be involved at any stage of new product development, which is a very important feature of the concept of RPD. In order to increase the effectiveness and efficiency of the product development process, organizational changes, rearrangement of processes, investment in new machines, training of staff as well as new solutions for product structures are necessary.

ELEMENTS OF RAPID PRODUCT DEVELOPMENT

The main components of rapid product development are:
- Prototypes,
- Presentation skills and
- Communication and cooperation.

Prototypes enable reliable testing solution for the product, in order to avoid extending the deadline for the development and penetration of new products and increased costs. Prototypes enable the product development team to think, plan, experiment, and learn the processes while designing the product… The production of prototypes is significant for Rapid Product Development - RPD process, because they represent the support of product design and planning of the production process so that it can be said to play a key role in the product development process. Until recently, prototypes were still largely handmade by skilled craftsmen, adding weeks or months to the product development time. Because of this, only a few design iterations could be made before tooling went into production, resulting in parts which at best were seldom optimized and at worst did not function properly. (Pham, Gault, 1997, pp.1257) Rapid prototyping is an innovative technology developed in the past two decades. It aims is to produce prototypes relatively quickly for visual inspection, ergonomic evaluation, from fit analysis, and master patterns for production tools, etc. to help speed up an entire product development process. (Choi, Chan, 2004, pp.401) In the context of the prototype development, however, does not imply only physical realization but also a virtual prototype (Figure 4). A virtual prototype allows to the engineer to predict with some confidence the design's behavior, without building expensive, inflexible, physical prototypes. In contrast to physical prototypes, virtual prototypes using all the advantages of modern computer technology - enabling engineers to work in virtual space without worrying about the technical information related to the subject in terms of simple changes in design parameters, simply copying or transmission facilities, observing relationships and other elements.

TRADITIONAL DESIGN PROCESS   VIRTUAL PROTOTYPE
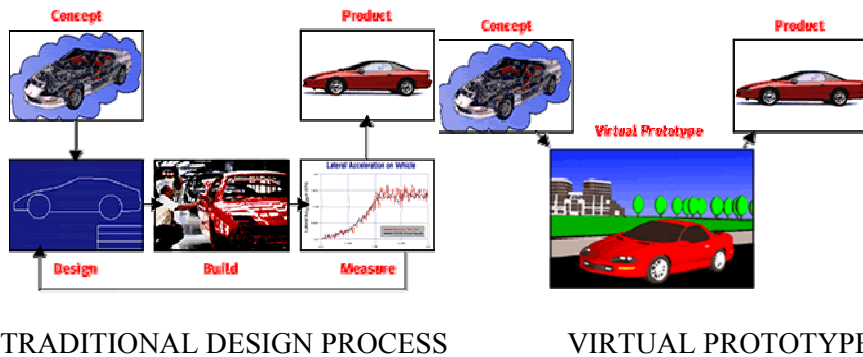
Figure 4 - Graphical representation of physical and virtual prototyping

Many companies today daily rely on 3D graphical visualization of CA tools. Visualization functionality will continue to expand and improve the representative using computer technology. The main advantage of creating virtual prototypes has much lower costs than the costs incurred producing traditional prototypes. The research firm Aberdeen Group reports that best-in-class manufacturer's

development process of the most complex products get to market 158 days earlier with $1.9 million lower costs than all other manufacturers. Best-in-class manufacturers of the simplest products get to market 21 days earlier with $21,000 fewer product development costs. Moreover virtual prototype can be done in several thousand different variations of future products so that they can do hundreds of tests, optimize elements, forms, sub-assemblies, assemblies and production characteristics. Development of virtual prototyping is a great presence because it allows significantly reducing the time and improving design quality and reduces costs.

Knowledge Presentation - Given the complexity of modern products, as well as intensive product diversification, it is essential that modern companies have experts in various scientific fields. In modern product development are necessary systematized knowledge areas: technology, quality, design, process... Intensive communication and cooperation are essential elements of the concept of rapid product development. In today's turbulent market conditions and the rule of profit logic information becomes the most important commodity. According to W. Schram "Communication is a tool that makes society possible, and most importantly, by their nature separates the human species from other communities". Most people tend o learn more in a shorter amount of time from a physical model than from drawings. For example, Ford reported a savings of 30%–50% in vendor quotes when using RP models to communicate with the vendors. Reliance teams and individuals on the Internet and consultations with specialists by contacts with e-mail or multimedia conferencing maintains a fast and qualitative problem solving in creating new product concepts and product design with the technological solutions for manufacturing. Modern informal means of communication such as mobile devices enables rapid location of business partners on different locations as well as quick and easy exchange of data and information.

RAPID PROTOTYPING

The term "rapid prototyping" means a technology that is possible directly from a digital model that in CAD, make his physical model, in all functional and relatively complex working prototype, in less time and at a lower cost relative to traditional machining methods. There are almost no restrictions on geometrical shapes; and the layered manufacturing allows a direct and simple interface with CAD to CAM which almost completely eliminates the need for process planning, a complex procedure for CNC machining. The technology shows various applications after its emergence (as shown in Fig. 5) (Kochan et al., 1999, pp.8)
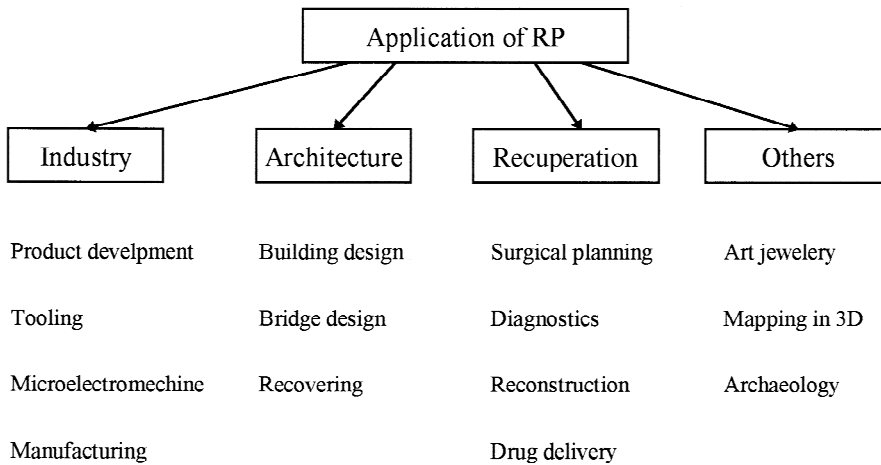
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                          ┌─────────────────────┐
                          │   Application of RP  │
                          └─────────────────────┘
           ┌──────────────┬──────────┴──────────┬──────────────┐
           ▼              ▼                      ▼              ▼
    ┌────────────┐ ┌──────────────┐      ┌──────────────┐ ┌──────────┐
    │  Industry  │ │ Architecture │      │ Recuperation │ │  Others  │
    └────────────┘ └──────────────┘      └──────────────┘ └──────────┘
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Industry	Architecture	Recuperation	Others
Product develpment	Building design	Surgical planning	Art jewelery
Tooling	Bridge design	Diagnostics	Mapping in 3D
Microelectromechine	Recovering	Reconstruction	Archaeology
Manufacturing		Drug delivery	

Figure 5 - Applications with Rapid Prototyping

Source: Kochan et al., 1999, pp.8

All Rapid prototyping techniques start with a computer generated software model of the part to be made. Very important production is cars manufacturing, where every of car content thousand and more parts, which must be made as quicker and chipper as is possible, by achieving of prescribed quality. (Soković and Kopac, 2006, pp.398) The CAD model is sliced into many thin layers by any number of software packages and feeds information on the shape and dimensions of each layer to the manufacturing system. 3D CAD model of the object that is created on a computer is transformed into a multitude of 2D layer thickness from 0.1 to 0.25 mm. Machinery for fast production of prototype parts using this data and build model layer-by-layer so that the layers associated with the previous, until it forms a complete solid form without extraneous tools. Thus is called "layered manufacturing" or "solid free form fabrication". Bonding layer bonding is performed procedures, sintering, polymerization and chemical reaction. This process allows us to quickly build geometrically complex parts. The advantages of RP include the fact that objects can be formed with any geometric complexity or intricacy, reducing the construction of complex objects to a manageable, straightforward, and relatively fast process. In some RP processes, materials can even be varied in a controlled fashion at any location in an object. RP technologies can greatly reduce cycle time. For example, a cylinder head flow box that normally took 320 h to fabricate at a cost of $10,000 was produced by rapid prototyping in 80h (75%). Only when the production quantity is massive can the expensive tooling cost be well justified. As a result, the means of producing tools quickly and more economically is especially important in small-batch manufacturing. Furthermore, in the product development cycle, there is always in need of some intermediate tooling to produce a small quantity of prototypes or working samples

for marketing, functional testing, or production process design and evaluation purposes. In this respect, RT becomes more and more important to today's manufacturing industry.

Although Rapid prototyping can be applied in almost every industry, in this paper would be presented some typical RP applications. Rapid prototyping in jewelry is a very recent innovation that requires an appropriate technology. A high detail grade of jewel is necessary as the quality and definition of the prototype are essential in designing rings, earrings, and pendants for micro-fusion and electroforming processes. The rapid prototyping process enables a model to be created "automatically" without using goldsmith craftsmen. The rapid prototyping process is also used to make articulated and movable patterns for projection. An example of gold ring shapes is given in Figure 6. From the manufacturing point of view, the timing of a 3D project for generating a production "master" is reduced. In an eight-hour working day, it is possible to create approximately four or five three-dimensional masters for prototyping. The timing for the stereo lithographic work is about five to ten hours for each high-definition model, with a hatching and slice definition of 30-40 microns and high density of hatching levels. (Bernard and Fischer 2002, pp. 637)

Figure 6 - 3D "Orma line" leg and head of the ring

The main advantage of the RP technology is part of what makes it possible to model complex gain for a few days or weeks instead of months (depending on the size and complexity of the model and the method used) are often in the laboratory. In practice this would mean that part which is now designed to be delivered tomorrow. In addition to these, main advantages of rapid tooling for manufacturing can be summarized as: low cost, allows for functional testing of parts in early stages of design that can be used for marketing purposes, there is no need for human labor, direct transfer of CAD data, no special tools and no special manufacturing plants or production facilities for the accommodation of RP machines. Therefore RP processes do not require expensive CNC machines, specialized labor, materials and tools warehouses, production halls...

The process of creating works using RP technology consists of several steps:

- 3D modeling work in some CAD packages,
- Define processing parameters,
- generating paths skeneraza each layer and the transfer of the interface to the machine,
- Production of parts layer by layer,
- cleaning parts, heat treatment, and other post-processing operations

THE RAPID PRODUCTION TECHNOLOGIES

Nowadays, more than 30 different processes developed in the last two decades exist. All of them offer a high degree of accuracy and a large choice of materials. These processes are classified in different ways: by materials used, by energy used, by lighting of photopolymers, or by typical application range. The most successfully developed rapid prototyping techniques are:

- Stereolitography (SLA),
- Selective Laser Sintering (SLS),
- Laminated Object Modelling (LOM),
- Fused Deposition Modelling (FDM),
- Three-dimensional printing (3DP)

The term Stereolitography was coined in 1986 by Charles Hull who patented it as a method and apparatus for making solid objects by successively "printing" thin layers of an ultraviolet curable material one on top of the other. Stereolitography (also known as optical fabrication, photo-solidification, solid free-form fabrication and solid imaging) prvi put uvodi na tržište američka firma 3D Systems Inc. SLA, where the computerised information on the shape to be made guides a laser beam over a photosensitive bath of liquid resin (Fig.7). The resin is solidified under the beam of the laser and the component is built up layer by layer. Thickness of a single layer is typically from 0.05 - 0.15 mm. In relation to these technologies, the SLA is widespread and is considered to be over 60% of RP machines is specified technology. One of the advantages of stereolithography is its speed. SLA reduce prototyping lead times from a few hours up to three months, depending on the size and complexity of the project as well as on the required quality
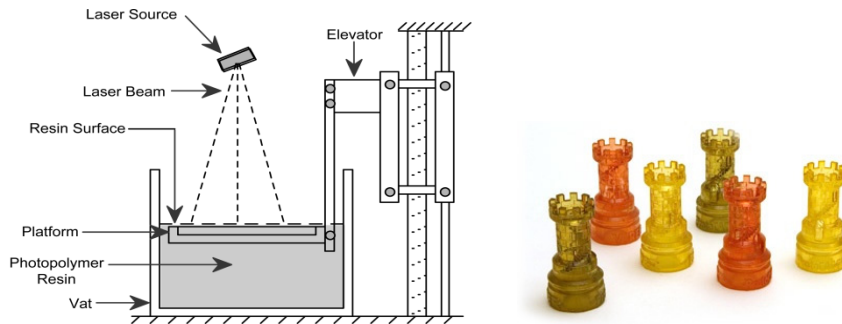
Figure 7 – SLA process and prototypes made by SLA processing

Source: Zhang, Tsou and Rosenberger 2000

Selective laser sintering was developed 1986 by Carl R. Deckard at The University of Texas at Austin. Komercijalne sisteme proiyvodi DTM Corporation, Austin, Texas. SLA, where the starting material is a bed of powdered wax, metal, or plastic and the high power laser (for example a carbon dioxide laser) fuses the laminated powder into the solid component. The laser selectively fuses powdered material by scanning cross-sections generated from a 3-D digital description of the part (for example from a CAD file or scan data) on the surface of a powder bed.

Figure 8 – SLS process and prototype made by SLS processing

After each cross-section is scanned, the powder bed is lowered by one layer thickness, a new layer of material is applied on top, and the process is repeated until the part is completed. (Fig.8)

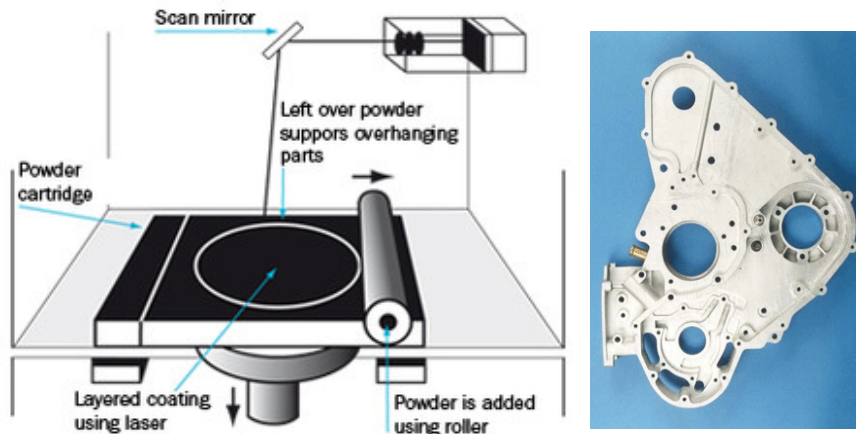Laminated object modelling production was developed by Helisys Laminated Object Manufacturing Inc., in 1985. year. However, only 6 years later appeared the first commercial systems. LOM is a technology where a laser (usually CO2 laser power 50W) is used to cut out shapes in an adhesive paper and successive layers are glued together. By this process can be gotten products of very complex geometry forms of different dimensions.(Jurković et al., 2005, pp.100). Parts obtained LOM process, the properties of both look like they are made of wood, so they are resistant to moisture.
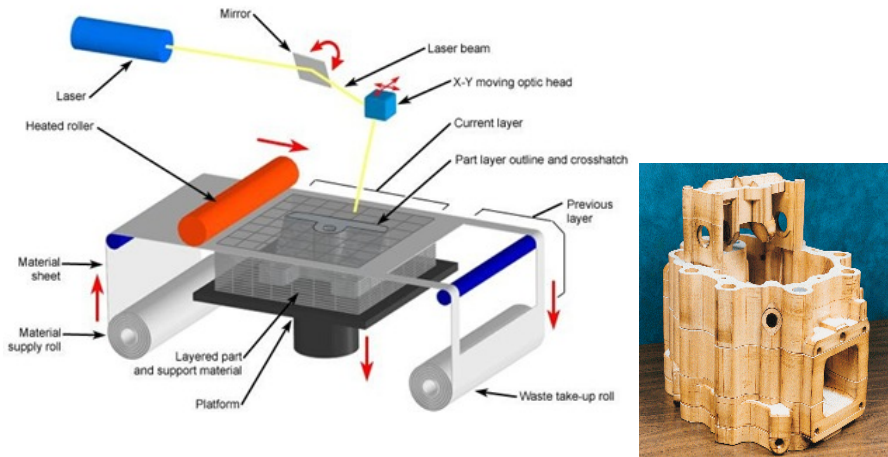
Figure 9 – LOM process and prototype made by LOM processing

LOM The LOM process compared to other Rapid Prototyping technologies has many advantages (Rosochowski and Matuszak, 2000):

- materials are non-toxic and easy to handle and dispose; material, machine and process costs are lower than other RP systems;
- LOM parts out of paper have properties comparable to plywood;
- LOM parts have a high durability, low brittleness and fragility; and the parts are very well finish able.

Fused Deposition Modelling or as it's also known Robotically Guided Extrusion is the second in order presented in use of RP technologies after SLA. The fused-deposition-modeling process extrudes molten thermoplastic from nozzles to produce the model. There are usually two nozzles, one to supply the model material and one to supply the support material where it is needed. The method of manufacture starts with two layers of product being extruded onto a base plate followed by two layers of support material if required. Layer thicknesses are of the order of 0.127 mm.
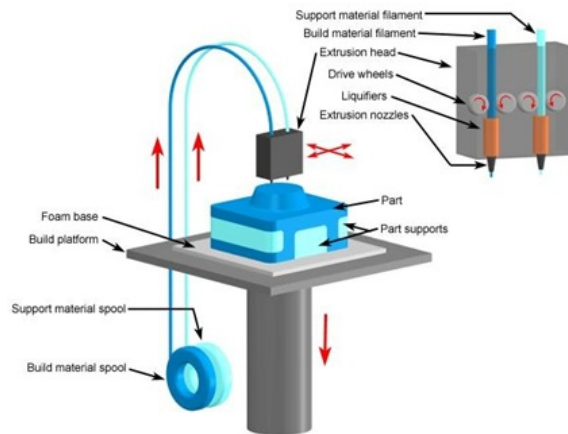
Figure 10 – Fused Deposition Modelling process

3D printing or Additive manufacturing is a process of making a 3D solid object of virtually any shape from a digital model, developed by Massachusetts Institute of Technology. Similar to the SLS process, the material is applied as a powder, a laser is used instead of printing ink jet head that ejects droplets of binder materials (ultra-thin layers (between 16 and 30 microns)) in places where you need to cure. Feature sizes of under 100 nm are easily produced, as well as complex structures.

Figure 11 – 3DP process and prototype made by 3DP processing

3DP has number of advantages over other techniques: huge production speed, good software support, possibility formulti-color work, usage of the variety of materials, simple handling and accessible price. (Jurković et al., 2005, pp.101).

Table 3 –Comparative characteristics of PR processes (Norton, 2001, pp. 15)

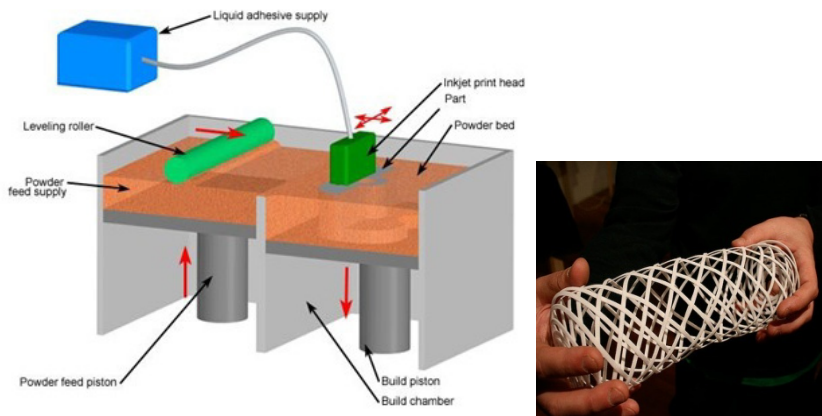| Technology	Raw material from	Built process	Common uses	Cost and speed
SLA	liquid resign	laser scan and cure	Concept models, functionality testing, investment casting patterns, other patterns, finished product	expensive, fast
SLS	powder	deposit and laser sinter	functionality testing, investment-casting patterns, other patterns, finished product	cheap, fast
LOM	paper	laser cut out layer and stack	concept models, casting patterns	cheap, fast
FDM	coiled rod	extruded layers	concept models, functionality testing, investment-casting patterns	cheap, fast
3D printing	wax	inkjet print	concept model, aesthetic design	cheap, fast

These technologies are mainly used in the design and geometry of the prototype. Table 3 shows the comparative characteristics of PR processes. Although these studies have led to some important developments in this field, the results have become irrelevant due to evolution of both the Rapid Prototyping equipment and materials.

CONCLUSION

The advantage of using computers and modern software packages allow the shortening of the time of some activities in the product development process - especially during the product design and technology as well as a visual interpretation of the space, which is invaluable for the company in terms of contemporary global market. This paper has aimed at presenting a synthesis of today's new trends in rapid product development, taking into account new technological directions as well as new designing process, new product development process and product testing. Which method will be chosen will depend on shape, product kind and available finances.

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PART THREE

ENTREPRENEURSHIP AND MARKETING & BRANDING

THE CONTRIBUTION OF MARKETING TO GLOBALIZATION

Sofronija Miladinoski[36]
Katerina Angelevska – Najdeska[37]
Sreten Miladinoski[38]

Abstract: Globalization as terminology today is often used within the overall socio political issues of the country. Globalization represents a process run by certain interests may qualify as an expression of certain values that through material culture of material production. Resources which are core drivers of economic doctrine of globalization in the world today are manifested in different directions which often cause side effects. There the question is whether the consumption causes globalization or as a result of it. The consumer motivation of people and their lifestyles expressed through the marketing philosophy of organizing entire life, causes changes in many segments of the organization of economic and political spheres of social life. These aspects cause changes that determine the changed role of men as producers and consumers.

Segmentation of space, time and experience, then their reaction for the expansion of marketing, in fact, is a way of acting marketing.

Simultaneously with the reaggregation of what we call commercial environments of categories products, brand premises and consumer hierarchy of needs, and the construction of imagined territories that make up the new space of globalization. The moment of activation of the reaggregation of marketing units are located at the level of specific activities that converge on the individual in terms of global consumer behavior. In this sense, one could say that the practices of those on the market meet a specific dimension of globalization, namely the growing category of individual as consumer

Key words: Ecotourism, Rural Tourism, Development, Resources, Valorization

JEL classification: M40

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[36]*Sofronija Miladinoski, Faculty of Tourism and Hospitality, Ohrid, Republic of Macedonia, sofmil@yahoo.com*
[37]*Katerina Angelevska – Najdeska, Faculty of Tourism and Hospitality, Ohrid, Republic of Macedonia, k_angel_naj@yahoo.co.uk*
[38]*Sreten Miladinoski, Faculty of Tourism and Hospitality, Ohrid, Republic of Macedonia, sofmil@yahoo.com*

INTRODUCTION

The geo location of the new global commercial environment is not imaginary in the sense that there is no location, which takes place only in the mental dialogues. Instead, the new environment is placed in locations that are simply moved from previous physical extension of space, time and experience, as people establish in their overall integrated social context. It's like sharing time with those offered and sold in the market tend to control (as compared to their competitors) parts of human activities, which are then segmentation, according to the classification models that differ from the usual organization experience and that can be considered currently globally reaggregated.

The market environment is becoming a reality for those on the market and for consumers. On one level, this is co participative framework for consumers in their own individual search for satisfying desires to consider the market for the most rational and the most effective way for it. As long as the vision of a good life is shared in its convergence with respect to the realization of human happiness through the fulfillment of individual needs and desires according to the production model of prosperity and abundance, then there is every reason to mention marketing of capitalism as a system of consensual maintained providing.

On the other hand, transnational marketing companies are a way of taking practical steps towards the realization of corporate globalization. Global marketing can continue to perpetuate it as a profession critical to Modern Corporation, largely as a result of the imperatives of corporate expansion system defined by the limits of capitalism. Therefore, companies competing with each other to compete for finding new resources and new markets for their products and services. However, the principles and practices of global marketing can be understood only as an extension of economic adjustments, implemented by trained technical staff - a stance that implicitly encourages ethnographic lack of attention paid to them. Marketing is a cultural system providing precise, dedicated to creating a consumer type is characterized by ideology or belief that man can find happiness and become what they want through a designed lifestyle. In marketing it's all about attracting people into global set of this unique type of fulfillment of desires.

GLOBALIZATION AND CULTUROLOGICAL ORIENTATION

When marketing is applied in developing countries, particularly become prominent both totalizing index of its cultural orientation - globalization and lifestyle. In light of the corporate imperative to cross the border and sell products in larger quantities, for those who put on the market it becomes necessary to borrow inappropriate theories of disparate cultural traditions. Instead, they invent their own models that, with seemingly apparent precision, to predict the behavior of consumers and markets on a global scale. This exercise is carried out simultaneously as a finished example of the organization of the company, further confirming its subjective validity before managers.

The model of marketing that goes beyond borders undermines national boundaries by referring to logic for political-economic organization, namely, the basic relations between producers and consumers are located in a de-territorialized world. On the other hand, the frame of lifestyle is a pragmatic basis for the theory of moving across borders and practice of marketing. In essence, the lifestyle is forecast for imports of consumer goods, both in the areas of social, cultural and commercial or trade relations. Lifestyle is only a superficial theory of diversity.

For those participating in the market, global lifestyle successfully overcomes obstacles created by political, economic and cultural differences, which takes functionality and the idea of national boundaries.

Managers are trying to change the structural and cultural conditions in the target environment, after which the environment will become more receptive to global consumer products intended for consumers who survive with relatively lower incomes.

To become a customer, is to become a special kind of cultural being, participates in emerging mutual system, cultural exchange and implied a mutual relation between the market and the consumer, which is very different from the system that interferes with any other interchange between buyer and seller in other market situations.

The cultural contributions of those who put on the market in the notion of "global consumer" to reflect a new vision of identity in which there are no traditional geographic boundaries derived. Through acquisitions within the lifestyle, consumers can establish any identity, regardless of where they are located. The ideology of those marketed for choice and freedom implies a universal teleology of desire that marks the individual as a warehouse and as a final point of meaning and identity. Evolution that those working on the market refer to the process by which individuals everywhere advance towards the realization of meaning and identity through voluntary and rational realized the fulfillment of desire through the procedures of purchase. Those who marketed themselves as the main educators in this process, their job is to introduce people with nicer things in life, you learn how to be consumers, not just how to make exchanges of products for money. They are even prepared to break the ancient ties that could act as barriers to achieving meaning through the satisfaction of desire in the consumer. The models used for taming which refer to general assumptions, typical patterns of global marketing: detailed hierarchy evolution, fetishism for Western consumer goods and liberalization with one or another ideological inclination. But those on the market are not explicitly advocates to gain power in its political form, but they tend to exercise power in its economic form. In particular, attention should be paid to the performance of the market in terms of competitors and general market aspects, instead of consumers.

On the other hand, the fact that those present on the market act within the universal paradigm that is governed by consumption. They believe in universal internal psychological tendencies that cross the boundaries of the local culture. With intelligent use of promotional techniques, these universal reflexes can engage safely through the boundaries of cultural tendencies to contribute to the further development of specific patterns of behavior that mimic the marketing standardization and globalization of firms.

DECISION MAKING IN THE GLOBAL MARKETING ORGANIZATION

Companies manage their international marketing activities in at least three different ways: Most companies first organize an export department, then create an international division, and finally become a global organization.

A firm normally gets into international marketing by simply shipping out its goods. If its international sales expand, the company organizes an export department with a sales manager and a few assistants. As sales increase, the export department can expand to include various marketing services so that it can actively go after business. If the firm moves into joint ventures or direct investment, the export department will no longer be adequate.

International divisions are organized in a variety of ways. The international division's corporate staff consists of marketing, manufacturing, research, finance, planning, and personnel specialists. They plan for and provide services to various operating units, which can be organized in one of three ways. They can be geographical organizations, with country managers who are responsible for salespeople, sales branches, distributors, and licensees in their respective countries. Or the operating units can be world product groups, each responsible for worldwide sales of different product groups. Finally, operating units can be international subsidiaries, each responsible for its own sales and profits.

Several firms have passed beyond the international division stage and become truly global organizations. They stop thinking of themselves as national marketers who sell abroad and start thinking of themselves as global marketers. The top corporate management and staff plan worldwide manufacturing facilities, marketing policies, financial flows, and logistical systems. The global operating units report directly to the chief executive or executive committee of the organization, not to the head of an international division. Executives are trained in worldwide operations, not just domestic or international. The company recruits management from many countries, buys components and supplies where they cost the least, and invests where the expected returns are greatest.

Moving into the twenty-first century, major companies must become more global if they hope to compete. As foreign companies successfully invade their domestic markets, companies must move more aggressively into foreign markets. They will have to change from companies that treat their international operations as secondary, to companies that view the entire world as a single borderless market. (Byrne A. J., Kerwin K., 1994, pp.24-26)

DECIDING ON THE GLOBAL MARKETING PROGRAM

Companies that operate in one or more foreign markets must decide how much, if at all, to adapt their marketing mixes to local conditions. At one extreme are global companies that use a standardized marketing mix, selling largely the same products and using the same marketing approaches worldwide. At the other extreme is an adapted marketing mix. In this case, the producer adjusts the marketing mix elements to each target market, bearing more costs but hoping for a larger market share and return.

The question of whether to adapt or standardize the marketing mix has been much debated in recent years. The marketing concept holds that marketing programs will be more effective if tailored to the unique needs of each targeted customer group. If this concept applies within a country, it should apply even more in international markets. Consumers in different countries have widely varied cultural backgrounds, needs and wants, spending power, product preferences, and shopping patterns. Because these differences are hard to change, most marketers adapt their products, prices, channels, and promotions to fit consumer desires in each country.

However, some global marketers are bothered by what they see as too much adaptation, which raises costs and dilutes global brand power. Marketers at these companies believe that advances in communication, transportation, and travel are turning the world into a common marketplace. These marketers claim that people around the world want basically the same products and lifestyles. Despite what consumers say they want, all consumers want good products at lower prices.

Proponents of global standardization claim that international marketers should adapt products and marketing programs only when local wants cannot be changed or avoided. Standardization results in lower production, distribution, marketing, and management costs, and thus lets the company offer consumers' higher quality and more reliable products at lower prices.

Global standardization is not an all-or-nothing proposition but rather a matter of degree. Companies should look for more standardization to help keep down costs and prices and to build greater global brand power. Although standardization saves money, marketers must make certain that they offer what consumers in each country want. (Donegan L., 1997, pp. 19)

Some international marketers suggest that companies should "think globally but act locally." They advocate a "global" strategy in which the firm standardizes certain core marketing elements and localizes others. (Hamilton M. M., 1998, p. H1) The corporate level gives strategic direction; local units focus on the individual consumer differences. They conclude: global marketing, yes; global standardization, not necessarily.

Product

Five strategies allow the adaptation and promotion of product to a foreign market, actually exist three product strategies and two promotion strategies.

Straight product extension means marketing of a product in a foreign market without any change. Top management focuses marketing on people: "Take the product as it is and find customers for it." The first step, however, should be to find out whether foreign consumers use that product and what form they prefer"

Product adaptation involves changing the product to meet local conditions or preferences. In some instances, products must also be adapted to local superstitions or spiritual beliefs.

Product invention is consisted of creation of something new for the foreign market. This strategy can take two forms. It might mean reintroducing earlier product forms that happen to be well adapted to the needs of a certain country.

Promotion

Companies can either adopt the same promotion strategy they used in the domestic market or change it for each local market. Consider advertising messages. Some global companies use a standardized advertising theme around the world.

Other companies follow a strategy of communication adaptation, fully adapting their advertising messages to local markets. Media also needs to be adapted internationally because media availability varies from country to country.

Price

Companies also face many problems in setting their international prices. Another problem involves setting a price for goods that a company ships to its foreign subsidiaries. If the company charges a foreign subsidiary too much, it may end up paying higher tariff duties even while paying lower income taxes in that country. If the company charges its subsidiary too little, it can be charged with dumping. Dumping occurs when a company either charges less than its costs or less than it charges in its home market.

Recent economic and technological forces have had an impact on global pricing. The Internet will also make global price differences more obvious. When firms sell their wares over the Internet, customers can see how much products sell for in different countries. They might even be able to order a given product directly from the company location or dealer offering the lowest price. This will force companies toward more standardized international pricing. (Porter M. A., 1999, pp. 24)

Distribution Channels

The international company must take a whole-channel view of the problem of distributing products to final consumers. There are three major links between the seller and the final buyer. The first link, the seller's headquarters organization, supervises the channels and is part of the channel itself. The second link, channels between nations, moves the products to the borders of the foreign nations. The third link, channels within nations, moves the products from their foreign entry point to the final consumers. Channels of distribution within countries vary greatly from nation to nation. (Briones G. M., 1998, pp. 139)

Another difference lies in the size and character of retail units abroad. Whereas large-scale retail chains dominate the US scene, much retailing in other countries is done by many small, independent retailers. In India, millions of retailers operate tiny shops or sell in open markets. Their markups are high, but the actual price is lowered through haggling. Supermarkets could offer lower prices, but supermarkets are difficult to build and open because of many economic and cultural barriers. Incomes are low, and people prefer to shop daily for small amounts rather than weekly for large amounts. They also lack storage and refrigeration to keep food for several days. Packaging is not well developed because it would add too much to the cost. These factors have kept large-scale retailing from spreading rapidly in developing countries.

INTERNATIONAL MARKETING INVOLVEMENT

To make an international marketing have its general meaning, companies that have the necessary resources must develop an interest spread of business across national borders. As soon as the interest of developers exists, marketing specialists will induce the activity of international marketing at several levels. However, regardless of the level of involvement must choose whether their marketing strategy will adapt to the different regions of the world, or they will standardize the whole world.

The level of involvement in international marketing covers a wide spectrum. Incidental or occasional exports to the minimum level; active export focuses on sales activities whose purpose is to realize that the overseas market acceptance of existing products. Full involvement in international marketing means that the main control structure of the company stresses the importance of developing an international marketing strategy for achieving the objectives of the enterprise. The globalization of markets requires complete dedication of international marketing; it involves opinion according to which the world is one market.

Only full involvement in international marketing and market globalization signify the full integration of international marketing strategic marketing planning. Traditional full involvement in the international marketing of products is based on the adaptation according to cultural, regional and national differences. In this

international marketing to marketing strategy developed for specific target markets. From the viewpoint of practice, this means that the standard marketing mix strategy of one country should be classified by social, cultural, technological, political and economic similarities.

Contravened, globalization requires developing marketing strategies as well as to the whole world (or a region) consists of a single entity; globalized enterprise marketed standardized products everywhere in the same way.

Some companies are removed from the adjustment or standardization of products for a particular region of the world to offer a world of standardized products that are advanced, functional, reliable and low prices. But the question remains whether the promotion, price determination and distribution of these products can also be standardized. (Levitt T., 1983, pp. 92)

Discussion on the Feasibility of globalized marketing strategies continually takes the appearance of ideas in the sixties. Surprisingly in first plan come the questions on standardized advertising policies. It should be kept in mind that there are degrees and adjustments and globalizations. Neither strategy has been implemented in its pure form.

PERSPECTIVES IN GLOBAL MARKETING

Globalization is rapidly taking place, whereby companies seek to expand worldwide, and consumers are becoming closer to each other according to their characteristics. Cultural differences erode and traditional differences between countries are under pressure bringing down the desire to liberalize trade. These changes cause subtle differences in the way the business is run.

Most of the attention of those who are paid to advertise the markets' business-to-consumer, but actually markets of business-to-business is much larger especially in the global context. It is because of all consumer products first pass through markets "of business-to-business" and so often go for several times, so aggregate Business-to-Business turnover is much greater than the supply of markets consumers.

Usually considered that business buyers are more rational than buyers-consumers. If buyers businesses are more concerned with practical economic issues, less likely to be affected by cultural factors.

In some countries there is a tendency to be very nationalistic. They favor their own companies and products rather than imports from abroad.

The main point of global development "of business-to-business" market was the emergence of deal between global enterprises. If the supplier and buyer are global companies, the process becomes extremely complex due to the large number of people who will be involved in the process of decision making. In industrial buying more involved decision-making, a not just one. Webster and Wind (Webster and Wind, 1972) identified five groups of people involved in the process:

- Deciders-These are the people who make the actual final decision about buying.

- Buyers-These are people who have been given the task to find suppliers and to negotiate with them.

- Influencers-These are people who are not directly involved in making the decision to purchase, but they can be consulted by those decision-makers.

- Users-These are the people who actually use the product. They often have an advisory role and it is quite possible to have a say in the final decision.

- Gatekeepers-These people control the flow of information to decision-makers. Often these are personal assistants, telephone operators and secretaries who see their role as protecting the role of decision makers from addressing persistent selling by suppliers.

In a global context, these groups can be "scattered" across several countries, and hence subject to cultural influences in different regions of the world.

In this type of sale usually includes negotiation and considerable customization of product and price negotiations and delivery in each country, but with an overall coordination.

ANTIGLOBALIZATION TRENDS

Those who oppose the increasing globalization of businesses cite the power of global companies finally are not accountable to any democratic process, and suggest that global companies are able to pass through national governments and to impose his will on the rest of humanity . It is true that global companies often have greater economic power of national governments, for example, in terms of controlling the exchange rate in the international arena and can shift production from one country to another for maximum use of the existing tax breaks.

Another note of globalization is the erosion of national cultural values. Large companies are often accused of involuntary conduct of cultural changes in the population.

The last objection is that global corporations have no "allegiance" to individual countries, hence any guilt that cause environmental or economic damage in countries that are a source of supplies.

These allegations in many cases could be justified. He is surprising that global enterprises strive to fulfill the best deals that may come to its shareholders when locate factories and distribution networks, without much consideration for local needs. Equally, it can easily understand that a corporation is more interested in their own survival and well-being than the survival and wellbeing of the local population, so in that sense and leads negotiations. It is likely that, in any case, will come to erosion of cultural differences, due to increased travel around the world and more rapid communication of ideas. Also it is very likely that people will

reject any new idea if it fits their own needs. Ultimately, global corporations accountable to their customers, and these corporations often boycotted by customers who do not approve of the conduct of the corporation.

Anti-globalization movements are likely to remain specificity of the 21st century still in time, but it is likely to have a greater impact on the way global companies manage their businesses. The reason for this is the fact that customers are voicing their support for the bid by companies choose where to spend their money. Benefits of globalization of products likely to outweigh the disadvantages, and this in turn is likely to be followed by consumers, lawmakers and the rest. In this respect, welcome and will be efforts to maintain the cultural diversity of the world.

MANAGEMENT OF GLOBAL REPUTATION

Global corporations have a problem with maintaining a reputation that will have the same values in different cultures and through various national boundaries. The first problem is to establish a global voice. No longer is it possible to have a significantly different of messages to different audiences for global communications are so rapid and comprehensive.

Companies PR often specialize, based on industry or in terms of jobs. It is obvious that most of them specialize in their own countries. This means that the public relations of a global company is unusual entity. To manage global PR-campaign, the company should have relatively good relations with the media in many countries, governments and politicians, as well as local organizations that may have their own interest in the activities of the enterprise. It is unlikely that a company will have all these attributes, so global enterprise is forced to work through a number of local agencies for public relations, each of which should have extensive knowledge of "global voice" of the company.

Another problematic thing is the identification of PR-aspects in different countries; aspects and issues are usually identified by monitoring of print media and developing appropriate responses to threats and opportunities in the field of public relations.

MARKET RESEARCH

The growing number of international markets, it has proved difficult or impossible to conduct the surveys. Low levels of literacy, poor infrastructure, and lack of government statistical data together did research to be expensive, slow and unreliable.

The third driver of this growth is the need for global companies to seek new markets in countries that were once poor. Without clear market research such

expansion was hampered in the past. With modern capabilities for handling information and efficient network for collecting "field" data, enterprises are able to generate and employ information in the world in terms of the most effective markets for their products. Now companies can freely draw international profiles of your potential and existing clients to determine which markets are "ripe" for the appearance of a new product; to determine markets that transcend national boundaries and (perhaps most important thing) to determine which markets and probably the most profitable markets.

Global segmentation has always been hampered by the inability of businesses to generate comparable market research in the world, with the changes that are inherent in the nation's market research; segmentation in the future will be as simple as just now national segmentation.

MARKETING PLAN

Given the improvements in information (IT) and telecommunication technology, marketing plans in the future will be far more flexible. Already developed software allows real-time adjustments in order the marketing plans to take into consideration the fluctuations in demand.

Global communications allow this to happen regardless of location, with improved software, the computer will be able to integrate the data from the external environment to predict competitor reactions, reaction intermediates, changes in legal and political framework, and possible actions of the stock brokers, in order to create a model in real-time (real-time model) of the corporate world.

These systems are apparently as good as the people that programmed them. For this reason, the marketing in the 21st century still will need people who know how to think globally, act globally and in an efficient and effective way to meet customer needs.

CONCLUSION

Marketing activities extend far beyond the boundaries of economic activity. Educational campaigns are the main tool by which this should be achieved. Through education, people living on the geographical periphery of monetary consumer markets are encouraged to discover through modern global choices and decisions in life style.

There is an objective, obvious relation between the essence of the objects that are the subject of consumption (what a display of social relations, modernity, progress, etc..) And the way in which individuals with certain amount of disposable income will be inclined to spend the time and they money, or to spend.

Aesthetics maximally moralizes the very moment of the distinctions that should be done by consumers, hierarchically based on so-called scientific criteria.

Many global companies have had difficulty crossing the language barrier, with results ranging from mild embarrassment to outright failure. Seemingly innocuous brand names and advertising phrases can take on unintended or hidden meanings when translated into other languages. Careless translations can make a marketer look downright foolish to foreign consumers.

A company must understand the global marketing environment, especially the international trade system. It must assess each foreign market's economic, political—legal, and cultural characteristics. The company must then decide whether it wants to go abroad and consider the potential risks and benefits. It must decide on the volume of international sales it wants, how many countries it wants to market in, and which specific markets it wants to enter. This decision calls for weighing the probable rate of return on investment against the level of risk.

Companies must also decide how much their products, promotion, price, and channels should be adapted for each foreign market. At one extreme, global companies use a standardized marketing mix worldwide. Others use an adapted marketing mix, in which they adjust the marketing mix to each target market, bearing more costs but hoping for a larger market share and return.

The company must develop an effective organization for international marketing. Most firms start with an export department and graduate to an international division. A few become global organizations, with worldwide marketing planned and managed by the top officers of the company. Global organizations view the entire world as a single, borderless market.

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GLOBAL INTERNET MARKETING STRATEGIES AND THEIR IMPLICATIONS FOR SMALL AND MEDIUM ENTERPRISES

Nenad Ravic[39]
Dragan Milosevic[40]
Djordje Minkov[41]

Abstract: Intensive development and massive utilization of global Internet marketing strategy has led to drastic and significant changes in overall aspects of human actions and living. Furthermore, it has enabled new approaches to the progress of small and medium enterprises. In order to improve their business, small and medium enterprises commence their work on the Internet, confirming that each online activity is in alignment with the company's general marketing strategy, bringing maximum value to the forefront.

The goal of the paper is to present the Internet as an important medium for the increase in small and medium enterprises business activities, an instrument which generates growth, competitiveness and innovation and, moreover, provides numerous possibilities still to be discovered.The paper analyses the Internet marketing strategy implications on small and medium enterprises as well as its significance, complexity and connotation for those enterprises.

Key words: Internet, Global Marketing Strategies, Small and Medium Enterprises

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[39]Nenad Ravic, Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, nenad_ravic_bps@yahoo.com
[40]Dragan Milosevic, Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, dmilosevic@ikomline.net
[41]Djordje Minkov, Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, djordje.minkov@vspep.edu.rs

INTRODUCTION

The development of the Internet has drastically changed the way of operations of the enterprises. The incredible new possibilities to direct the operations into virtual world, without physical infrastructure, have appeared. There are numerous companies whose entire operations are based on the use of Internet. From a marketing point of view, enterprises have possibility to send marketing messages via Internet, so that their messages are seen by millions of people all over the world. Classic marketing was not able to do that, nor will it be in the future.

There are numerous goals of Internet marketing, like: building an image, providing information (Masoomeh et al.,2013), getting new clients, company's promotion, selling via Internet, product delivery, developing customer relations, business associates and the public.

The subject of research of this paper is the promotion of SMEs using Internet.

There are many advantages for SMEs from the Internet promotion: propaganda messages reach a great number of current and potential consumers, the possibility of communication with each consumer via e-mail marketing, getting feedback from the consumers (Krouse, 2012). This has a great significance for companies, increasing the competitiveness, getting new chances, connecting with numerous suppliers and buyers etc.

This paper analyses the following strategies of Internet promotion: promotion via website, customization and personalization, promotion out of the website, affiliate marketing, click-through marketing, click-through programs – case study Google, D-kit service for promotion of SMEs.

The goal of this paper is to point the potential of promoting the SMEs via global network. This paper applies the methods of deduction and content analysis of documents which deal with this subject.

Based on everything mentioned above we can draw a hypothesis:

Hypothesis H1: Internet represents an efficient and effective medium for conducting the SME's promotion.

The research in this paper should confirm or deny the hypothesis.

CONCEPT OF INTERNET

Internet is a global network of computers or computer networks which communicate and exchange information via standardized package of the Internet Protocol (Internet Protocol Suite) – TCP/IP, providing several services of so called Web Service. In fact, Internet consists of computers connected with a coaxial cable, twisted pair cable, optical cable, or with radio waves and infrared signals in the case of wireless networking. (Njeguš, 2011, p. 10).

Internet is one of the most significant achievements of the modern civilization. This technology connects all infrastructural levels and integrates almost entire world's knowledge in one coherent whole. It means that the knowledge in the form of digital information is available to all Internet users in every moment (Elyas at al., 2012)

Internet is the information technology which has radically changed the world and contributed to the spread of globalization and internationalization. No other technology has evolved so much and was more widely used in such a short period. (Regodić, 2010, p. 58)

Figure 1: Internet network

Source: Google Images

Among others, the following facts were crucial for the Internet affirmation:

- Internet is considered a carrier of the new wave of post-industrial digital revolution;

- Large capital investments are directed towards the Internet development;

- Internet is the infrastructure and communication assumption of the concept of the international economic globalization and modern e-business.

Internet is a decentralized system composed of more autonomous and global networks which are connected with each other. Therefore, it is resistant to failure – if any part of the network fails, it will have no effect on the remaining part of the network. The manner of connection of the autonomous networks in a whole, i.e. in the integral networks is subject to continuous changes.

INTERNET HISTORY

The idea to connect more computers into one network in order to exchange data arose in the 1960s. Back then, the major international manufacturers of the computer equipment implemented the idea in their production programs. Due to the lack of standards in this market segment, many mutually incompatible networks appeared. J.C.R. Licklider from MIT University was the first to describe global computer network concept in 1962. He was also the first to define term *online* communication which is frequently used today. In that period, many researchers

from MIT University were developing the concept of social networks. Their activities attracted the attention of Agency of the United States Department of Defense –Advanced Research Projects Agency, known under the acronym ARPA (today DARPA).

One of the researchers from MIT University, Lorence Roberts, moved to ARPA and started working on network development project. This network was supposed to link central computers of the institutions of the USA Army into a common network – ARPANET.

ARPANET started working in 1972. Project implementation soon pointed out some major downsides of the network which were gradually removed. The creation of ARPANET and connection of Academic centers represents the first phase of the Internet development. (Regodić, 2010, p. 60).

National Science Foundation of the USA – NSF, decided to finance the development of the backbone supercomputer network. It interconnected 6 most powerful university computers into one common network. This network was known as NSFnet. It was established in 1986 and was transformed into one of the principal Internet traffic backbones. NSFnet creation represents the second phase of the Internet development.

Figure 2: ARPANET-the world's first computer network

Source: Google Images

After success in the academic circles, gradual commercialization of the Internet started through growing utilization in the major companies. Over time, Internet continued to grow and expand outside of the USA borders.

In the last phase of the Internet development, which is still ongoing, there are specialized companies which are offering the services of the Internet connection to all interested users (Internet providers).

INTERNET MARKETING

Today, Internet is omnipresent in the businessmen' lives. Company without a website does almost not exist, since it cannot make a presentation of its own activities and products in the most transparent and direct way – through the Internet. Marketing gained a new dimension with the Internet development. Internet development has opened up new possibilities for carrying out marketing activities.

Internet marketing is a group of the strategies and techniques which utilize Internet as a business communication channel. Terms e-marketing, online marketing, cyber marketing, virtual marketing, interactive marketing are also used besides the term Internet marketing. E-marketing is the extension and not the substitution for the classic marketing. (www.creativeoffice.rs).

Realization of the Internet marketing goes through following phases:

- Internet business plan definition (determining the company's mission
- and objectives);
- situational analysis (internal and external environment analysis);
- elaboration and implementation of the marketing plan;
- control (envisage the impact of the applied marketing plan).

The goals of Internet marketing are:

1. Building an image;
2. Providing information;
3. Getting new clients;
4. Company's promotion;
5. Selling via Internet;
6. Delivery of products;
7. Developing customer relations, business associates and public.

From the mentioned activities, the subject of this paper will be company's promotion.

INTERNET MARKETING APPLICATION IN THE SMEs

Globalization and internalization of business operations brought to the companies the obligation to create global marketing strategies. If we take into consideration the expansion of Internet, the most efficient channel for the implementation of global marketing strategies is the greatest phenomenon of today – Internet. Kotler recommends the synthesis of the following four strategies for E-marketing implementation: corporate internet website, Internet promotion, e-mail and network transfer, as well as Internet communities. (Kotler, 2007, p.144).

Contemporary tendencies have demonstrated a growing Internet presence, especially within B2B sector, since it is able to provide the lowest operating costs with the most efficient and fastest operation process. Now, financial transactions can be done without written payment orders and other accompanying documentation, in the real time and from the unlimited distance between business partners. All these facts support the assertion that all enterprises must direct their operations to the Internet, as soon as possible. (www.personalmag.rs)

Great possibilities of the SME's operations improvement appeared together with the Internet development, thanks to the advantages which it offers. Some of the SMEs have completely transferred their operations from the real to the virtual world of Internet. To be online is not the luxury anymore, but the essential and indispensable need of the XXI century.

By Internet usage SMEs can become more competitive and take a step forward when it comes to understanding new trends. They can also discover new chances, but problems as well. Because of the Internet presence SMEs have a chance to connect to a great number of suppliers and buyers, which would not be possible in a local area.

SMEs can use Internet in the wide range of their activities. In the market research, for example. They can research the market on the Internet by reviewing publications, annual reports, different records, reports, by visiting various sites and similar. Besides that, Internet provides quick and efficient data collection, distribution and use of information. Furthermore, SMEs can use Internet for the company presentation. In order to achieve that, they need to create a web site containing all relevant information regarding the company and its business activities. Web site should be well organized, reviewed and updated. Company presentations can be also created on the social networks. That is very popular today since social networks are visited by many people. Consequently, a new profession was born – social media and representation manager. Internet has a great significance for a company and in the process of brand creation.

SMEs may also use Internet to improve internal efficiency and to provide interactive communication with clients and other stakeholders. Internet is the most adequate channel for the communication between consumers and manufacturers from the entire world. Companies can quickly communicate with practically unlimited number of real or potential clients. It is possible to inform consumers, create a new product presentation and give them the opportunity to buy the product and convince them to do that. In this way, the companies are given the unlimited possibilities of marketing strategies realization. It is very important for each company to control the information sources, because in this way it is able to control and influence the consumers' choice.

Internet is also able to reduce the operating costs, create desired public image, provide consumers' support and similar. Internet offers great possibilities for the marketing campaign realization. Advertising through Internet banners is very popular and effective, since advertisements reach a large number of users. Websites, social networks, portals, forums can also be used for the advertising

purposes.   Advertising through the Internet is extremely important for SMEs and its more detailed analyses shall be given hereinafter.

For a successful on-line marketing business philosophy it is necessary to take care of the following elements:

- Focus on the consumers, and not on one's own needs;

- Point out the specificity of the product instead of general information;

- Plan long-term and avoid the radical changes in the approach.

INTERNET MARKETING MANAGEMENT IN SMEs

Through the practice, internet marketing management in SMEs can be classified into three categories:

- Internet marketing is managed by the owner of the company himself

- Internet marketing is managed by an employee

- Internet marketing is managed by digital agency

Internet marketing is managed by the owner of the company himself – This type of approach is widely present. It can often be the case that the owner of an SME manages the on-line presentation. The positive aspect of this approach is that the owner realizes the need for internet presence. Also, the owners know his/her products, services and company's possibilities best. The lack is that the owners do not have enough free time to dedicate themselves to these activities and they do not have a good knowledge of Internet marketing techniques.

SMEs which apply this approach can easily be recognized by unclear or non-existent strategy for Internet presence, or website which is not adequately connected to social networks. The fans of this page are usually friends and acquaintances of the owner.

Internet marketing is managed by an employee – The downsides of the previous approach is usually seen by the owners themselves, so many of them decide to allocate (accepted voluntarily or imposed on them) the responsibility of internet promotion of the company to some of the employees as an additional activity. This means managing the Facebook page of a company and occasional advertising according to the budget.

SMEs that apply this approach can be recognized by somewhat more serious Internet presentation, up-to-date site, more active but insufficiently structured presentation on the social networks, To what extent this approach will be efficient, depends on the budget, motivation and skills of the employee to whom this job is given.

Internet marketing managed by a digital agency – Hiring a professional digital agency, by a SME, is certainly the best approach. It is present in larger environments, in SMEs with modern management and in foreign companies' regional offices. This approach allows the employees to go back to their work,

owner can dedicate his/her time to managing the company, and the agency takes over the planning and realization of advertising, monitoring on-line media, social networks presence. Hiring an agency is a good investment, because the good agencies pay for themselves by the increase in selling made by their clients. (www.ellecta.rs).

In Serbia, the trend of companies deciding to advertise in traditional media, especially television is still present. Serbs love television, but when it comes to advertising on television in the world, the statistics show that more and more people "skip" commercials.

However, in Serbia also, there is the tendency to increase the share of Internet in marketing plans of SMEs. More and more people is on-line, the popularity of Facebook and the cost of advertising on this network lead to SMEs can make miracles, with only a small budget and a good agency which will enable that. (www.bizlife.rs)

INTERNET PROMOTION STRATEGIES OF SMEs

Some of the global marketing strategies are: online promotions through websites, customization and personalization, online promotion techniques out of own website, affiliate marketing, click-through programs – case study google, D-kit service for SME's promotion. Application of these strategies can bring many benefits to SMEs, and they cost less than classical promotion via television commercials. In the following section of the paper we will analyze the mentioned strategies.

Website promotion techniques

On the own website the following marketing techniques can be organized:

- useful and updated content;
- website optimization according to the browser's requirements;
- Section "What's new on the website";
- Web diaries;
- Online greetings;
- Online calendar of events;
- Articles and e-books publishing;
- Definition of unknown words;
- Review of the access to the protected part of the website.

Website is the essential marketing tool of every serious company. Web presentation is the first document that the real and potential consumers will reach for. All interested parties can communicate with the companies regardless of the time and place from which they make the contact. And everything remains marked: who visited it, who looked for what on the websites, for which products one sent an inquiry or

placed an order. Most consumers today, before they go shopping, do a research on the Internet. That is why it is important for every company to have their own website. Web site adds the value to the brand and represents the additional medium for communication with consumers. The goal of the website is to enter it deeper and make the visitors to visit it again. (Tajler-Istman, 2004, p. 320). Web site should be designed to be organized, clear and for consumer to be easy and quick to find all the information he or she is interested in. The company should update the site regularly so that the users could be familiar with all the changes.

The company should do the optimization of the site according to the consumers' requests. This means that it should, through communication with consumers, find out their opinion of the site and to adapt it.

It is very useful to have an option "What's new" on the website, as well as web diaries, on-line greetings, calendar of events, definitions of unknown terms and similar, because this enriches the website and makes it more appealing for the users.

Customization and personalization

Customization permits the user to separate unnecessary items and keep the contents which he is interested in. The user fills in a questionnaire from the site and chooses what he wants to select from the offered contents.

Personalization is the adjustment of the offer according to the individual user's needs. It is obtained by the utilization of special technologies which provide the server to decide which contents are the most suitable for him, based on the information collected from user.

Key elements of the personalization process are:

• personalization criteria;
• determining what should be adapted to target groups (contents, design, functionality of a website);
• mechanisms of personalization.

Online promotion techniques outside company's own website

These techniques are:

• Registration of the website with the browsers;
• Techniques connected to the paid promotion (banners, for example);
• Sponsors;
• E-newsletter;
• Creating information for the media;
• e-mail, web, UseNet;
• Research;
• Multimedia e-mail brochure;
• Creation of Web rings and participation in Web rings;
• Application to the Internet advertisement. (Vasković, 2008, p. 239).

Application of the website with the browsers is a mandatory technique which SMEs should apply in the process of a company promotion. By numerous researches it is proven that the great majority of the users read only the first three pages on the browser when they are looking for the information about something. If the website of an SME is not present on the first three pages on the browser, it is like the site is not even present at the browser.

Banners are a form of advertisement on a website page. There are several types of banners: stationary and animated, with accompanying text out of the picture or without a text, etc. If a visitor clicks a banner, it doesn't mean that he is interested in the content of the advertisement. Clicking on the banner will transfer the visitor to the advertiser's website, which should be designed to keep visitor's attention and to provide him with all necessary information. Number of clicks on a banner is very important, since the number of sales increase with more visits. Banners turn into a powerful interactive means of communication between the individuals and providers of a certain service. Pop-out advertisements (the window that pops up when a user enters the website) and the advertisements above the banners become the main marketing and promotional medium. Banners represent the most common form of online advertising (About 40% of the total advertising is made through banners), whilst small announcements occupy about 20-25% of the market. Advertising on Google and Facebook occupy nearly 30-35% of advertising in Serbia.

E-mail marketing represents a very cheap, quick and efficient marketing tool. The use of E-mail is very simple and in most cases users adopt the rules of communication by electronic mail after the first use.

There are several E-mail marketing models:

- Customer-based E-mail – represents the most widely used model of E-mail marketing. Company invites website visitors to send request for the addition of their e/mail address into the mailing list of the company. After that, visitors receive E-mail messages from the company with the announcement of new offers.

- Company's newsletters – contain the company's news and advice for the users. They are issued on regular basis.

- Reminder Service – is a service based on calendar which informs (reminds) users of certain dates (e.g. anniversaries and birthdays of the people close to the user).

- Sponsored E-mail magazines – comprises the advertising in the E-mail magazines

- Sponsored discussion lists – include advertising within E-mail discussion groups, which are very popular for discussions and debates. Many of them have thousands of users.

- Partner marketing – represents the collaboration of the companies. Within this collaboration, one or more companies sell or lease between them the access to their own users' addresses for the needs of marketing. Besides that, another strategy is applied; one company sends commercial e-mails to its users for the account of the partner – informing them about the offer of the partner company.

One more important out of the website marketing technique is registration for the Internet adds. There is a tendency to move the marketing on the Internet and to leave advertising in material forms which are bought. Electronic advertisements mark a great number of visits and that is why it is essential for the company to appear in them. One should choose selectively the most popular Internet advertisements and then advertise in them. This will positively influence the increase of the consumers' brand awareness, and then the increase in sales as well. These models show that the company should provide some extra values for the consumers and in that way tries to win over and keep their loyalty.

Affiliate marketing

Affiliate program is the business relationship between online salesmen (SME who sell services or products) and other (independent) web pages (partners). SME and partners are stipulating the Collaboration Agreement, which regulates their mutual relations. E-Partners (through online advertisements) promote the offer of the SME, whereas SME pays partners based on the results, exclusively, i.e. according to the actions completed by the visitor on the website of SME. This method is commonly applied by the companies which are seldom visited and which deal with sales of products and services.

Depending on the subject of advertisement, there are several different affiliate programs:

  1. Commission-based affiliate programs: anyone who comes from affiliate site gets the commission from the SME with which he has signed a contract, whereas:

- pay per sale PPS;

- pay per lead PPL;

- pay per customer acquisition.

  2. Click-through programs: certain amount is paid for each visit through banner:

- pay per click PPC;

- pay per view

Pay Per Sale (PPS) – Partner gets an advanced payment (percentage) from each sales performed by his visitor, regardless of the quantity of sold products. SME approves the commission of 3%-20%. Margins are lower for the lower value goods and vice versa.

Pay Per Lead (PPL) – Partners are paid for the activity which their clients perform on the SME's web page. The visitor makes no payments. He is usually only gets registered on the website of SME in order to utilize their mailing list. Partner gets previously agreed and fixed payment for such an action. This way of operation is convenient for SMEs which do not use their own web pages for the sales of goods, but only for their presentation. In such a way, they reach the interested customers who later become their buyers and purchase products in the traditional way.

Pay Per Customer Acquisition – A fixed amount is paid to the Partner for the customer who has bought even one SME's product, but provided that he has never been a client of that company before, i.e. company pays only for new customers.

Pay Per Click (PPC) – Partner gets the determined sum for every click on the web page of SME. It means that partner puts company's advertisement on his own website and each visitor who clicks on the advertisement, automatically brings profit to the partner. This model is not very convenient for SMEs, since for the invested money (payment against each click) they can get only visitors and not the customer who will buy their product. This model is very expensive for SMEs.

Pay Per View – Payment is effected according to the number of the advertisements viewed. The contract of advertising is stipulated with ad providers. SMEs pay the agreed sum of money after every 1000 viewed ads on some web page. In this case a viewing is paid regardless of its result.

Clik-trough programs – case study Google

Google marketing - Google.com functions in the following way: it is needed to type the key word which describes a searched product and in front of the user appears the list of the sites concerning that topic. If SME wants to position its link on the first page of the www.google.com it will be the most expensive, and if he wants to pay less, link will be positioned on the following pages. Statistic data confirms that the most visitors search only first three pages, whilst the other pages are rarely opened. Therefore, the most expensive advertisement for SME is the one located on the link number from the first page.

Google AdWords – This is the advertising system which will appear on the right side of the main search. SME makes its own advertisement and selects the key word, i.e. the words of phrases related to its business activities. When the visitor of the Google.com uses one of the key words, the user's advertisement can be displayed nearby search results. By clicking on that ad, the access to the website is enabled in order to see more about the advertiser or to complete the purchase. This method of advertising is not expensive, since it is paid only when someone clicks on the ad.

Google AdSense – This is the most attractive program. It is available to anybody, and because of that some checks by the Google system have to be completed. Such quality control takes a few weeks. After that, the short Java scripts should be downloaded from the Google site and inserted in the desired places on the own web pages and presentations on the website and Google will show desired advertisements. Since when Google has created advertisements, SMEs have no need to engage advertising agencies. The advantages of the AdSense:

• advertisements are distributed in geographic order

• AdSense is available in more languages (Vasković, 2008, p. 246).

D-kit service as a tool for SMEs promotion

Real Time Group in association with the Israeli company iSOCIA presented for the first time to the Serbian public D-kit - a revolutionary service which offers

an efficient solution for the positioning of SMEs on the market, web promotion on social networks and mobile platforms.

D-kit is a product of Israeli experts and so far has found a remarkable application worldwide. By accepting this service, numerous enterprises have significantly improved their operations and expanded to the new markets through modern communication channels. They become recognizable to the large number of users of social networks and mobile platforms.

The arrival of D-kit service to the Serbian market represents a significant step forward and a chance for the business development of our SMEs, giving them the opportunity to promote their operations efficiently, which results in better sales and corporate reputation. With D-kit SMEs will be able to:

- realize better availability of the products and services,
- have better visibility of the products within modern means of communication,
- reach the customers for whom the products are designated efficiently,
- communicate through mobile platforms,
- analyze the market,
- manage mailing lists,
- control their own online presence,
- measure the advertising of the competition,
- create excellent network access which provide sending of SMS to almost all mobile phones in the region,
- create the website optimized for mobile devices,
- create tools which will facilitate direct communication with users,
- keep pace with the international level of operations. (www.cittyofnis.rs)

MEASURING THE EFFECT OF WEB ADVERTISING

Web advertising is a very efficient method since it is possible to measure the influence of the advertisement on the user. It is performed through the analysis of the visits, i.e. visits of the web page with the advertisement. The following methods are applied for that purpose:

- Click Rate – this method comprises the registering of the clicks on a banner to open the web page of the advertiser. This method is applied for the calculation of the advertising space costs.
- The number of visits – shows how many times the advertiser's website page is opened. In this way the marketers get the information of the number of people who saw the advertisement on the web page. This method is applied for the calculation of the advertising space costs.

- Opening Rate – indicates the number of users who intentionally want to open the advertisement. This percentage is not high – it is usually under 1%.

- Sales costs – this method indicates how much money was spent per one sale.

- Advertisers apply different methods, but most of them think that each of the mentioned methods should be applied in order to realize the complete effect of the web advertising, i.e. the more visitors seeing the advertisement results in the enhanced sales. (Salai, Grubor, 2007, p. 56)

Google analytics

In order to create a successful Internet presentation, SME must reveal what their potential customer thinks. It is necessary to get information regarding the behavior of the visitors' who are viewing the presentation. Are they searching the products catalogue for hours or they have passed to another presentation after few seconds? Do the visitors regularly come back to their presentation looking for new contents and information or they have completely forgotten the presentation immediately after the first visit? It is necessary to reveal the reasons of their behavior, since apart from the high quality product; some other technical details could produce negative effects of the presentation. For example, too complicated Java uplet could block the computer and after that, most likely, the visitor will not visit that presentation any more.

GOOGLE ANALYTICS FUNCTIONING

Google Analytics performs search of all information which can be useful for its users. Time of conservation of information related to the visits is unlimited, so that the visitors can visit them any time. In order to use the Google Analytics service a small JavaScript Code should be added on each page you want to follow. This Code, with a help of Cookies monitors the behavior of each visitor. The visitor doesn't note these activities at any time.

Google Analytics is able to collect two types of information:

- Information regarding browser used by visitor. By each request for the access to the Internet page, browser is sending a set of basic information. These information contain a browser type, supported options and IP address of the computer from which the access to presentation is performed. These data do not contain information related to personal data, i.e. name or address of the visitor. But with the help of IP address, geographic location of each user can be easily determined. Based on these data, SME can gain the information in which areas their products have caused increased interest and where they can expect increased number of buyers and revenue.

- Monitoring of the visitors. Because to this monitoring system based on cookies, Google Analytics is able to collect information regarding interests

and habits of each visitor. When a visitor clicks on the links which are transferring him from one to another page, Google is able to record precisely the visitor's path within the presentation, the time he spent on each page and if he came back to these pages later. (Vasković, 2008, p. 253).

THE RESULTS OF THE RESEARCH

Based on the conducted research and the content analysis of the scientific sources in written and electronic form, we can conclude that the hypothesis H1: Internet represents an efficient and effective medium for conducting the SME's promotion is confirmed.

CONCLUSION

Based on the fact that the hypothesis H1 is confirmed and based on the method of deduction, we can conclude that the Internet is efficient and effective medium for realization of promotional activities for the small and medium enterprises.

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MARKETING CONCEPT IN THE PROVISION OF PUBLIC SERVICES IN THE EUROPEAN UNION

Dragan Kostic[42]
Daliborka Petrovic[43]
Zoran Radulovic[44]

Abstract: Contemporary, market-oriented policy of public services in the European Union is characterized by implementation of mechanisms previously typical for the private sector, such as the opening the market of public services, managing enterprises in the competative environment, encouraging public-privat partnerships and cooperation in the field of provision of public services. This new market-oriented approach relates to the certain group of public services defined in the European Union documents as Services of General Economic Interest (postal services, telecommunication, energy, public transport). This paper attempts to answer the question whether there is a possiblity of implementing already developed and well known marketing concepts in the field of public services or there is a need for the development of entirely new marketing concept for public services. Qualitative metodological approach is used for analyses and sinthesis of the chosen topic. According to the final results of this paper, there is a ceratain possiblity of implementing the service marketing concept, especially relationship marketing in the domain of public services, instead of current domination of mass marketing concept. Relationship marketing is fundamentally comatible with the new, European market-orinted policy of services of general economic interest. The findings of this paper reaserch could be applied in the management of enterprises which are involved in the provision of Services of General Economic Interest.

Key words: Marketing, Public Services, European Union, Services of General Economic Interest

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[42]*Dragan Kostic, Faculty for Management of Small and Medium-Sized Enterprises, Belgrade, Serbia*
[43]*Daliborka Petrovic, University Business Academy, Novi Sad, Serbia, petrovic.daliborka@ymail.com*
[44]*Zoran Radulovic, Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, zradulovic10@gmail.com*

INTRODUCTION

From the year 2000 European Union has defined new, specific and unique policy of public services, combining traditional elements from European continental economic approach (social justice and equality, availability of services for all citizens) with the certain elements from Anglo-Saxons economic approach (concept of consumerism, competition, professional management). Consequently new categories of public services have been made and new terminology introduced. All public services are divided into two groups: Services of General Interest and Services of General Economic Interest. The first group of public services remains under the state control (policy, security, governmental departments) and the second group of public services is opened to the competition on the European, internal market (postal services, telecommunication, energy, public transport). Although the market of these services in the European Union has been opening, as far as the structure of ownership of enterprises is concerned, member states are completely free to chose and decide about that, in accordance with their specific historical, economical, societal and cultural characteristics.

Emphasing the market orientation within the Group of Services of General Economic Interest, new European Union policy of public services opend up the possibility for substantial marketing implementation in the field of their provision. However, possibilty for the implementation of marketing concept in the domain of Services of General Economic Interest brought about the question whether the existed, well-know, privat sector marketing concepts can be useful for public sector, or there is a need for defining new, public sector marketing concept.

DEFINITIONS AND LITERATURE OVERVIEW

The broader term Services of General Interest (SGI) includes market and non market public services in the European Union. The narrower term Services of General Economic Interest (SGEI) refers only to the market public services. Economic or non economic nature of services represents the basic criterion for dividing the public services into two main groups. Services of General Economic Interest are defined as services of an economic nature which the Member States or the Community subject to specific public service obligations by virtue of a general interest criterion (Krajewski, 2006). In particular, it covers services provided by large network industries such as public transport, postal services, energy and telecommunication.

When it comes to the choice of marketing concept in the field of Services of General Economic Interest in European Union (postal services, telecommunication, energy, public transport), there are several respectable theoretical opinions, which, in general, could be classified as follows:

- Marketing can be applied to all types of organizations, including the public enterprises, and everywhere where there is some transaction occurring (generic marketing concept, transactional marketing).

- Marketing can be applied in public sector only by respecting its specific mission, characteristics, context and situations, especially in comparison with the private service sector (conceptual framework of marketing).

- Marketing can be applied in those public services where there is a system of direct payment of services as well as the high level of interaction with individual users (service marketing, relationship marketing).

- The detailed analysis of the three marketing concepts follows up in the rest of the paper.

CONCEPT OF GENERIC TRANSACTIONAL MARKETING AND ITS APPLICATION IN THE SERVICES OF GENERAL ECONOMIC INTEREST

First debates about implementation and use of marketing in public services related actually to the concept of generic marketing. The origin of the view that marketing can be used everywhere where there are transactions occurring between two sides comes from the American marketing thought. Therefore, the marketing mix paradigm, which characterizes the generic approach to marketing, can be universally applied in all kinds of institutions, including the public enterprises. The main hindrance for spreading the marketing principles in the realm of public services relates to the orientation of public sector to internal, hierarchical organization and functioning, instead of focusing on users and consumers of the public services. Public service is perceived by citizens as more than just national departments and local administration (Waldt, 2004).

The organizations that deliver public services are faced with new needs and demands of the users, which appeared as a result of changes in external environment, but those public service organizations are often not successful enough in adapting their service offer and way of its delivering to the actual needs and demands of the consumers. Main reason can be found in the presence of internal powers which resist the necessary changes and strive towards maintaining internal harmony and cohesion. That kind of orientation deters the integration and use of marketing in the domain of public services. In order to improve the environment for marketing application in public service organizations, first and foremost step includes the acceptance of the perspective that citizens represent main users and consumers of the public services; hence they have to be placed in the center of the public service delivery process. The change from self-orientation to orientation toward users would substantially contribute to the strengthening of capability of public enterprises to implement and spread the marketing perspective in their internal environment.

The organization which implements marketing is characterized by the following (Kotler, Andreasen, 1991):

- It is oriented toward its users and consumers;
- It mostly relies on the researches;
- It makes segmentation of the market;
- It defines the competition from broader aspect;
- It has strategies that consider all elements of marketing mix, not just communications.

On the contrary, the organization that does not have the marketing orientation is characterized by the following (Kotler, Andreasen, 1991):

- The product/service offer is made from internal perspective;
- Lack of success is perceived as the consequence of the consumers' poor knowledge and absence of their motivation;
- Research of consumers' attitudes has minor role;
- Marketing is primarily defined as promotion;
- In approach to different markets one "best" marketing strategy is applied;
- There is a trend to ignore the competition in broader sense, whether it is direct or indirect competition.

Marketing orientation asks for more complex and integrative approach to market, business conduct and management of the organization. However, even in the realm of private sector, marketing concept has often been reduced only to one element of marketing mix-promotion and its subgroups propaganda and sale. Accordingly, the beginning of marketing implementation in services of general economic interest, in that sense, is not the exception. Hence, occasional promotional messages about the public sectors programs do not automatically mean that marketing concept and principles are fully adapted in the field of public services, nor that public organizations have marketing orientation. In other words, the fact that public enterprises sometimes use the two-way communication programs, often very efficiently, cannot be the base for making the conclusion about successful implementation of marketing in public sector.

The universality of generic marketing concept accents that there are several different ways the marketing mix elements can be combined so that every combination can match properly to the specific situation, market or type of organization. Generic concept of marketing put the accent on the synergy of all elements of marketing mix and states that the overall success of marketing strategy depends on the level of the interrelation of marketing mix elements as well as the compatibility of chosen combination of elements with the actual, real needs and possibilities of the target market. Consequently, each element of marketing mix, isolated from the rest of them, does not constitute the marketing strategy, nor the occasional use of one element can be understood as a marketing concept implementation. Only the synergistic and purposive application of the total mix is

marketing (Graham, 1994). Implementation of one, or indeed all, of the marketing functions without adoption of the marketing concept is not marketing. However, having adopted the marketing concept, it is not necessary to implement all of the functions, merely those that are appropriate to prevailing circumstances. (Trustrum, 1989)

According to the generic marketing concept all organization can benefit from the application of marketing, although its implementation is more natural for some type o organizations than the others.

Table 1. Typology of organization

	Private	Public
For profit	I Private Businesses (companies)	II Public eneterprises in state ownership (electricity, gas, tellecommunication)
Not for profit	III Private , Non-Profit organizations (Foundations, Charities)	IV Government Departments and Agencies

Source:Kotler, P., (1982), Marketing for Nonprofit Organization, Englewood Cliffs, Presence Hall, New Jersey, 12

In European countries, marketing has always been considered as appropriate activity for type I organizations. The organizations in type II, in spite of being profit oriented, having the clients and transactional exchanges, have been inhibited from practical implementation of marketing, especially because of their longstanding monopolistic status. Apart from that, main obstacle for becoming market- oriented relates to the over accented presence of political influence in the management of those public enterprises. New European Union policy of services of general economic interest strives to remove and diminish old barriers for marketing use in public enterprises by, among others, encouraging the competition on the internal European market, management professionalization and implementation of the Anglo-Saxons concept of consumerism. When it comes to the organization of type III and IV the possibility of implementing marketing is very specific, first and foremost because they are not placed in the group of services of general economic interest, according to the new policy and terminology of the European Union. Practically it means that they are excluded from the law of competition on internal market, thereby they have no reason to practice marketing at all. So, as far as this second group of public services, named Services of General Interest-SGI, is concerned, marketing concept as the organizational motivating force is not adopted, but instead a particular marketing techniques or functions can be utilized, which are only a part of marketing (Graham, 1994).

To conclude, the concept of generic marketing, or at least some its activities, can be useful for the profit-oriented services of general economic interest, whereas the integrated application of marketing in the non-economical Services of General Interest seems to be inappropriate because of their very different environment, mission and ethos (Graham, 1994). However, this group of services could benefit from the implementation of social marketing, but since the focus of this paper is on the services of general economic interest, this possibility of social marketing implementation in services of general interest is intentionally omitted and not elaborated in this paper.

The organization that provide and deliver the Services of General Economic Interest can benefit from the following marketing mechanisms (Kotler, 2008):

- Development of proper services packages and programs;
- Determination of motivating price, incentives and sanctions;
- Optimization of distribution channels;
- Making and maintaining positive brand identity;
- Efficient communication with key auditorium;
- Improvement of serviceability and satisfaction of the users.

So, every organization that is involved in delivering the Services of General Economic Interest should develop simulative marketing plan that would define marketing goals and tasks, target auditorium, strategy of positioning, the criteria for monitoring and evaluation of the marketing activities, management of budget resources and plan for pursuing the chosen marketing activities. (Kotler, 2008).

CONCEPTUAL FRAMEWORK FOR MARKETING OF SERVICES OF GENERAL ECONOMIC INTEREST

Although previously analyzed concept of generic, transactional marketing can be beneficial for the public organizations, its idea of universality of marketing implementation had been questioned and subjected to the professional, theoretical debates. Namely, when considering the marketing implementation in public sector it is important to take into account the broader perspective or a whole context in which the public enterprises exist and work. Starting from the general marketing concepts, approaches and theories, it is important to understand the context, industry and situation of every kind of services of general economic interest, because even being ranked in the same group, there are always some specification that should be taken into account. So, in spite of the fact that marketing can contribute to the improvement of users orientation, when it comes to its implementation in public services it cannot be done just by coping the principles from private sector, which represents the "natural environment" for marketing.
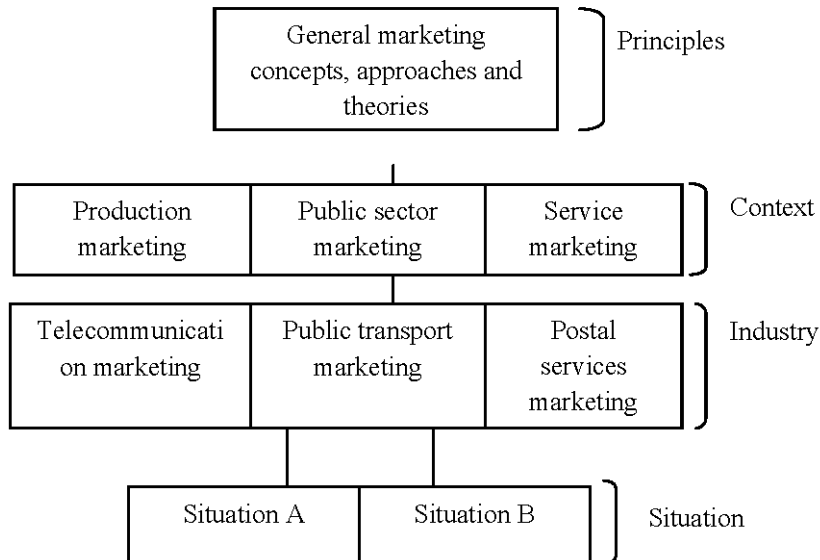
Figure 1. Conceptual framework for positioning public sector marketing.

Source (adapted): Butler, Collins, (1995), pp. 85

Marketing of public services cannot be separated from general marketing concepts, approaches and theories; on the contrary, they represent the starting point for defining marketing strategy. However, general marketing principles have to be adapted to the special context (public sector), and then to the specific industry in order to be effective and efficient when finally applied in specific marketing situations. So, the integral parts of public sector marketing include analysis and modification of general marketing concepts and principles, the process which inevitably makes marketing of public services specific and unique.

CONCEPT OF RELATIONSHIP MARKETING AND ITS APPLICATION IN THE SERVICES OF GENERAL ECONOMIC INTEREST

Relationship marketing was developed within the service marketing, where there is a substantial level of interaction between service providers and users of those services. Since the bottom line of the service business depends on the quality of mutual contact, the strategy for establishing and maintaining those contacts became the subject of deeper analysis within the concept know as relationship marketing. Relationship marketing emphasizes the establishing and strengthening the mutually beneficial relationships between service providers and consumers of the service, so that both sides are enabled to realize their goals. It can be done by

mutual exchange and fulfillment of given promises (Gronroos, 1990). Therefore, all resources in the organization, material, informational and human, should be activated and directed to capacity building for fulfilling the given promises. (Gronroos, 2006).

Accordingly, it could be said that there are two preconditions for the implementation of relationship marketing: first, the criteria of profitability and second, users' wish to involve in the relationships with the service provider. Consequently, it could be said that the implementation of relationship marketing concept in the field of Services of General Economic Interest should be analyzed and judged according to the certain criteria, which then gives the possibility to classify these services into group of services where relationship marketing can be applied and into group of services where other marketing concept would be more appropriate. Those criteria can be, for example, the degree to which the customer pays for the given service (the existence of direct or indirect payment mechanisms) and degree of interaction between the service organization and users.

Table 2. Classification of public services

		Degree to which the customer directly pays for the service	
		Low	High
Degree of contact between providers and customers	High	Criminal justice, Emergency services	Postal services, Public transport, Telecommunication
	Low	Central goverment departments	Customs, Excise

Source (adapted): Laing, (2003), pp. 434

According to the previously mentioned criteria, it is possible to conclude that relationship marketing can give the best results in those services where there is high degree of direct payment for the service consumed and high degree of mutual contact between the service provider and consumer or user of the service. Since these elements can be found in the Services of General Economic Interest, the concept of relationship marketing is considered relevant and appropriate for improving their quality and efficiency. Additionally, the new European Union framework for Services of General Economic Interest put the huge accent to the improvement of consumers' satisfaction, In order to achieve this, the improvement of strategy of building and maintaining contact and communication with the users of these services are very important.

In ceratin market situations, in which the users are reluctant to make the relationship with the service organization, and those relationships are not economically justifiable, it would be more profitable to use the generic,

transactional marketing concept. Although the concept of relationship marketing is proved to be efficient in the field of services, nevertheless it should not be understood as the generic paradigm and universal solution for all service marketing situations.

CONCLUSION

According to the new European Union policy of public services, the group of public services whose nature is predominantly economic are called Services of General Economic Interest. This group of services include: postal services, telecommunication, energy, public transport. Within these services on the internal, European market the competition law is applied, hence the market orientation and consumer satisfaction appeared to be very important principles of public management which strives to take some good experiences from the privat sector marketing management.

Although marketing concepts and practices from privat sector should not be merely copied to the public sector, yet they can contribute to the improvement of quality, efficiency and consumer orientation of Services of General Economic Interest.

But, when defining marketing strategy for the public services, their specific nature and mission, as well as context, have to be taken into account. Hence, some elements of existed marketing concepts should be adapted to that specific context, either it is generic, transactional marketing paradigm or relationship marketing, or even the combination of elements from both of them.

This means that marketing concepts, which had been developed up to now in the realm of private sector, could be taken into consideration when finding ways to improve the market orientation of the providers of Services of General Economic Interest in the European market.

However, instead of predominant use of the elements of generic, transactional marketing concept (especially promotion, one-way communication), the organizations should consider the possiblity of the elements of relationship marketing, especially because this concept if fundamentaly compatible with the new European Union policy of public services. Some elements of the relationship marketing concept, among others, include: establishing and maintaining mutually beneficial contacts with users of public services, developing the strategy for two-way communication, adapting the service packages to the real needs and demands of the consumers, educating front-line human resources about how to use every contact with users of services as a chance to strengthen their relationship with the enterprise and hence contribute to the improvement of the users' satisfaction with the quality and efficiency of Services of General Economic Interest.

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IMC CONCEPT – AS A NECESSARY PRECONDITION FOR MARKET SUCCESS OF SMEs

Maja Cogoljevic[45]
Ljiljana Dimitrijevic[46]
Zorana Djuricic[47]

Abstract: In modern conditions of doing business, the success of small and medium enterprises does not depend only on their ability to develop a good product/service, to form adequate prices and to make their offer available to the consumers, but also on the way of communicating with the target public. Market success is more and more based on interactive communication and efficient application of integrated marketing communication concept (IMC).

The concept of integrated marketing communications brings the new approach to defining the communication strategy of an enterprise. The novelty, which this concept brings, is the need of coordinated approach of combining of instruments of promotional mix and development of unique strategy of enterprise's communication with target groups. According to this concept, the target group which the modern enterprise communicates with is comprised of a larger number of public segments. Still, the center of attention is the consumer as the most important message recipient.

Integrated marketing communications are nowadays among the most significant "events" in the sphere of business and marketing. They are "conditio sine qua non" of contemporary business and the only sustainable competitive advantage of enterprise of the twenty-first century. Therefore this paper has the goal of showing the changes in the understanding of promotional mix and the tendency towards integrating its parts, origin and development of concept of integrated marketing communications, factors of creation and the obstacles of practical application of concept of integrated marketing communications.

Key words: Integrated Marketing Communication, Consumer, Interactive Communication

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[45]*Maja Cogoljevic, Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, maja.cogoljevic@gmail.com*
[46]*Ljiljana Dimitrijevic, Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, ljiljanadimitrijevic71@hotmail.rs*
[47]*Zorana Djuricic, Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, djurazo001@gmail.com*

INTRODUCTION

In market-developed industries, integrated marketing communications (IMC) are the single most important concept in marketing developed in the last decade of the past century, but they are also a necessity for successful business operating and achievement of synergistic effects in customers-related communications. Influenced by various trends that were prevalent on the market in 1990s, small and medium enterprises have left the traditional approach to marketing communications and changed their relationship with customers for they have seen that it is necessary to make and maintain long-term, positive relationship with customers. This relationship is the key to successful business operating, and the strategic approach to marketing communications is the key to creating this relationship.

In modern conditions of doing business, the success of small and medium enterprises does not depend only on their ability to develop a good product/service, to form adequate prices and make their offer available to the consumers, but also on the way of communicating with the target public. It is a great challenge for management of a modern enterprise to manage all its business activities in the right way and to add the value which is of interest to various stakeholders. Market success is more and more based on interactive communication and efficient application of integrated marketing communication concept (IMC).

The concept of integrated marketing communications brings the new approach to defining the communication strategy of an enterprise. The novelty, which this concept brings, is the need of coordinated approach of combining of instruments of promotional mix and development of unique strategy of enterprise's communication with target groups. According to this concept, the target group which the modern enterprise communicates with is comprised of a larger number of public segments. Still, the center of attention is the consumer as the most important message recipient. Therefore, while defining the promotional strategy, enterprise should have in mind the needs and communicational abilities of consumers, in order to send them a clear message. New media have enabled for both parties to communicate and send and receive messages at the same time. This contributed to mass communication having more and more characteristics of interpersonal communication.

Considering the huge significance that SMEs have for the functioning of economy, within which they conduct their activities, it is often pointed out that the key to successful positioning of the enterprise is at the point of the intersection of business and communication.

INTEGRATED MARKETING COMMUNICATIONS VS TRADITIONAL MARKETING COMMUNICATION

Marketing communications is a relatively new term. It was preceded by another term, promotion, as the joint name for all communication activities aimed at promotion of positive information about products and services (Delozier, 2003, pp. 115). The importance of marketing and marketing communications rose in the last decade of the previous century, because efficient communications with customers was perceived as the crucial condition for successful business operating on the market. Traditional business operating, mass production and economy of scales all imposed the use of mass communications. Enterprises used means of mass communications covering a huge and diverse auditorium. Together with business orientation development, including production orientation, selling and marketing orientation, ways and forms of marketing communications also changed (Stojanovic et al., 2012).

The traditional communication concept was based on the assumption of homogeneity of the market. Marketing and marketing communications process are aimed at convincing customers. A single marketing message for a particular brand of products is created and launched towards mass auditorium. The standpoint was that "if the products are the same, and consumers are the same, then a single message will work for all consumers" (Schultz, Tanerbaum, Lauterborn, 1993, pp. 118). This concept of communications has led to the affirmation of mass media by using advertisment and distorted view of a more efficient marketing application. It is characterized by one-way flow of communications, which is being developed by the company, propaganda agencies, the media and the consumer. This communications system is fully controlled by the company, i.e. commercial agencies, and the very purchase represents the feedback.

The development of enterprise marketing orientation has led to certain changes in the understanding of promotional activities. There are new forms of promotion and new ways of communication in general, along with the increasing number of target audience that the company addresses, insisting on establishing two-way communications and personal contact with members of target groups. There is a need to redefine the promotional mix including new ways of promotion and integration of all of their instruments. This idea was the cornerstone of the emerging concept of integrated marketing communications of that time. This concept includes both existing and new forms of communication (commercial advertising, personal selling, sales promotion, publicity, public relations, direct marketing and Internet marketing) that are organised so that a consistent message about the company and its products is sent to different target audiences through various forms of communication and through various media.

The promotional strategy that was based on adequate strategies of some forms of promotion has been replaced by a unique communication strategy of the company. The consumer is both the starting and the end point in the development

of such a strategy. The consumer does not distinguish between propaganda, direct marketing, sales promotion and other forms of communication. To him these are all similar forms used by companies to persuade him to buy a product. Consumers are more sensitive to unification and inconsistency between the messages, than to the specific means of communication used to convey them. It is important that consumers are presented with an integrated way of messaging, i.e. a consistent message. Basically, it is necessary that any contact between the consumer and the product or the company should be managed.

Integrated communications allow you to build positive and lasting relationships with customers. It is much more personalized, consumer-oriented, relationship-based and interactive. All this suggests that integrated marketing communications build a unique image of the company and its products and drive consumers towards the desired reaction. Successful implementation of integrated marketing communications is possible if there is a strategic integration of different sectors that are responsible for communication (Payne, Holt, 2001, pp. 159-182).

DEFINING INTEGRATED MARKETING COMMUNICATIONS

Integrated Marketing Communications - IMC (Integrated Marketing Communications - IMC) have made a revolutionary change in marketing communications. They emerged from the need to include a full variety of communication tools. The key point is that integrated marketing communications require the coordination of all marketing efforts directed at multiple audiences, using a larger number of means of communication, with a single cohesive message to consumers. Integration is a term that suggests a mixture of different means to convey a unified message, wherein the mixture should be perceived as unique by consumers. Unity means that messages via one or all of the means of communication used should be a part of a whole, and not separate entities. If all individual elements are not integrated with each other, then each can carry a different message that could potentially confuse consumers and undermine the overall marketing effort.

Professors Don E. Schultz, Stanley I. Tannenbaum and Robert F. Lauterborn are considered to be pioneers and leading proponents of the idea of integrated marketing communications. They believe that integrated marketing communications are a new way of looking at the entirety of marketing communications, not just at only one part of the marketing communications such as advertising, sales promotion, public relations, and so on that used to be the case (Brkic, 2003, pp.. 28). IMC represents a way of communication that looks at the product in the same way that the customer does i.e. as the flow of information from sources that can not be distinguished. All sources of communication should represent a single entity for buyers who can see it or hear it.

These authors tend to say that integrated marketing communications are a conversation with people who buy or don't buy products based on what they can

see, hear and feel, rather than just on the opinion of the company about its product or service (Brkic, 2003, pp. . 28).

In the late 1989, The American Association of Advertising Agencies (AAAA) formed a working group whose task was to define integrated marketing communications. The group came up with the following definition: "IMC is a concept of marketing communications planning that recognizes the added value of a comprehensive plan that appreciates the strategic role of different communication disciplines - for example, advertising, sales promotion, public relations, etc. - and combines these disciplines to provide clarity, consistency and maximum communication impact." (Brkic, 2003, pp.. 29).

Professor Philip Kotler (Philip Kotler) defines integrated marketing communications as a concept that helps the company carefully integrate and coordinate its many communication channels to deliver a clear, consistent and encouraging message about the organization and its products (Kotler, Armstrong, Sanders Wong, 1999, pp. 781).

Tom Dancan and Sandra Moriaty point out that the "integrated marketing communications are a marketing approach of the new generation, used by companies to better focus their efforts on setting, decision-making and developing relationships with customers and other stakeholders" (DancaN, Moriarty, 1998, pp. 1-13). They have developed a marketing model based on communications and they emphasize the importance of managing all corporate levels and communications related to the brand of the product, since they together create and maintain relationships with customers and other stakeholders that influence the value of the brand. According to this model, messages can originate from three levels: corporate, marketing and marketing communications level. All these activities have the aim to attract and retain customers. The goal is to communicate with consumers "with one voice, appearance and image" so that a company or a brand is identified in a consistent way.

Despite the approach or the author, the essence of the definition of integrated marketing communications is as follows: IMC represent an integration of all forms of communication, whose aim is to send a unique message through various forms of communication, i.e. a unique message, so as to build a durable, two-way relationship with customers based on understanding of their motives, needs, attitudes and behavior.

INTEGRATED MARKETING COMMUNICATIONS CHARACTERISTICS

These definitions provide a broad view of the nature of integrated marketing communications. However, there are five integrated marketing communications characteristics that are particularly important and define each IMC (Shimp, 2007, pp. 57):

1. IMC affects behavior,

2. IMC begins with customers or potential customers;

3. IMC uses one or all forms of communication,

4. IMC achieves synergy

5. IMC builds long-term relationships with customers (relationship).

IMC affects behavior. The goal of IMC is to influence the behavior of the communication audience, either through encouraging new forms of behavior, reinforcing the existing ones or changing the current patterns of behavior. Successful IMC creates a need for the product/service, promotes the product/service, enhances the positive view and encourages consumers to like the product/service. The ultimate goal of IMC is to drive the customer to action or to purchase of a particular product.

Although the purchase is the ultimate goal of IMC, it would be too plain and unrealistic to expect that every form of communication results in a purchase. Therefore, the method of communication should be adapted to the conditions. Namely, if there is a new product, it is necessary to first familiarize potential customers with it, inspire interest, a positive preference, desire, and then expect action in the form of purchase.

IMC begins with customers or potential customers. The second key feature of IMC is that the whole process starts with a consumer, i.e. a potential customer, while opting for the most suitable combination of communications methods that will achieve the desired goal. Knowing the consumer's desires and needs is an essential input for the IMC decision-making process. The consumer, as the output of all marketing activities is also the beginning of IMC strategy, for, without knowing the consumer, communications will not achieve the desired goals.

By knowing the customer, a company will be able to satisfy his needs and desires, and this creates a satisfied customer. Satisfied customers will buy the product again and become loyal customers: and this will lead to positive results and the company will make profit in the long run. This means that by ignoring a consumer, the company will sooner or later be punished by business failures and losses.

IMC uses one or all forms of communication. IMC uses one or all forms of communication and contact forms to reach the target audience and present the

desired message. The key feature of this definition is the need to combine messages and media as to achieve the desired effects of communication. A contact is each channel for delivering messages to consumers that puts a product in the best light. There are the two types of contacts: a) contact through product and b) contact through the company.

Contacts should include TV commercials, advertisements in newspapers, on billboards, Internet adds and basically all other endless possibilities. IMC is not related to an individual communication form, but can rather use any medium and contact, both individually and combined. However, there isn't a recipe to design the communication mix. Any combination of communications forms or contacts that leads to a market success is desired and welcome. IMC uses all forms of communication available as to efficiently and effectively reach the target audience.

IMC achieves synergy. The cornerstone of IMC is to achieve synergy. Regardless of the forms of communication used, they must be complemented, ensuring synergistic effects, to create a strong and a unique image of the product and the company that would drive consumers to action. This means that all forms of communication must speak with one voice. Basically, the consumer must receive the same or complementary messages that will strengthen the effect of the previous ones. Failing to closely coordinate all communication elements can result in double effort or, even worse, in contradictory messages about the product.

This concept assumes there is a decision about the product, the so-called positioning statement. The positioning statement is a thorough idea of the position of the product in the consumer's mind. It is a picture in which the company wants the customer to see its product. It is often dangerous to change a great idea in communication, because it confuses consumers and definitely takes the edge off the final effect.

IMC builds long-term relationships with customers. The fifth IMC characteristic is the fact that successful marketing communications require building of a long-term, positive relationship between the product and the customer or the company and the customer. Long-term relationships can be said to be the aim of modern marketing, and IMC are the means of building long-term relationships.

It does not pay off to trick consumers in the long run. True marketing success depends on whether consumers will purchase again. The phrase "people returning" contains the idea of a permanent value of consumers. Consumers do not just buy a single can of beans, one camera and don't go on a single trip. In their lifetime, they buy thousands of cans of beans, dozens of cameras and go on dozens of trips. Companies have realized that it is much easier and cheaper to keep old customers than to constantly seek and recruit new ones. It is precisely the relationship that enables this. Creating lasting relationships between the product and the customer or the company and the customer means re-purchase, even long-term loyalty, and frees companies from the syndrome of one-off sales.

DETERMINANTS OF INTEGRATED MARKETING COMMUNICATIONS DEVELOPMENT

Origins and the development of integrated marketing communications were marked by certain factors that influenced the company to accept the IMC concept, and had an impact on this concept's further growth. The determiners of the IMC development were divided into two main currents, so there are two groups of factors:

1. Market factors
2. Technological factors:

Table 1. Two groups of factors of the IMC

Development IMK	**Market factors**	increased competition
		increase in promotional activities investment
		redistribution of promotional budget
		Changes in consumer's behavior patterns
	Technological factors	media fragmentation
		advent of interactive media
		ability to create databases
		electronic technologies

MARKET FACTORS

Modern markets in more developed countries are characterized by a large and harsh competition between numerous companies. The increased competition creates the need for better promotional activities coordination and for marketing communications integration, which is reflected in increased informative pressure on the consumer. In the "sea" of advertising messages, a single message of a particular company will be lost if it is unable to distinguish itself and draw attention of desired consumer segments. It has become clear that one add in one medium doesn't have the necessary impact. All this has led to the conclusion that the effectiveness of a message depends on a multiple publication/broadcast, in various media and through various marketing communications resources and companies have begun to understand and use the integrated marketing communications concept.

Consequently, in order to establish communication with target audiences, companies have begun investing more funds into promotional activities. The increase in investment in economic propaganda in the previous period clearly demonstrates the growth in investment promotional activities. For example, the total advertising investment outside the United States from 1990 until 2000 rose by 60%, reaching the estimated value of 231 billion dollars (Belch, 2001, pp. 674). Apart from the increase in advertising investment, there is a significant increase in investments to improve sales. For example, in 2000, manufacturers around the world separated about 500 billion dollars for sales promotion activities aimed at traders and consumers (Belch, 2001, pp. 674).

In addition to the increase in the total promotional budget, there has also been redistribution in favor of other forms of promotion, primarily in sales promotion, direct marketing and the Internet. Since 2000, sales promotion investment has exceeded its advertising investment, and is worth 250 billion dollars, compared to 233 billion dollars that the U.S. economy has invested in advertising (Sultz, Schultz, 2003, pp. 7).

Competition changes have led to a major shift with the respect to consumers and companies, and have also made companies invest even more in the promotion and its individual forms to ensure that their message reaches the consumer. The point of all of this is the use of a number of modes of communication, i.e. reaching customers through the integration of communications forms, because nowadays there has been a clear increase in the growth of alternative media communications and promotion instruments. Apart from competition, companies have faced yet another change - the change in consumer behavior patterns. These changes are seen through changes in needs, desires, possibilities and consumers' habits when it comes to purchase and consumption of goods and services. The consumers have become less sensitive to advertising messages and mass media in general, and this should especially be kept in mind when designing communications strategies

TECHNOLOGICAL FACTORS

The entire twentieth century, and particularly the last decades, have seen a rapid development of technology. New technological possibilities have led to media fragmentation, and nowadays, the former global networks, that used to cover a huge part of the target population, have got a new, specialized media as their competitor. There is a number of new national, regional, local TV stations, so-called interactive television, radio stations, magazines and daily newspapers. The fact that the modern consumer has a huge variety of print and electronic media at hand, has particularly emphasized the need to integrate communications strategies, as the recipient of information often does not distinguish between sources through which a message is sent.

In addition to the fragmentation of media, there are two trends in technology that have significantly contributed to the change in perception of the process of

communication and its importance in the marketing and those are the emergence of interactive media and the development of new ways to store large amounts of information in database. New interactive media have enabled both parties to simultaneously send and receive information. This has made mass communications take on the characteristics of interpersonal communications. A greater possibility of maintaining two-way communications has been created by enabling feedback between the sender and the recipient. Feedback on how the message was received is of great importance to further improvement of the flow of communication. The company will be able to adapt future messages to ways of communication of the consumer it addresses. Familiarizing with communicative style and characteristics of consumers and adaptation of that message should result in a better understanding of the message and its acceptance.

Technical possibilities of creating large databases have facilitated the process of focusing on the individual and adapting the message to his particular characteristics. Just as the mass media and mass culture shaped, allowed and encouraged mentality characterizes by mass marketing, so did computers - especially the unique access to computers – cause the age of individualism. The ability to collect, store, dispose and use data, along with the ability to convert data to information on current and potential customers has enabled the transition from mass to targeted approach when addressing consumers

OBSTACLES TO PRACTICAL APPLICATION OF THE CONCEPT OF INTEGRATED MARKETING COMMUNICATIONS

The application of the concept of integrated marketing communications brings certain problems. Given the fact that some marketing specialists use services of specialized agencies that help them manage various aspects of marketing communications, there is no need for coordination and integration among them. These include industrial advertising agencies, agencies for public relations, sales promotion agencies and others. Integrity requires strong coordination between all elements of communications programs. However, this can turn out to be complicated if various specialized services operate independently from one another, and if marketing managers do not implement well-organized activities in communication (Chelad, 1995, pp.. 10).

A significant obstacle to integration stems from the fact that companies often hire several communications specialists to work with their managers who tend to be less aware of other forms of communication. What causes even more problems is the fact that many global companies use services of advertising agencies located in different countries and aimed at different segments, which leads to uncoordinated communication and a different image. A small number of companies providing marketing communications services is able to implement programs that affect all forms of marketing communications. Most of the advertising agencies are unable to carry out propaganda directly to the client. Very

few agencies have organizational units for sales promotion, event management, and publicity campaigns. Although many of them have expanded range of services, it is necessary for significant changes in the culture of marketing agency to take place before integrated marketing communications becomes a reality.

The relationship between advertising agencies and clients is changing. They need to help clients develop effective promotional strategies as a cornerstone of the rational use of other available marketing tools. These include: packaging, sales promotions at point of sale, direct marketing, etc. There are several large advertising agencies that have considerably improved their integrated offer. To encourage one-stop shopping, they buy public relations agencies, sales promotion agencies, direct marketing agencies and others.

In the process of integrating marketing communications, companies face many difficulties: (Ognjanov, 2009, pp. 30-32)

1. resistance to change,

2. specialization and elitism

3. the scope of activity,

4. underdevelopment of horizontal communication,

5. decentralization and

6. effect measurement

Resistance to change is one of the main obstacles of integration of marketing communications, and it represents the resistance to a change that is occurring within the company, regardless of whether in the case of an advertiser or agency. Positions that individuals have built in the company are hard to leave. They see the introduction of the IMC as a threat to losing a previously acquired position and the power that this positions carries. Individuals don't all agree on what novelties IMC brings. Company managers tend to argue a priori that their marketing communications are already integrated.

Specialization and elitism - elitism in the company is present among professionals who are responsible for performing certain functions. In the past, in the field of marketing, experts for specific activities were trained to become specialists in industrial advertising, public relations, merchandising, media buying, etc. At the time it was thought that specialization provides training in a specific area, which produces significant effects. IMC is based on the idea of achieving synergy through coordination of different activities, and this requires that specialists have a greater knowledge in certain areas in order to be able to communicate with each other. Therefore, narrow specialization leads to negative synergy or hinders the implementation of IMC.

Scope of activity – in order to make the activities that IMC involves, it is necessary that there is a person in the company familiar to some extent with all the activities, in order to coordinate them effectively. This is difficult because in most companies there is often no such person, the so-called communications emperor,

who could take such a task. Many years of experience in specific areas of expertise has created narrow-minded experts, so it takes some time to overcome the lack of qualified managers who can coordinate a wide range of activities.

Underdevelopment of horizontal communication - Communication within the company is, in most cases, vertical. Lines of communication go in two directions: from the top down, i.e. from the head of the company to single departments and from the bottom up, where information is sent from various parts of the company to the top management. Integrated Marketing Communications include the coordination of all parts of the company, whether it is about services, departments, functions or strategic business units. Vertical communication within the company is not enough for the successful implementation of IMC. Integration within the company is only possible if, in addition to vertical, horizontal communication is developed, i.e. if there is communication between different units at the same level of the hierarchy.

Decentralization - Modern management emphasizes the importance of decentralized decision-making and transmission of power and responsibilities to lower levels. This trend in management has emerged as a response to a need for faster and more efficient decision-making process that should meet consumers' demands. Communication within the company requires some sort of centralization at the highest level of the company because, even though it is contrary to the modern management concept that insists on decentralization, decisions on company communications should be made at the top of the company. Managers who have a wide knowledge required to understand a comprehensive communications program and also co-ordination of various activities, have the key role in this concept.

For this reason, the function of marketing communications, in the companies that have adopted the concept of IMC, is placed under the direct control of top management.

Measuring the effects. Managers with experience state that the lack of clearly defined methodology for measuring the effects of IMC is one of the main obstacles to the implementation of this concept. Marketing studies have shown that there is no consensus on whether the existing method of measuring IMC programs is satisfying. They emphasize the importance of measuring the effects of individual IMC instruments, but also the fact that the total communications program should be measured in relation to the pre-set goals, and that the goals and outcomes of the program should be measurable. Due to the importance of this problem for the practical application of IMC, scholars in the field of marketing and communications are still trying to find an adequate methodology.

ORGANIZATIONAL SOLUTIONS FOR IMPLEMENTATION OF INTEGRATED MARKETING COMMUNICATIONS

To overcome the obstacles of the implementation of IMC, it is necessary to create such an organizational structure that will highlight the role of the overall process to be used by management of the company. It is necessary to adapt basic horizontal communications in order to overcome conflicts imposed by functional separation. The organizational structure of the client should allow the implementation of integrated marketing communications strategy. In order to create such an organizational structure, it is necessary to make significant changes to the existing mindset of companies.

The current direction of the company's communication with the target groups should be changed. "Inside out" communication based on what the company wants to convey, should be replaced by a new approach "from the outside towards the company."

The "inwards" approach to communication emphasizes the need of those to whom the message is sent. Consumers are becoming creators of marketing messages. To make such communication possible, it is necessary to create the organizational conditions for the database application. The database should contain all information about the target groups the company addresses and enable data analysis, so that that they provide an important input in the creation and launching of messages.

The next important change in business mindset is related to the understanding of the importance of integrated marketing communications and navigation communications along the hierarchy. In the companies that are implementing IMC, the function of communication is the responsibility of the communications manager who has extensive knowledge and is thus able to coordinate a group of specialists in certain areas and under the direct control of the company general manager.

Also, the cooperation between enterprises (client) and agencies that perform various services for them is required for the effective implementation of IMC concept in practice. In order for a cooperation to be effective, it needs to be organized so that it enables the flow of necessary information and coordination of various activities (Ognjanov, 2009, pp. 43).

When there is no integration, the client works with a variety of specialized agencies that are associated with each other (Fig. 1a). A certain degree of integration between the client and the agency requires an integrated organizational structure which is based on the integration of the client, the agency or both of them. Figure 1b shows the integrated structure, where the customer is the main initiator of coordination. Marketing communications are integrated within the Department of Communication in the organizational structure of the client, and there is no coordination among the specialized agencies. Figure 1c shows that the integration of marketing communications is provided by a major marketing agency hired by

the client. In this case, the lead agency takes the responsibility for the coordination of different forms of promotion. There is no indication by the client about an integrated approach to communication. Integrated structure model involving the integration at client – agency level is shown in picture 1d. In this structure, direct communication takes place between the marketing department and customer communications lead agency. Leading marketing agency hires and coordinates a number of specialized agencies.
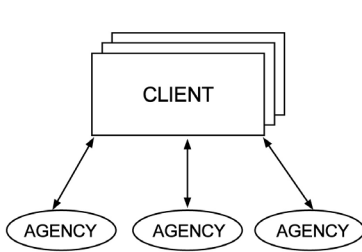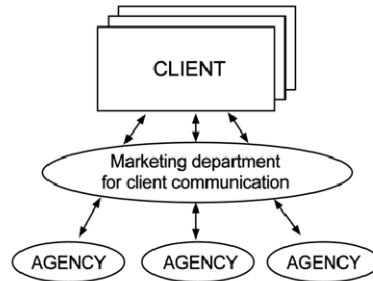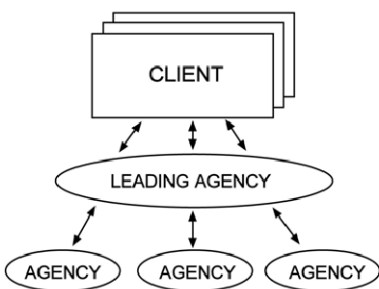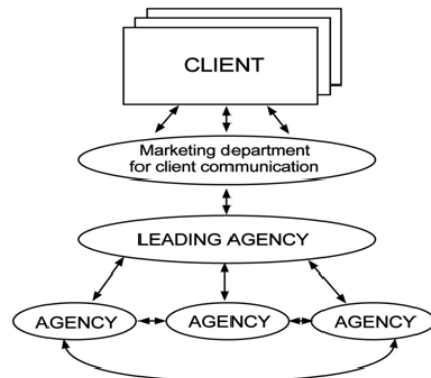

Figure 1a.

Figure 1b.

Figure 1c.

Figure 1d.

*Source: Pickton, D., Broderick, A., Integrated Marketfng Communications,
Pearson Education, England, 2000-2001, p. 290*

CONCLUSION

In developed countries, the acceptance of integrated marketing communications has greatly accelerated the need of companies to carry out their work more efficiently and cost-effectively, in order to survive the increasing competition in the global market.

Therefore, nowadays, companies that are prosperous are those that link communications mix so strongly that through any media, software or elements of products/services, there emerges the same picture and the same voice. Market success requirement lies in the coordination of all marketing communication processes and their joint appearance on the market.

A coordinated approach to developing marketing communications strategies is more suitable for small and medium-sized enterprises, whose scope of activities doesn't require complex promotional campaigns. In addition, with small and medium enterprises it is relatively easy to develop a simple and effective system of integrated communications, which significantly contributes to greater integration.

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POWER ENVIRONMENT OF INTEGRATED MARKETING MANAGEMENT TOURISTIC DESTINATION

Jelena Avakumovic[48]
Julija Avakumovic[49]
Cedomir Avakumovic[50]

Abstract: Business System of the Tourist destination operates in the market, because it have to be oriented towards the environment in which operates. It is necessary to adapt to the environment, exploit the opportunities that appeared to it, and to reduce a minimum the potential dangers. How to determine the power of the macro and micro environment, and execute their strategic analysis is discussed in this paper.

Key words: Strategic Analysis, Process, Vision, Goals

JEL classification: M10

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[48]*Jelena Avakumovic, Faculty of Business and Industrial Management, Belgrade, Serbia, jelenalav@yahoo.com*
[49]*Julija Avakumovic, DTM, Belgrade, Serbia, julija09@yahoo.com*
[50]*Cedomir Avakumovic, Faculty of Business Economics and Entrepreneurship, Belgrade, Serbia, acedomir@yahoo.com*

INTRODUCTION

Strategic analysis is the integrated Marketing Management of the Touristic destination. Analysis of the macro and micro environment, analysis of internal resources, markets and competition and knowledge based on the internal advantages and disadvantages of the business system. There is any successful like integrated marketing management.

In today's business, particularly tourism, changes are turbulent, everything is changing, and it could be argued like only certain changes.

In our opinion, the success of the business system in the tourism industry needs to done strategically about the current conditions. On the basis of these conditions, could be studied design of future business.

To done strategic analysis better, it is necessary to provide answers to the following questions:

- Where are we now? Based on the answers to these questions, we know at the present time where the system is currently operating, and the extent to which its products and services attractive to tourists, the position of the business system - a tourist destination, what is the pressure of competition, strengths and weaknesses, as well as, what is current performance of the tourism destination.

- The question of "where we want to get" deals with the direction in which marketing management of tourism destination needs to go in order to achieve business growth, strengthened market position and achieved good financial results in the coming years.

- The question "how do we get there" answers situational analysis and implementation of analysis. In the analysis of the proposed, solutions could be operating system of the Tourist destination from the current position to a state in which it wants to be.

INTEGRATED MANAGEMENT MARKETING STRATEGY OF THE TOURIST DESTINATION

Strategy for Integrated Marketing Management of the Tourist destination is the game plan - actions that management uses to increase business, obtaining a market position, attracting tourists and satisfies their wants and needs, the successful competition of keeping their administrative and executive operations and achieves the desired goals. The strategic analysis review: "all roads and actions between which we could choose, we (are) decided to focus on a specific market and customer needs, compete in a concrete way, and so deploy its resources and energy to train to these particular approaches to business." Our strategic analysis should point to our management decisions on how we will attract and please the tourists, how do we compete successfully, as we increase the

business, how we manage each functional part of the activities of a tourist destination and develop the required skills and how we will achieve results. The analysis should highlight products / services, customer segments - tourists, geographies and business approaches that need special attention.

To do this successfully integrated marketing strategy of Tourist destination, management needs to identify trends and actions like as:

- action to win sales and market works through lower prices, better quality products and services, its range of services etc.,
- action to respond to changes in market conditions or other unforeseen conditions,
- action to enter into new or existing geographic or regional markets,
- actions to create strategic alliances and collaborative partnerships,
- search for new market opportunities,
- actions and approaches that define ways to improve the management functions of the business system,
- action in terms of training and implementation of new technologies, and
- actions to strengthen the competitive viability and correct competitive weaknesses of the business system.

The business strategy of the Tourist destination system evolves over time. It changes to improve its market position and financial results of the business system improvements and necessary reaction to unexpected events and to new market conditions.

DEVELOPMENT PROCESS AND IMPLEMENTATION STRATEGY

Development and implementation of the integrated management of The Touristic destination is a management process that consists 5 (five stages): (Thompson, Strickland, Gamble,2008)

- Creating vision of the business information system and its future focus on products, services, customers, markets and technology.
- Determination and use of goals as elements for measuring the success and progress of the business system.
- Develop a strategy for achieving the desired results and conduct business system at the rate set by the management,
- Efficient and effective implementation and realization of the chosen strategy,
- Development control and initiating corrective action in the long-time goals strategy, given the current performance of the business system, changing conditions, new ideas and new opportunities (picture 1).

Fugure 1: The process of developing and implementing strategies

DEVELOPMENT OF STRATEGIC VISION

When the process of analysis of the external environment management structure of the Tourist destination gets an insight into the situation in the region, the dangers come from it. It is important what kind of opportunities it provides. Based on the processed results of the analysis environment, the decision is on the selection of strategies Tourist destination. If the changes in the environment intensify, the management structure of the Tourist destination should be more challenged to change policy and strategy and to create a new vision and the mission, and strategic goals. Vision is actually the desired image of the future that is possible to achieve a successful strategy.

The vision is not just the end position where the business system aims. Strategic directions need to be followed. Vision means a clearer picture of future events and long-term business results.

The strategic vision of the draft shows the direction in which the business tourism destination system intends to go to develop its activities. It reflects the destination of the business system and determines the logical foundations for going to that destination. Strategic Vision shows the aspirations of business management systems and specifies the

logical basis for going to that destination. Strategic Vision shows the aspirations of the business management system of the Tourist destinations and provides to us, look at where we are going with an explanation of *a good business venture*. The vision should always be planned beyond the capability of the system. The strategic vision describes a future business scope of the business system (where we go), while the mission of the business system mainly describes the current business and target activities (who we are, what we do and why we are here).

Characteristics of a good vision statement of the business system of tourist destinations are:

- To describe the observed destination and market position that it wants to achieve,
- Ways to achieve the desired goal, and the types of potential business and strategic changes,
- To be clear in order to help you make decisions and allocate resources,
- Vision that can be changed, corrected and updated over time, if there is a change of circumstances and events,
- Be realistic and achievable,
- To suit the needs and interests of shareholders, employees and tourists,
- To expose as soon as possible and that this is an easy slogan to remember.

In the vision it is possible to give a statement of values. Under the values usually mean the beliefs, business principles and practices that are built into the way the business operates and the system behavior of employees. The values relating to the procedures to employees and tourists integrity, ethics, innovation, focus on quality and service, social responsibility and civic awareness.

ESTABLISHING THE GOALS OF THE TOURIST DESTINATION

The general goals of the results and the business system output achieved. Objectives are the basis used for monitoring the performance and progress of the business system. Determining goals is mapping the strategic vision of a precise objective. The realizations of the output are coming and answer what we wanted to accomplish. There are several aspects of the objectives of the tourist destinations that affect the operations of the business system.

The most common aspects of the objectives of the tourist destinations that affect their definition are (Avakumovic, Avakumovic, 2013):

- Importance of goals,
- Hierarchy of objectives,
- Definition of continuity,
- Timing of the goals.

Regarding the validity of the objectives of the Tourist destinations, the most important two interacting organically interrelated objectives are: the maximum satisfaction of the needs, demands and desires of tourists and the maximization of profit and accumulation in the business.

The hierarchy of objectives is enabling the realization of business objectives at the level of the business system. Just a hierarchy ranking has been the importance of goals and the intensity of their impact on the business. Hierarchically speaking could be stated in the following order:

- The best possible satisfaction of the needs, demands and desires of tourists, given their purchasing power education, culture, tradition, procurement, nationality and religion,
- Maximum contribution to the achieved goals overall business objectives (number of package tour sales, revenue growth, profit),
- Maximum contribution to the achieved goals growth and development of tourist destinations,
- Maximum contribution to the achieved goals for economic growth and development of the national economy.

Definition of continuity - making goals is reflected in the marketing management process that is dynamic and integrated into the business process tourist destination. Production and business process of the Tourist destination must continually make their goals, often redefined and aligned with business objectives that are predetermined.

Goals time dimension includes the following division: long, medium and short term goals. The first are called primary, the other secondary, tertiary and third goals.

MAKING STRATEGIES TO ACHIEVING THE GOALS AND THE VISION

Marketing management strategy specifies the destination of long-term goals. Its identifying opportunities and scope needed to achieve them and. On the other hand, marketing management policies and plans will depend on what is defined in the strategy.

The main strategy of the destination is the sum of strategic initiatives and actions devised by marketing managers as follows (Bakic, 2009):

- Tourist market segmentation strategy,
- The strategy of differentiation tourism product,
- Strategy profiling image

Identification and selection of these strategies are a relatively complex process, because we have a number of different types of tourism (partial) products that are formed in the tourist destination.

There is also a possibility of market segmentation in small homogeneous groups of customers (segments).

The basic questions are:

- Which product or service is on the market place?

- How to strengthen it and survive longer?

IMPLEMENTATION OF THE STRATEGY

Managing the implementation and realization of strategy marketing manager must be able to manage organizational change, to develop and strengthen skills to motivate employees, to create a favorable business climate and prepare the system for competitiveness and advantages.

The process of managing the implementation of the strategy, including the following(Avakumovic, Avakumovic, 2012):

- Empower business tourism destination system necessary skills and expertise, consciously developing and strengthening the core competence strategy and competitiveness,

- Develop a budget that will direct sufficient resources to those activities that are critical to strategic success,

- Ensure that policies and operating procedures facilitate rather than inhibit the realization of the good,

- Use best practices in carrying out business activities and promote continuous improvement,

- Introduce IT support to employees to better fulfill their daily duties,

- Motivate employees to achieve desired goals vigorously, and if necessary, modify their duties and work behavior in order to better comply with the requirements of the successful implementation of the strategy,

- To link rewards and other incentives to achieve the objectives and implementation of the tasks of the strategy adopted,

- Create an organizational culture and work environment that will contribute to the successful implementation and realization of the adopted strategy.

- Good implementation of the strategy requires good alignment between strategy and organizational skills, strategies and methods of remuneration, strategy and organizational work environment and culture.

CONCEPT OF CORRECTIVE ACTION AND CONTROLE STRATEGY IMPLEMENTATION

Management strategy is an ongoing process. It is important to constantly monitor the progress of the business system evaluation, assessing the impact of new external events and based on that take corrective adjustment. If the operating system is going through a declining phase in its market position are required to determine whether the causes of poor strategy, poor execution, or in one or the other. Because, is necessary to take corrective action on time to time.

Controlling business tourist destination aims to ensure that business results is important correspond to the planned destination. Controlling includes a set of goals, plans, policies, procedures, and rules out the standards and results of operations of the business system.

Management control system includes information relating to the measurement of investments (inputs) and results (output) the business system. Information on the progress of activities and processes in relation have to the defined standards. Based on the information it is possible to determine whether there were significant deviations from the standard, then it is possible to take appropriate action to inadvertent adequate and timely remedy.

Controlling consists of four interrelated phases. These are:

- Set standards and performance measurement, performance measurement,
- Comparison realized in standard sizes,
- Taking corrective action,
- Establishing standards and methods of measurement is the initial effects of the process control.

There are a number of classifications standards, depending on the criteria used as a basis for classification. One of the division and the division of standards is:

- Physical Standards
- Standard costs,
- Capital standards,
- Standards of income,
- Standards of the program,
- Intangible Standards.

Performance measurement involves adequate mechanism that allows the establishment of real, actual effects.

Performance measurement is caused by the action of three groups of factors: the actions of top management, organizational structure and accounting destination policies and procedures destination.

Comparison of actual to standard (normalized) sizes is possible to determine whether and how actual performance deviates from the standard. It is necessary to define the limits of tolerance deviation from the planned size. Margin of tolerance deviation in the height or the extent to which deviations from the planned size can go and it does not significantly affect the final result.

If deviations exceed the limit of tolerance, it is essential that the business system to take appropriate corrective actions to eliminate or to reduce discrepancies in the boundaries tolerance.

After comparing, actual and planned performance follows the phase of analyzing the observed deviations. Corrective actions can be different and their operation must be aligned with each other.

According to the source control system with respect to the transformation process in the investment results of the four different types of control:

- Preventive,
- Directing,
- Protective,
- Corrective.

A good control system means quick feedback to deviations from the standard remedy as soon as possible. The mere feedback should be constructive, and that means that allows the identification of the causes of the problem, and to provide effective action to achieve the objectives.

CONCLUSION

The process of developing and implementing strategies tourist destination consists of the following integrated tasks:

- The strategic vision of the place of the Tourist destinations and its future vision about products, markets and tourists,

- Setting a goal, the strategic vision of certain tourist destination has to achieved indicators of financial results for the achievement of strategic objectives, indicating the strengthening of market position, competitiveness and future business prospects,

- It is necessary to plan and build such a strategy tourist destination that will aim to achieve the realization of the desired output,

- Efficient and effective implementation and realization of the chosen strategy,

- Performance evaluation and initiate necessary corrective measures in the vision, long-term direction, objectives, strategy, changing conditions, new ideas and new opportunities,

- The success of the control system greatly depends on its fairness and acceptance by all employees, and this is possible if standards are set and the organization of proper control.

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CONCEPT AND EXECUTIVE PHASE OF PRIVATE BRAND DEVELOPMENT – CEPPB

Nemanja Damnjanovic[51]
Slavica Ostojic[52]

Abstract: When managing an assortment of retail businesses to the development of private brand items first decision that the company needs to make is a decision about its introduction. Every enterprise should presume that today almost every product is marked with brand and that the question of private brands development is quite realistic in market conditions. Retail companies by developing private brand goods creates a distance from the competition and exclusive items in their offer which resulting with consumer loyalty. The development of private brand goods is not new in modern market economies, so this paper will present new concept and executive phase (CEPPB) which includes all steps in the development process of private brand items. This work falls into the category of review papers. The concept and executive phases can be viewed as CEPPB strategy. The aim of the paper is that application of new concept and executive phase enable to retail businesses more efficient development process of private brand items. By applying new CEPPB strategie can be on more precise and easier way, through clearly defined steps, accessed to the development process of private brand items, with the ultimate goal to effectively respond to the consumers demands. With adequate implementation of CEPPB strategy retail businesses can achieve higher percentage of private brands in total sales, resulting in a higher net profit.

Key words: Concept and Executive Phase, Effective Response to Consumer Demand, Lower Prices and Exclusive Items

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[51]*Nemanja Damnjanovic, Graduate school of proffesional management studies in business and industry, Krusevac, Serbia, dr.nemanja.damnjanovic@gmail.com*

[52]*Slavica Ostojic, Graduate school of proffesional management studies in business and industry, Krusevac, Serbia, ostojicslavica@yahoo.com*

INTRODUCTION

Private brand products have emerged in the sixties, due to the knowledge about opportunities by retailers to realize greater profits by taking over some traditional functions of production activities.

Attempts to develop products under private brand first appeared in the food industry. At the beginning the main goal of retail was to introduce products that are very similar to the most frequent products in the category in order to minimize the time of introduction into the market and ensure business success.

The goal was to create a product modeled on products under national brand of manufacturers, with lower, but acceptable quality to consumers, with the final price that is significantly lower in comparison to the average products in that category.

It is increasingly prevalent notion that trade can build competitive advantage in improving the image and relation quality - price for their products.

That is the reason of our thoughts and ideas on the development of private brand items with CEPPB concept.

CONCEPT AND IMPORTANCE OF PRIVATE BRANDS

Private brand represents brand name, term, sign, symbol, shape, or any other combination of these elements with the aim of identifying goods and services and their differentiation in the market.

The brand transmits its image to consumers, and its characteristics are used as a means of differentiation from the competition. Today, the brand is treated as a separate element of the retail supply campaign. It becomes, sometimes, a trademark not only for specific products but also for retail stores and retail chains.

Successful development of private brands creates new prospects for the retail activity. Strong brand offers significant potential to enter new markets, new channels of distribution and new product categories. Long term, the emphasis on maximizing the potential of brands generate much greater benefits of such business diversification. Trademark significantly increasing profits. In one study conducted in the UK in mid 90-ies of the last century it was found that the private brand in relation to the non-branded products ensures retail company higher sales volume, higher margin, higher profits and long-term perspective. (Golijanin, 2009). A strong brand that can compete with strong brands of producers can develop only large retail company. The reasons for this are the size and strength of retail companies that are reflected in the financial power i.e. capital, the development of the retail network and the number of sales stores, technical and technological equipment, training and number of staff. These are the preconditions for the creation of stable relationships with suppliers and to market with a new, high-quality package offers.

DECISION ON THE CHOICE OF MANUFACTURERS, QUALITY, PACKAGING AND PRICES

Retail aspires to small and medium manufacturers who will be able to comply with trade power in the implementation of marketing efforts to build trademarks. From such producers trade buys generic product, developed for him the brand and promoting it.

In a survey of producers, trade starts from a list of existing manufacturers with which it operates, whose products are carried out through its sales channel, and then research the business of potential producers.

In the choice of the manufacturer retail is governed by the following principles, which he should meet: (Damnjanović, 2009.)

1. that it is on the line of business ethics and good business practices,
2. that is ready to produce for a long time for trade,
3. that the products are of appropriate quality,
4. that is producing on the agreed time and quantity,
5. do not deliver identical products to other retail chains,
6. that for identical items does not develop its own brand,
7. to waive the right on their own identification on the item.

One of the most important decisions in the field of branding, is the decision about the quality. Trades can decide for low, normal, high or extra high quality. Exploring perceptions of the quality of the consumer is the basis for building a quality brands.

For private brand items are often not introduced higher quality, because it entails a higher price. Individual variants of quality unequal contributing to the overall profit trade. Low quality is less profitable, but also the extra quality is not extra profitable. The construction of the extra quality requires a lot more investment in a relation to the construction of high quality. Therefore in consumer goods resorting to a slightly lower normal quality, while specific goods carry extra quality. The global level of quality that will carry the brand items should be higher than the same items marked with the brand name of the manufacturer or sold as a generic goods. Trades need to maintain the level of offered quality, because with constant quality inspires consumer confidence in the purchased brand. With this retail can only further build brand reputation and customer preferences.

Decision on the private brand items packaging represent modern dimension of trademark management. In modern conditions there is a need for packaging, whose role is to quickly identify the brand. A packaging proposal is given according to the basic features, functions and aim that packaging should meet. Proposed packaging is tested from the standpoint of security features, quality maintenance, transport, the ability of brand identity in relation to others. Then it is tested from the standpoint of environmental and financial analysis. Major role in the field of private brand has packaging design. Therefore, the suggested principles should be followed in the selection of private brand packaging design items: (Damnjanović, 2009.)

1. the package shall demonstrate superiority of the product
2. the packaging should express the area of product application
3. the packaging should be appropriate for the product
4. must radiates modernity and progressiveness
5. has to be appealing and emotionally exudes

The main role of packaging is to promote the brand, with drawing attention of consumers to themselves. It is very important for food items and often reaches 1/5 of the retail price. For such items should be introduced practical packaging. For items - brands whose purchases are based on emotional motives should be imposed a fine package that is expressing emotion and tenderness. Before the introduction of brands, retail should make a global decision on the price of items that will appear in the market. The price level should be determine in terms of: (Damnjanović, 2009.)

1. low, popular prices
2. the normal price
3. high price
4. an exclusive, extra-high prices

The main objective of the establishment of these prices is brand preference. Therefore, the global strategy is going to lower prices compared to branded manufacturers. But we should take into account the level of demand, price and income elasticity's of demand, competitive prices, costs and relation quality - price.

Consumer goods are goods with high level of demand, which is usually inelastic to prices and income, which are by nature low-cost goods. Introducing brands for them dictate lower prices than competitive, because the costs are lower and because consumers are not prefer them from the standpoint of quality - price.

In fashion and luxury goods brand prices are slightly higher than the prices of similar items from manufacturer's brand, because they are dictated by the high quality, extra style and high trade quality. This situation is a result of poor competition. In the situation of a strong competition fashion and luxury brand strategy is going to lower prices in order to attract consumers to the brand, not the brand competitor (manufacturer).

Trade can decide to go for an initial strategy of low price, and when they win the market and consumers raise the price of their product. Trade can go on the strategy of initial high price, if it is sure in demand estimation and high price if it wants to create an extra opinion on brands. Such brand she can place for a narrow segment of consumers. Later can go on her lower prices, to win customers in other segments (with low-income).

PRIVATE BRAND PRODUCT DEVELOPMENT

The process of introducing private brand products takes place in two new phases:

- concept phase and
- executive phase.

New concept and executive phase (CEPPB strategie) enable to retail businesses more efficient development process of private brand items. By applying new CEPPB strategie can be on more precise and easier way, through clearly defined steps, accessed to the development process of private brand items, with the ultimate goal to effectively respond to the consumers demands. With adequate implementation of CEPPB strategy retail businesses can achieve higher percentage of private brands in total sales, resulting in a higher net profit. Private Brand Department conducts their projects based on business plan approved by the director of the retail chain where is specified start and end of each project as well as the responsible persons. Evaluation of development projects are carried out semi-annual and also revising of plans i.e. the planning of new products and corrective measures implementation. The basis for corrective measures is to analyze variations planned / accomplished and to identify the causes.

The process of introducing new private brand products is kept in the computer program MS Project which chronologically follow the stages of the project, when, how, deadlines, responsible persons, comparing planned - accomplished, deviation and all of the necessary information for individual projects. After completion of each phase (concept and executive) of each project Private Brand Department informs Category Management Directors.

At the beginning of the year, Private Brand Department Director informs Category Management Directors of projects planned for that calendar year. At the regular monthly meetings, Private Brand Department Director reports to the Category Management Directors about implemented projects and the results of these projects.

CONCEPT PHASE

The concept phase is the initial stage of private brand products development. After identifying potential product for development next step is to analyse retail network (prices, products, assortment, competitors' prices...). After that, private brand manager organize a tender whereby potential producers get inquiry with all necessary information (products, packaging, quality requirements, quantity, method of supply, what offer should contain etc.). Producers who are interested in participating in the tender sent offers along with the samples and detailed product specifications. After collecting offers managers access to the detailed analysis of the offers where all relevant parameters are compared - price, product quality and

packaging, capacity and continuity of supply... Before making a final decision on the choice of the manufacturer buyer also will be organize supplier audit which is performed by professional and trained persons. Suppliers / manufacturers audit is done in order to understand the conditions and methods of production, storage and distribution. Based on the audit assessed the extent to which the supplier / manufacturer adheres to good manufacturing and hygiene practices, i.e. evaluate the effectiveness of the implemented quality management and food safety system. After deciding on the choice of the manufacturer Private Brand Manager makes the final project proposal which must be approved by the Director. When final project proposal is approved Private Brand Manager informs supplier about the initiation of a project.

Table 1. Concept phase

Project name					
Steps	time	start	end	remarks	responsible person
Identified products					
Analysis of retail network (price, products, assortment, setting the financial model)					
Competition price screening is done					
Suppliers are identified					
Potential suppliers are contacted for first meeting					
Informational meetings with suppliers					
Enquiry with preliminary quantities is sent to suppliers					
Collect offers, samples (products and packaging), product specifications from suppliers					
Tasting samples					
Additional negotiations with suppliers, if necessary					
Factory audit					
Quality analysis (if necessary)					
Analysis of offers and determination of best offer					
Final proposal is sent to the Director					
Final proposal is approved					
Supplier is informed about the initiation of a project					

EXECUTIVE PHASE

The executive phase is the second phase of private brand products development. It includes the further steps from the time of notification the producer about getting a job. Buyer is signing a contract with supplier and in the meantime is preparing technical design of products, defining the positioning of the product in stores, planning first production and initial filling of stores etc.. Once the products are delivered to a warehouse stores are informed that a new product range is available followed by filling the stores. In table 2 is presented in detail the steps that make the execution phase and facilitate the process of introducing private brand products.

Table 2. – Executive phase

Project name					
Steps	time	start	end	remarks	responsible person
Meeting with supplier					
Contract is made and forwarded to the supplier					
All necessary information are sent to the designer agency (specifications of packaging, label text, necessary data, EAN codes)					
Proposal of timeline is sent to agency, suppliers, managers and logistics					
All deadlines are confirmed, schedule is finalized and sent to all participants					
Drafts of product design are done and sent					
Proposed drafts of product design are reviewed and selected					
Approval of all product design drafts					
Label check up					
Label corrections are sent to agency					
Final proposal of design is sent to PB department and approved					
Contract is signed by buyer and supplier					
Packaging production					
Test print is done and approved					
Positions in store are planed					
Calculations for initial filling and plan sales are made					
Packaging is printed					

Packaging is delivered to producer, PB manager and designer agency					
Packaging is approved for production					
First production					
Samples are delivered to PB manager					
Products are delivered to the wear house					
Stores have been informed of introduction of new products in assortment					
Products are positioned in stores					

COMPARATIVE SUMMARY OF COST STRUCTURES FOR DEVELOPMENT OF MANUFACTURER BRAND AND RETAIL PRIVATE BRAND

The main opportunities for the retailer's to increase margin on private brand products above the average categories in which it is located, and to keep a lower price level than competing national brand of manufacturers, is in the development and production of private brands with significantly lower costs compared to manufacturing brands. If we review the costs structure presented in table 3 and try to determine the final retail price, we would have the following situation:

- If on the purchase price (100) of the manufacturer's brand we add a retail margin of 25%, we get the final product price of 125 dinars,

- If on the purchase price (75) of retail private brand we add a retail margin of 40%, we get the final product price of 105 dinars

- The final result is a lower final price of the trade mark (105) in relation to the manufacturer's brand (125), despite the higher margins that were charged in the first case,

- Higher margin rate on private brands (40%) compared to the producer (25%),

- Higher nominal earnings of private brands (105-75 = 30) compared to the manufacturer's (125-100 = 25).

Table 3. - Cost structure of manufacturer brands and retail private brand (Ristić 2008)

Cost structure	Manufacturer brand	Retail Private Brand
Rawmaterial	35	35
Packaging	12	12
Production costs	14	9
• variable	9	9
• fixed	5	-
Research and development	3	-
Sales force	4	-
Advertising and promotion	9	5
Transportation and distribution	5	2
Other costs	10	10
Operating profit	8	2
Retail purchase price	100	75

MOTIVES OF PARTICIPANTS OF THE SOCIAL REPRODUCTION OF THE INTRODUCTION OF TRADE MARKS

Private brand development process can be considered successful if all participants in the development chain are satisfied i.e. if their interests are met. When we said the participants it referred primarily to manufacturers, retailers and consumers.

Producers

In developed market conditions we meet companies that even all of their production adjusts to the trade marks. Some manufacturers produce some of products under its own brand and other products under private brands for retailers.

The following factors motivate manufacturers to invest in the private brand: (Pavlović, 2009.)

1. sales volume in the product category
2. potential income
3. the suppliers' prices
4. the power of leading brands
5. the success of competitors with private brands
6. the product nature
7. the daily tasks with the goods.

Retail chain

Scope of trade activity in terms of private brands are consumer goods. Trade is more motivated to build a reputation of its own goods but goods manufacturers. Promoting products with manufacturer's brand achieves the general loyalty of the products that can be purchased in any other retail competitive store. Because retail resort to developing their own brands as time gets consumers to themselves and their products.

Benefits that trade has if they developed their own brand are: (Lovreta, 2002.)

• lower-cost of private brand products,

• other expenses (advertising, physical distribution) may be relatively low,

• can achieve a higher rate of profit,

• there is the possibility of developing a strong private brand,

• propagation the image of company and achieve loyalty among customers,

• establishment of high-quality products – brands

• easier trading.

Consumers

In terms of a lower standard of living, especially the more expressed preferences will be for private brand, as the prices of these items are lower than other brands of competing goods that serve the same purpose.

Private brands provide to consumers following: (Trandafilović, 2006.)

1. permanent quality guarantee,
2. in a multitude of goods consumer through brands can more easily handles the purchase,
3. good prices of these items,
4. assurance that the correct choice was made,
5. a sense of prestige if for some reason consumers prefer brand.

DEVELOPMENT OF PRIVATE BRAND IN SERBIA

Private brand goods and services today are represented in many areas of trade, from food and cosmetics to web hosting. It is often cost-favourable option than a regional, national and international brands, although in recent years some private brand products positioned as a first-class, competitive existing name brands.

In recent years, particularly in Europe and the United States, there has been a significant increase in the number of PB brands, primarily in the retail chains. In Europe, under the private brand sales are up to 45 percent of goods in supermarkets, and in the U.S. about 25 percent. At the stores of the world's largest

retail chain Wal-Mart, for example, from the total supply 40 percent are PB products, which were previously considered to be the cheap products of low quality. However, in recent years, companies have begun to use the PB to the market with the products of a much higher quality, and a large number of consumers believe that high-quality PB products will be more and more commonplace.

Leading retail chains or pharmacies chains, as well as wholesalers, today offer as private brand almost all products that are produced and distributed. This offer includes a full range of fresh and frozen foods, canned and dry foods, snacks, national specialties, pet food, health products and beauty care, OTC medicines, cosmetics, home and personal care chemistry, paints, tools, auto -cosmetics, stationery and household appliances.

DIS is retail chain that at the beginning offered consumers a limited number of products under its own brand name. Products were well received by consumers and has encouraged management of the chain to go into further development and expansion of product offerings under its own brand name, which is called *Dobro*. The advantages of the products sold under its own brand name in DIS see the prices that are more favourable than competitive products and brands, good value for money and unique packaging design of each product. Currently, DIS offers under the private brand products from different categories: basic items (oil, sugar, flour), confectionary, laundry detergent, household chemicals, soft drinks ...

Figure 1. – Private Brand „DIS - Dobro"

Source: www.market-srbija.com, 22.05.2013.

Products from a wide range of private brands can be bought in DIS's retail stores and in more than 300 franchise stores, unlike the products of other brands of retail chains that are usually only found in their stores.

Strategy of the French retail chain Interex in Serbia will be focused on maintaining the lowest prices for basic foodstuffs and expansion of products supply under its own brand. Interex in Serbia offers about 15,000 items, of which about 500 are labelled brands. One part of the products are produced in our country,

while the total import is about four percent of range. Items produced in Serbia are still not exported, but in long-term plans there is possibility for export.

Development of Interex private brand began the eighties. How today for this chain is important private brand, indicated the fact that the group Intermarche, which operates in the Interex, in France generates about 35 percent of total turnover trademarks. Globally, Intermarche also offers approximately 16,000 items that are grouped into about 200 brands.

Figure 2. – Private brand „Interex – Top Budget"

Source: www.market-srbija.com, 22.05.2013.

Metro Cash & Carry Serbia developed its brand according to the needs of professional customers who are supplying with goods in this supply chain. Like other supermarket chains in Serbia, which have their own brands, Metro also plans further PB development, which includes expansion of the range and segments, as well as the placement of new private brands.

Figure 3. – Private Brand „Metro – Aro"

Source: www.market-srbija.com, 22.05.2013.

Items under private brand Metro products renowned local and international manufacturers since the Metro is one of the largest retail chains in the world and its brands are sold in many countries.

Delhaize Serbia, the largest Serbian retail chain, developing private brand in all categories of food and non-food. Since they each category is important and has a role in sale, Delhaize Serbia strive to offer every consumer products under private brand no matter what the product category on most purchases. Currently, most private brand items are developed in the categories of frozen food, meat products, basic food items, home textiles, household and kitchen.

Products under private brand for Delhaize Serbia products renowned domestic and foreign producers that in this business have years of experience. In order for someone to produce goods under their brand, he must meet very strict criteria, primarily that has evidence of established standards of quality.

Figure 4.- Private brand „Delhaize Serbia - 365"

Within the private brand development is a new segment called First Price, which aims to effectively respond to consumer demand during the crisis. These items are characterized by a very low cost and include items who are part of the consumer basket. In this way, the consumer price basket will be reduced, and in return consumers will get the same number of items, with the aim to increase purchasing power. In this way, Delhaize Serbia with First Price will increase level of loyalty among consumers. Expected to be more aggressive approach of Delhaize Serbia to the market of Serbia and the development of private brand items, especially in the Selection segment.

DEVELOPMENT OF PRIVATE BRAND IN THE WORLD

The level of development and the presence of the brand is at a different level in Europe. As can be seen on the chart, private brands have different positions in developed markets and the markets of Central and Eastern Europe. Their position is different, and within these groups of countries.
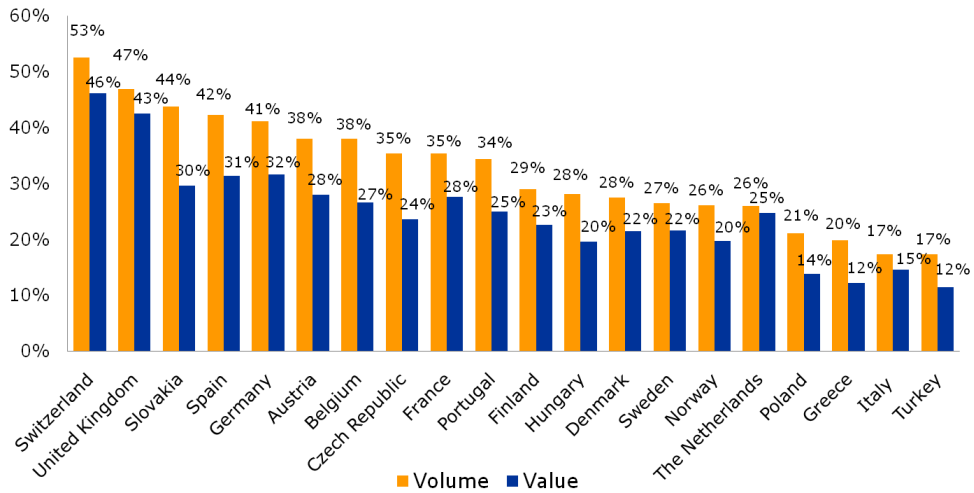
Figure 5 – The representation of private brand in Europe for 2012.

Source: www.igd.com, 22.05.2013.

Countries with the greatest share of private brand among developed countries are Germany and the United Kingdom, and the fastest growth of share can be seen in Germany and Spain. In both countries, growth has been achieved at the expense of the so-called "B" brands (less branded products and companion products). Looking developed among the countries of Central and Eastern Europe, it can be seen growing trend of brands in Hungary and Poland, while in others such growth can be expected in the future, with the development of the entire retail sector. In Hungary traders profiting at the expense of 'B' brands, while the "A" mark more or less remained stable, which is fully in line with the situation in developed markets. In the above the most developed countries of central and eastern Europe it is typical that traders winning market with strategy of lower prices. There are also significant differences in the participation of brands in an assortment of large retail chains. As can be seen on the chart below, depending on the chosen development strategy of private brand share ranges from 10% to 95% of the total portfolio.
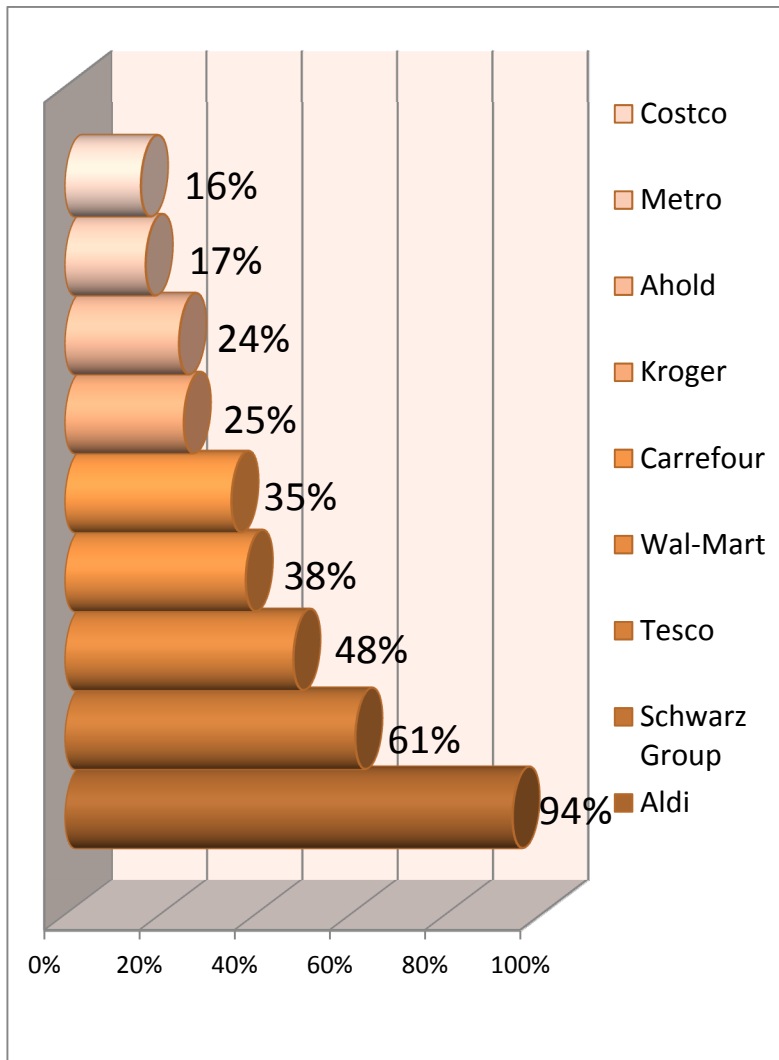
Figure 6. – Private Brand share in assortment of large retail chains

Source: www.planetretail.net, 22.05.2013.

Based on the above information, the company Aldi a lot of attention paid to PB products, which in total turnover participate with 94%. A percentage of 25% is the optimal share for PB products, which should be the goal of every retail company in the world.
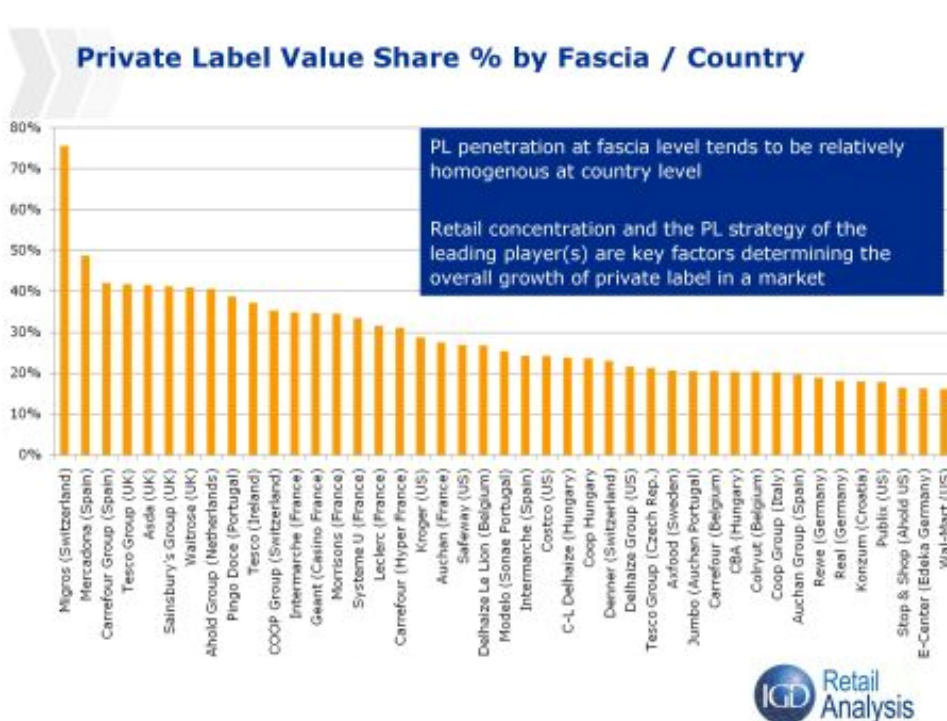
Figure 7 – The representation of private brand in World for 2012.

Source: www.igd.com, 22.05.2013.

Percentage of private brands in the product range is a very important factor of strategic market positioning and image of the trade chain. One of the goals for core development PB items is to create loyalty among consumers, as well as the construction and promotion of partnerships with producers.

LEGAL REGULATION

The area of brands belongs to the part of the legal relations, that regulating industrial property rights, such as: (White, 2001)

1. patent and trademark law,
2. the right of industrial designs,
3. the right to the protection of geographical indications of goods,
4. the right of quality signs,
5. the right to protection against unfair competition.

A trade mark is a sign of identification and labeling of goods protected by the law on trademarks and service marks. These regulations on the protection of trademarks allow the company to protect its trademark rights and the exclusive

right to its use. Trade mark is not only a sign of distinction, but the label confidence that the product that carries it really true and has certain properties. As a mark can be protected every sign capable of distinguishing in trade of goods and services such as: images, phrases, signs, codes ... Before you choose a name brand needs to be examined from a legal standpoint and possibilities of its protection. Certain characters or names cannot be protected: (White, 2001)

1. the state or public emblems, flags, name or abbreviation of the name and the names of some countries,
2. signs and names that are of common interest,
3. signs contrary to the law, moral, good business practice.

CONCLUSION

In the future we expect even stronger expansion of trade marks, which will further promote the strengthening positions in retail marketing channels. With the introduction of private brands, retail creates customer loyalty, in one direction, and at the same time reduce dependence on suppliers and the stronger negotiating position towards them in the opposite direction. Because of all these facts, we can rightfully conclude that the development of products under the private brand is a strong strategic lever in managing marketing channel and strengthening the position in relation to other actors in the channel.

Development CEPPB's ie. implementation creates the opportunity to effectively implement the idea of private brand items development. Possible gaps in private brand items development will be reduced to a minimum. Managers obligations are clearly defined, as well as the deadlines for completion and the implementation of each CEPPB's phase. Surely CEPPB's implementation will bring to retail businesses higher net profit, because the items will be faster, easier, less expensive to develop and make available to consumers in retail stores in time before the competition. It is well known that the growth in sales of private brand goods means higher net profit for the retailer and create loyalty among consumers.

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PRIVATE LABEL - THE COMPANY'S STRATEGY WILL BE A SUCCESSFUL

Ljiljana Dimitrijevic[53]
Maja Cogoljevic[54]
Zoran Dimitrijevic[55]

Abstract: This paper explores the theoretical framework of private trade marks in market conditions. Special attention is paid to the strategy of market positioning of such marks, and the strategic management of private brands. Paper is intended to meet the purpose, researches trends in market share of private labels in the region, with particular reference to the situation in Serbia. This research primarily aims to explore the concept and importance of private labels for retailers, manufacturers and consumers.

The results show that the trading strategies of private brands, present and future-oriented strategic enterprises. Customers, through strong private labels, not just identify with the merchant, but they bear the hallmarks of national scope, due to increasing investment in their development. For the successful implementation of this strategy, of crucial importance is the role and engagement of customers, as a key stakeholder companies.

Modern trade can build competitive advantage in improving the image and quality of the relationship - the price for their items. We were approached by a new motive development and expansion of products under private trademarks, such as improving the image of retail sales, increase customer loyalty, the higher volume of traffic, billing bigger margin than the category average and achieving greater profitability. Although higher margins and increased profitability of the major objectives of introducing its own brands, image building and strengthening customer loyalty are the most important determinants of long-term guiding.

Development of a successful trade mark creates new prospects for the retail activity. A strong trademark offers significant potential to enter new markets, new channels of distribution and new product categories. Therefore, the area of food and consumer goods, an area of intensive development of private label.

Key words: Trade Mark, Competitiveness, Strategy, Loyalty

JEL classification: M30

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[53]*Ljiljana Dimitrijevic, Faculty of Business Economics and Entrepreneurship,Belgrade, Serbia, ljiljanadimitrijevic71@hotmail.rs*

[54]*Maja Cogoljevic, Faculty of Business Economics and Entrepreneurship, Belgrade,Serbia, maja.cogoljevic@gmail.com*

[55]*Zoran Dimitrijevic, Delhaize Group Serbia, Bosnia and Herzegovina and Montenegro, Belgrade, Serbia, zoran.dimitrijevic@delhaize.rs*

INTRODUCTION

The dynamic and complex market conditions permanently cause the problem of how to ensure efficiency in engaging and spending relatively limited productive resources and, accordingly, achieve differential advantage in the marketplace. For the success of the strategy, it is necessary to both properly define and successfully implement it. And the strategy is what creates differential advantage, i.e. how most businesses moves differ in different companies in the market, while the goals are the same or very similar. Creating conditions for the implementation of marketing strategy is not an easy job, and it is based on both the identification and prediction of internal and external opportunities and threats, as well as the creation of human and organizational basis for its application.

The current competitive state demands new strategies and complicated competition on the side of the offer, as manufacturers and retailers compete by fighting for the same market segment. The area that they apply to is related to the commercial and private label, which primarily determines how the company (manufacturer and trade) would position in the market.

In times of global recession, the necessary conditions for the introduction and growth of private label trading companies are created, as consumers have found that this type of product provides adequate value for invested money. This concept is based on generic products that could be purchased at some retailers, so the retailers were a sort of a guarantee for such products.

Private labels acquired consumer attention primarily because of the low price. Since then, the brands have maintained their position because they mostly provide appropriate quality. Future progress will depend on wether they find place in the new economic recovery. Products of "famous / well-known" brands will restore some of its customers but the commercial customers will also keep the customers whom the crisis has taught that it is much more valuable to spend money on costs of everyday life.

The aim of this study is to determine the extent to which consumers in Serbia and abroad have recognized the added value the registered trademarks provide, and the importance of trademarks in the eyes of the very agents. In order to realize a goal, after defining the concept of the label and identify their advantages over the Manufacturer's names, the areas of supplementing private brand strategy are determined. In the paper, the development of the concept of private brands in Serbia and abroad is analysed, and in conclusion, future directions of this growth strategy which brings business success are identified.

THE CONCEPT OF PRIVATE (TRADE) MARK and AND THE PREREQUISITS FOR ITS IMPLEMENTATION

Private label (eng: Private label or abbreviated PL; somewhere even Private Brand, abbreviated PB) or Trademark is a group of items that can be purchased under the name of the trade chain that guarantees their quality. A trade mark is a name, term, sign, symbol, shape, or any combination of these elements with the aim of identifying goods and services and their differentiation in the market. Trademarks can be defined as a brand owned by intermediaries who hire manufacturers to produce products that will be assigned brand (Vranešević, 2007, 200). Frequently those are brands of wholesalers and retailers.

Given that besides retailers, brand owners can be other members of the distribution channel, in literature in addition to trademark , other terms occur: "brand retailers", "brand agent", "stamp dealer", "brand shops" and "private brand" . A trademark transmits its image to consumers, and its characteristics are used as a means of differentiation from the competition.

The links between trade marks and other marketing tools are numerous, which requires the coordination of marketing activities. Nowadays, the trademark is treated as a separate element of the retail supply campaign. It sometimes becomes a trademark not only for specific products, but also stores or chain stores of a certain retailer. The main reasons of trademarks operations are (Milisavljević, 2010, 56):

1. autonomy in creating business policy that i.e. independence from producers (thus ensuring the desired composition range and desired level of product quality).

2. maximize profits

3. differentiation from competitors

4. creating loyal customers.

One of the main factors of trade mark development are stable relations in marketing channels in which retailing occupies a dominant position. This was mainly influenced by the structure of the changes that have taken place in the 1960s of XX century. They have created the conditions for the concentration of retail sales, which generated excess capital and part of it was used for the development of its own brand. The aim was to confront the producer brands.

Retailers often find producers with excess capacity that will produce a private label product at a low price. Other costs, such as economic propaganda and physical distribution can also be low. This means that the owner of the trademark is able to form a lower cost, and often achieve a higher profit.

Some marketing analysts have predicted that trademarks finally overcome all the brands except the strongest manufacturers. Producers of national brands have become very frustrated. They tend to spend a lot of economic propaganda and promotion directed at consumers in order to maintain a strong brand preference. In

order to cover the costs of promotion, their prices must be somewhat higher. At the same time, they are under considerable pressure of the consumer goods distributor, who demands from them to direct more of their resources to the promotion of trade discounts, if they want adequate space in stores.

When defining a retail strategy for the development of PL products, it is essential that the retail company is in good terms with suppliers and manufacturers. A good co-operative and professional communication is required, as well as respect for the specification and quality of products by the suppliers. Forms of private labels can be as follows (Milisavljević, 2010, 49):

The same brand name as the name of the seller (eg, Coop, Marks and Spencer)

- A brand name that contains the name of the merchant and private label name (eg Tesco Finest)

- Generic brand whose name differs from the name of trade (eg Aro, K plus)

- Exclusive brands are those that are not owned by the seller, but the manufacturer, but he uses a specific retail chain, which will have exclusive distribution rights of the brand,

- Exclusive private brands aren't private products but a kind of product that is produced exclusively for specific retail chain.

Retail company determines the label of a private brand based on research, competition experience and consumer demands. In Serbia, the most common are generic brand such as: Premia (Delta), Aro (Metro), K Plus (IDEA). Thanks to private labels, retail systems are distancing themselves from the competition, thus creating loyalty among consumers, which is one of the most important benefits of this marketing business strategy.

AREAS OF STRATEGY IMPLEMENTATION OF PRIVATE TRADEMARKS

The development of a successful trade mark creates new prospects for the retail activity. A strong trademark offers significant potential to enter new markets, new channels of distribution and new product categories. In long term, the insistence on maximizing the potential of trade mark creates a much greater advantage of such business diversification. Private label increases the profit substatially.

The first condition necessary to be met for the introduction of private labels is the existence of a powerful trade organization, which is able to submit financial and marketing risks of investing in the trademark. Secondly, the introduction of a private label needs to happen for the product or range of products, which the consumer has long preferred. Firstly there must be a strong demand for primary goods. If it is small and short-lived, the more difficult it is to build the level of a

selective demand for the brand. Due to the constant high demand for consumer items, they represent a favorable ground for branding in the store.

A strong commercial brand that can compete with strong producer brands can develop a large retail company. Reasons for this are in the size and power of retailers, which is reflected in the power of money, ie. capital, the development of the retail network and the number of sales outlets, technical and technological equipment, training and number of staff. These are all prerequisites for the creation of a stable relationships with suppliers and to a market with new, high-quality package offers. Private label is a phenomenon that is capable of living alone, as well as the specific means of identification and differentiation of range, a means to accomplish extraordinary loyalty. This loyalty is needed with in the range that by its characteristics is similar to competitors. Therefore, the area of food and consumer goods is the area of intense commercial development of a brand. A great representation of private labels in food products is the following facts (Milisavljevic, 2010,58):

1. reducing the relative share of food in total expenditure while increasing consumer demands for quality food
2. the stressed loyalty of the consumers towards the food
3. the relatively weak competition from producer brands
4. a large number of small and small-scale producers (farms, plantations) who gladly accept cooperation with retail
5. lower cost of own brands as opposed to the price of brand manufacturers

A manufacturer entering the vertical exchange relations with trade is usually a small-time and weak producer and he knows that he cannot develop his brand. This would require large expenditures for research brands, testing, its introduction, the strong and continuous propaganda and consumer research and market of the brand. It would be irrational to invest in your brand, since such brands would have a high-cost burden, so the selling price of these items would had to be a lot higher than of the other unbranded products. Thusly, the manufacturer acquires interest in vertical marketing with retail.

The short-term goal of a trader's strategy is focused on increasing margins and achieving the largest difference in price, while the long-term goal aimed at building a stable and strong trademark. The policy of margins is very important in creating customer relations in the battle with competition, but when it comes to building a trademark, then the policy should be spread on the back burner and full attention should be given to creating the conditions for a viable trademark, namely: (Trandafilovic, 2006, 67).

1. establishing solid relationships with suppliers
2. construction of retail infrastructure
3. the development or modernization of retail techniques and technologies
4. The modernization of retail outlets
5. training of staff
6. creation of an adequate organizational culture of the company.

Only when these conditions are met, can we can talk about the development of a private label and its further existence. What is more important is that the fulfillment of these conditions creates a base for the development of modern trade in which the trademark is one of the key business performance indicators for specific retailers. Having this in mind, we can conclude that there is a high degree of correlation between the trade mark and transforming traditional store into modern innovative retail.

Retail companies that have yet to introduce their own private label business secured a relatively low rate of spread (relative to turnover). In the short term, the financial effects of the process of introducing private labels are not encouraging. In the longer term, the introduction of private label retail company provides a stable foundation for efficient business, especially when one takes into account the relationship with customers and creating loyalty to a particular brand of products, which is the main objective of marketing - creating a satisfied customer to repeat the purchase of the same product at the same place.

In developing their own brands, retailers need to be patient when waiting for the first positive results. All major European retailers which are now leaders in dealing with the trademark, on the evaluation efforts in the development of private brands waited at least twenty years. An example of British retailers "ASDA" goes in favour of that, which in theory was thought to be still "young" in dealing with the trade mark, although it has been operating for more than twenty years. Therefore, when talking about the leaders in the business of trade mark, a good example are always companies such as "M & S", "Sainsbury", "Tesco" which have experience in dealing with their own brand for over seventy years .. "Asda" is taken as a good example of a company that is successfully just starting development of a strong trademark and that, as such, in the highly competitive British market still manages to create a solid market position (White,2001).

PRIVATE BRAND IN SERBIA

For the consumer, private brands are a choice and opportunity to regularly purchase quality food and other products at substantially lower prices than national brands. Besides, private brands are made of the same or similar ingredients as the national brands, and the name of their retail stores or symbol (trademark) that stands on the package is a sign for the buyer that the product is made in accordance with the quality standards and specifications of retail. According to research by Ipsos Strategic Marketing in 2011, nearly 50 percent of consumers in Serbia believe that trademarks products are equally as good as and manufacturer brands, while 47 percent thought that the renowned brands are nonetheless, better.

About five percent of consumers think that the commercial brands have more quality than branded ones, while one third of the population buys a cheap brand, which proves to be a good chance for big retail chains. In total sales in Serbia, private label products accounted for 3.6%. In Bulgaria three times that, five times

more in Croatia, and in Hungary seven and a half times more than in Serbia. That the commercial brand is becoming increasingly popular with consumers is proved by an increasing share of these products in total turnover in some chains.

Private label products is made in several groups by manufacturers: large national manufacturers who use their expertise and excess capacity to produce private labels; small, quality manufacturers who specialize in particular product lines and are almost exclusively in the production of private brands; leading retailers and wholesalers that own their own production facilities and provide their own brands, regional manufacturers that produce PL for certain markets (Damnjanovic, 2009, 42-46).

Retail chain Mercator S is the first retailer in Serbia to develop branded products, in cooperation with leading local and international producers. Mercator S has introduced in Merkator and Roda shopping facilities about 1,000 products, which are arranged in 10 lines, and the intensive development of branded products included a number of items produced in Serbia, in cooperation with local manufacturers, which meet the criteria of excellent quality and favorable price.

In cooperation with local manufacturers in the food industry, Mercator is developed, including high-quality nutritional products for everyday use in households, as stated in Mercator S. In the offer of the branded products and are Lumpi lines, which are made for children as well as My body and My face, with a large selection of quality cosmetics.

For price-sensitive consumers, Mercator has developed a special line called Bonus Plus, which includes about 20 basic food products while the line Ambient is consisted of high quality household products, such as dishes, table sets, bed linen and towels. Aside from the line of trademark, Mercator, in cooperation with Serbian producers, developed nearly 200 products, which are sold only in the Mercator and Roda objects.

Items of the "Mercator" trademark are produced by 80 domestic manufacturers, while cooperating with 30 foreign companies directly and through "Mercator" in Slovenia. Brands domestic chain "Aman", "Bravo", "Bravisimo" and "Health" can be found in neighboring countries.

As the development of the family market is rushed, given the number of open facilities, the logical next step was the development of own trademark .In accordance with the intention of uniqueness of meeting the needs of local consumers and making a place for themselves in the market offer. The analysis showed that sales prices are currently the main determinant for the choice of purchase, but that our customer is still demanding in terms of quality. The areas in which they will develop their brand in the Family market, was based on the analysis of data on the best-selling items. Based on this, they found in link in the chain that the products manage to assimilate the quality with the price.

Production of selling goods and those that are to be sold under the brand name of Smart Family Market is entrusted to experienced and reliable manufacturers in each area that is able to comply with the required recipe, quantity and price.

Making the design of the brand and packaging design, Family Market entrusted to its constant collaborator, specialized designer house, while the product selection, quality and pricing policy was created by a standard management team of that retail chain.

In 2010, the retail chain DIS offered customers a limited number of products under its own brand name. A good reaction of customers with these products has encouraged the management of the chain to go into further development and expansion of product offerings under its own brand name, which is called Dobro.

The advantages of the products sold under its own brand name in DIS are perceived by the prices that are more than favourable than those of competitive products and brands, good quality and affordable prices and unique packaging design of each product. Currently, DIS offers basic items under the trademark Dobro (oil, sugar, flour), fruit juice, laundry detergent, household chemicals, natural water.

Products from a wide range of Dobro brands can be bought in DIS's retail stores, as well as in more than 300 franchise stores, unlike the products of other brands of retail chains which are usually only found in their stores.

The strategy of the French retail chain Interex in Serbia will be focused on maintaining the lowest prices for basic groceries and expanding range of products under its own brand. In Serbia, Interex offers around 15,000 items, of which about 500 are labeled brands. One part is produced in our country, while the total inport accounts for about four percent. Items produced in Serbia are still not exported, but it is certainly a possibility among the long-term plans.

The development of the Interex brand began in the eighties. That a private brand is important in the chain, is proved by the fact that the group Intermarche, which operates in the Interex, in France alone accounts for approximately 35 percent of total turnover trademarks. Globally, Intermarche also offers approximately 16,000 items which are grouped into about 200 brands. Interex started the sale of products under its own brand name in Serbia in 2004, and their number has been increasing gradually. The brand Top Budget Serbia is currently producing about 80 items, while France imports about 100-120 items that are cheaper than the same quality products sold in Serbia.

Metro Cash & Carry company in Serbia develops its brands according to the needs of professional customers that are supplied with merchandice in that the market chain. Like other supermarket chains in Serbia, which have their own brands, Metro is planning to further develop PL's, which includes expansion of the range and segments, and the introduction of new trademarks.

Items under the Metro trademarks are produced by renowned local and international manufacturers since Metro is one of the largest retail chains in the world and its brands are sold in many countries. The most prominent products in the trademark offer are the basic groceries, dairy and meat products, frozen fruits and vegetables, and other goods for everyday household use. In the private label manufacturer program, there are 119 serbian manufacturers, and that number is

rising. What is probably the highest result in the last few years is the fact that today, Serbian products are exported and sold in 8 European countries - Austria, Croatia, Hungary, Romania, Czech Republic, Slovakia, Ukraine, Moldova – as stated from "Metro Cash & Carry."

Delta Maxi, the largest Serbian retail chain is developing a private label in all categories of food and non-food products. Since each category is important to them and has a role in transport, in Delta Maxi they strive to offer each consumer private brand products regardless of the brand the customer is used to purchasing. Domestic brand products have 75% shares in the Belgian "Delhaize". In Serbia, Delta Maxi cooperates with 115 manufacturers. About 70% of locally produced goods are exported to retailers in Bosnia and Herzegovina and Montenegro, a small portion is exported to the markets of Bulgaria. At the moment, most private label items are developed in the category of frozen products, meat products, basic food items, home textiles, household and kitchen. Currently, the portfolio represented approximately 500 items of food and around 1,000 non-food items.

Within the private label, a new segment of the concept of First Price is being developed, which aims to effectively respond to consumer demand during the crisis. These items are characterized by a very low cost and include items which are a part of the consumer basket. In this way, the price of the consumer basket would reduce, and in return consumers would get the same number of items, with the aim to increase purchasing power. In this way, Delta Maxi Group will increase the level of loyalty among consumers. The plan for 2011. was the development of 50 high-frequency items. With the aim of moving into third phase of development of products under private brands, Delta Maxi Group began developing a segment called Premium Selection. In the range of Delta Maxi Group, there are currently about 15 items.

After the purchase of Delta Maxi Group by Dehlaize, a more aggressive approach was expected on the Serbian market and the development of private brand items, especially in the Selection. A Price increases of food is announced from day to day and it is not surprising that the price is all the more important to the consumers when they chose the store they will visit. Since the products of commercial brands are cheaper - from 10 to 40% from the branded, it is justified that consumers in Serbia increasingly prefer them. The share of commercial brands on the market is constantly growing and it is expected that this trend will continue.

A PRIVATE BRAND IN THE WORLD

In recent years, particularly in Europe and the United States, there has been a significant increase in the number of PL brands, primarily in the retail chains. In Europe, private label sales are up to 45% of goods in supermarkets, and in the U.S. about 25 %. At the stores, the world's largest retail chain Wal-Mart, for example, from the total supply, 40% belongs to the PL products, which were previously considered to be the cheap products of low quality. However, in recent years,

companies have begun to use the PL to release on the market products of much higher quality.

Due to an increase of competition, owners of small businesses and large retail chains, understand the power of branding as a part of PL ingenious business strategy. To have your own PL brand is actually an alluring marketing tool and a model of a successful sale. PL wholesale offered products to retailers and others as an opportunity to build a recognizable identity for their companies and products, but also to ensure the loyalty of the consumer. The presence of trademark retailers in the EU is around 25%, and in the nutrition sector it is an average of more than 50%. In the structure of the participation of private labeled food products in the UK are the most common delicacies with 85,5%, dairy products 65.9%, 64% pastry.

In France, the retailer owned by Louise Cora Delhaize allows customers to freely try out products from its range of brands in exchange for filling out a questionnaire on the quality of the product. This strategy is adapted to the rapid collection of reviews on products launched from a range of private labels. The first 50 customers who fill in the questionnaires, together with a certificate store, will receive the monetary value of products which are tested.

Since 1984. when the line of food President's Choice company Loblaw appeared, one can hardly say "private brand" and the first thing you think of is not the company Loblaw line and President's Choice. The product of Loblaw, Toronto - Decadent Chocolate Chip Cookie (chocolate biscuits) - quickly became a leader in Canada and showed how effectively the innovative brands stores can compete with national brands, to as reach or exceed their quality. A well-crafted brand strategy, which included a more expensive line of President's Choice and cheaper yellow highlighted line No Name, has helped the company Loblaw to allocate their products and the company itself into a powerful home in Canada and the United States. The line President's Choice has made such a success that the company Loblaw is now licensing retailers in other countries which aren't its competitors. Thusly, it transformes a local brand into a global brand. The sale of private brands today is 30% of the total company sales Loblaw, which exceeded the Canadian average of 20%. In this way, store brands are "born". An increasing number of chains is trying to differentiate itself in the retail sector with a brand that can not be found in any other place.

Thanks to the creative strategy private brand which was created by the parent company of Macy's stores - Federated Department Stores, teenagers dismiss the modern stores in the center of New York City and visit Macy's because of *American Rag* clothing items. The company Federated has created such clothes with the intention of introducing a cheaper or second-hand shop. Company Federated largely constructed authenticity before they launched the line of American Rag, as it sponsored the musical tour Lollapalooza and used specialists for the design and brand (Kotler, 2010.519)

The level of development and the presence of private label is at a different level in Europe. The countries with the highest share of trademarks among the developed countries are Germany and the United Kingdom, and the fastest growth

in participation can be seen in Germany and Spain. In both countries, growth has come at the expense of the so-called. "B" brands (less branded products and following products). Taking a look at the more developed among the countries of Central and Eastern Europe, one can see a growing trend of trade names in Hungary and Poland, while in others such growth can be expected in the future, with the development of the entire retail sector. In Hungary traders are profiting at the expense of 'B' brands, while the "A" mark more or less remained stable, which is fully in line with the situation in developed markets. In the above mentioned most developed countries of central and eastern Europe, it is typical that traders are winning the market strategy with lower prices. There are also significant differences in the participation of private label in the range of large retail chains. Depending on the chosen strategy of trademark shares range from 10% to 95% of the total range. The trade chain "Walmart" took the first place from "Nestle", thanks to the private label. The company Aldi pays a of attention to PL products, which in total account for 94%.

CONCLUSION

In the future we expect an even stronger expansion of private brands, which will further promote the strengthening positions in retail marketing channels. With the introduction of private commercial brands, retailing creates customer loyalty in one direction, and at the same time reducing dependence of suppliers and the stronger bargaining position towards them in the opposite direction. Because of all these facts, we can rightfully conclude that the development of products under the private trademark is a strong strategic lever in managing channel marketing and strengthening the position in relation to other actors in the channel.

An increasingly popular trend is the most important marketing decisions of retailers for the private label. Retailers and wholesalers are developing a private label (also called brand agents, shops, houses or distributor). Retailers such as Benetton, The Body Shop and Marks and Spencer generally offer branded goods. The largest food chains in the UK, Sainsbury's and Tesco are selling 50% and 45% of the goods at the same time as their trademark. In the United States, every fifth item to be sold is in fact the trademark of the stores, according to the Association of producers of private label brands, such activity has made 51.6 billion dollars in the last year.

Some experts believe that 50% is the natural boundary of private brand offers because consumers prefer certain national brands, and many categories of products are not cost effective or attractive when it comes to private brand. If this is true, then the company Target reached this "limit". It is estimated that private brands account for 50% of the Target Company, including the very popular devices for households which are designed by Michael Graves and Todd Oldham. The percentage of 25% is the optimal share of PL products, which should be the goal of every retail company in the world.

Due to the upward trend in successful retail brands in the world, and Serbian retailers, brands of food manufacturers are facing a major milestone. A few years ago trademarks were on the lowest shelf, on the edge of the categories, rarely in the best positions that were reserved for the so-called main brands and did not represent a real threat.

Today we witness the retailers place their brands in more prominent and major positions and therefore directly reduce the potential for a-brand food manufacturers, which take precedence in certain categories of items. This trend is also visible in the results of the individual. Many consumers are more inclined use store brands when it comes to specific categories. There are also instances when the company returned to normal, ie. When they are "not branding" certain basic consumer goods and pharmaceutical products. From conflicts and producers of private brands, retailers are benefiting and increasing market power. Since there is not enough space on the shelves, many supermarkets charge a fee for the introduction of a new brand and thus cover the costs of putting on the list and storaging. Retailers charge fees for special exhibition space, as well as advertising space in the store. They tend to pay more attention to their own brands, make sure that they are in the forefront and to have them in stock. Retailers today are increasingly "building" better quality of own brands.

The growing power of private brands is not the only factor that weakens national brands. Consumers also exhibit greater price sensitivity. They perceive better quality, because manufacturers and national retailers who compete with each other copy the qualities of the best brands. An aggressive advertising sales of coupons, discounts and special offers, has led an entire generation of customers to buy products based on price. The fact that the company reduced advertising to 30% of the total promotional budget, has weakened the value of their brands. The endless extensions of the brand and product line have made the brand identity become less visible and led to the confusing proliferation of products.

Manufacturers partly respond to the threat from private label so they spend a significant amount of money for advertising and promotions directed to the customer, in order to maintain a strong preference for the brand. Rates, thereby, must be somewhat higher to cover higher promotional costs. Mass distributors are simultaneously putting pressure on manufacturers to invest more money in trade bonuses if they want adequate space on the shelves. When producers do so, they still have less money for advertising and promotion, and lose their leading position in terms of brand. It also represents a great dilemma for national brand manufacturers.

In order to achieve more competitive prices, it is imperative to reduce any unnecessary cost. National brands may have a higher price, but the price should not exceed the consumer perception regarding value. A private brand in comparison to unbranded products ensures the retail company higher sales volume, higher margin, higher profits and a long-term perspective.

Recommendations for the future growth strategy of private brand merchandise:

- Increased loyalty for all products brands in Serbia and in the markets where it performs

- Increase the number of private label products in all product groups in order to satisfy all segments of consumers

- Through the development of private labels the increasing of exports of domestic producers in foreign markets.

- special attention to packaging design and visual communication and the marking of the object in order to facilitate customer choice and shopping.

- Following the development of the needs and desires of modern consumers to develop modern brands of food (organic, whole foods, food allergen and low-fat).

- Differentiate from others with a rich and unique range of the trademark.

- To motivate all employees to create habits of consumers to decide to chose products which they trust.

A particular challenge for manufacturers and retailers in the future will be further enlarging market traders of food products as well as the arrival of new global players in the Serbian market. They will allow our producers for certain brands to be exported to European markets, but will also bring a potential danger in the form of their own brands that have not existed in the market.

There is a growing number of private brands which represent a great threat to national brands since they allow retailers to sell products at lower prices with lower production costs,better offer control, and more flexible pricing policy. (Hillier,Baxter, 2001).

Private brands are becoming a strategic option for retailers in a tense competitive battle with producers for market share, better profitability, and better brand value from the point of view of customers. While we might have believed that retailer brands were reaching their peak during the worst of the recession, it looks as though they are positioning themselves to succeed very well in an improving economy as well. Private label brands are in a position to compete on value and quality—key attributes that today's consumers seek. The opportunity for retailers is to use private label to differentiate themselves and lead the way with innovation to help build and sustain the image of the entire franchise. Private labels are a powerful tool in the hands of traffickers, but also factor in the growth and development of socio-economic dimensions of marketing in today's trade.

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INTERNATIONAL TOURISM FAIRS AS A TOOL FOR PROMOTION THE COUNTRY AS A TOURIST DESTINATION

Ace Milenkovski[56]
Zoran Strezovski[57]
Sasko Gramatnikovski[58]

Abstract: The main aim of the paper is about international tourism fairs as a tool for promotion tourist destination. International tourism fairs is great opportunity for NTO of the country to promote there tourist value, to attract tourist and to open new markets. It is main activities of National tourism organizations for promotion tourist facilities of the country.

We will analyze activities that Macedonian Agency for promotion and support of tourism participate on the fairs, what is the results of that and recommends how to be done.

Tourism fairs usually are organized by specialized companies whose business is an organization of business events. Tourism Fair is business event where meet offers and demands of tourism products.

Participation to International Tourism Fair is one of the primary activities of national tourism organizations the intention of establishing the country as a tourist destination. Many countries use this tool to successfully promote their country, to conclude the contracts between tour operators from different countries, use opportunity to increase awareness of the destination among potential tourists and increase tourist arrivals in the country .

This paper presents an action research conducted on a sample of 22 domestic tourist companies which visited tourism fairs abroad in 2012.

Also, this paper analyze annual reports of Agency for promotion and support of tourism in Macedonia from 2010 till 2012.

Key words: International Tourism Fair, Foreign Tourists, Fair Activities, Destination, Branding

JEL classification: L83

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[56] *University of Tourism and Management Skopje, Republic of Macedonia, a.milenkovski@utms.edu.mk*
[57] *Zoran Strezovski,University of Tourism and Management,Skopje, Republic of Macedonia,*
z.strezovski@utms.edu.mk
[58] *Sasko Gramatnikovski,University of Tourism and Management,Skopje, Republic of Macedonia,*
s.gramatnikovski@utms.edu.mk

INTRODUCTION

Event (event) is spatial - temporal phenomenon and every event is unique because of place-people interaction - Systems Management (including concept and program). The attraction of the event is specific on the way that it is never the same and the persons must be on the spot for fully enjoying the experience. (Getz 1997)

Tourist Fairs are specific business events, in an original way connect suppliers and buyers of tourism products at same place at the same time. The Fairs as a business event became one of the basic promotional activities of NTO.

The significance of the fairs is seen in opportunity for a high concentration of supply and demand in one place at a certain time, the possibility of concluding a sale contract on the basis of of prospects and sample, flexibility and market adjustment, with developed market economies and changes in the environment, communications and sales effects are accomplished by participation of the fairs. (Grubor,2008)

Big events in tourism such us ITB Berlin and World Travel Market (WTM) became a central part of the B2B marketing process in tourism. The main purpose of trade exhibitions are to launch new products, meet new contacts with a view of product development. gather competitor intelligence, learn about new trends and market developments. (Scott McCabe,2009)

National tourism organizations have a role to promote their respective countries as tourist destinations on target markets. Therefore, that they implement a lot of promotional activities such as creating tourist videos, realizing tourist campaigns on electronic, printed and internet media, billboards and other outdoor advertising campaigns, FAM trip for the journalist and tour operators, participation on Tourism Fairs abroad. (Strezovski,2013)

ANALYSIS OF ACTIVITES OF AGENCY FOR PROMOTION AND SUPPORT OF TOURISM OF MACEDONIA ON TOURISM FAIRS ABROAD

Since late 2008, Government of Republic of Macedonia makes the overall promotion of tourism abroad one of its priorities, establishing the country as a tourist destination. The Agency for Promotion and Support of Tourism headquarters are based in the city of Struga. The main objective of the Agency is to promote Macedonia as a tourist destination worldwide. The main promotional activities of the Agency are participating on tourism Fairs abroad. In the period between 2009 and 2011 all of the Agency's activities brought results. That was the period of opening new markets from Netherlands and Finland. In 2011 the increase of the foreign tourists arrivals in Macedonia was 25%. (official statistic for 2011)

During 2013 Agency for Promotion and Support of Tourism has participated on many tourism fairs in many countries such as a Netherlands, Finland, Turkey, Serbia, Germany, Sweden, Poland, Austria, Japan, Great Brittan, Russia, (Agency for Promotion and Support of Tourism , Annual program for 2012)

Nevertheless, the last two years did not bring open any new markets and new destinations for Macedonia. Tourist workers indicate that the main reason for such a situation is the bad promotion realized by Agency for Promotion and Support of Tourism on International Tourism Fairs.

While preparing its annual programs, National tourism organization, stress the participation on international tourism fairs as a main task . It is important to set the goals to achieve by the participation on the fairs. Certainly, it is necessary to make analysis and select which fairs to participate to, always in correlation with tourism sector (business associations) and tourism officials in local municipality. (Strezovski,2011)

This paper analyses the activities for promoting Macedonia at International Tourism Fairs realized in 2012 and 2013 by the Macedonian Agency For Promotion And Support of Tourism.

The research was carried out with the help of 11-item self-administered questionnaire. The conclusions point to specific measures to be taken for enhancing Macedonian presentation at International Tourism Fairs.

Data for this study were collected through a self-administered questionnaire distributed to the managers of 30 tourism sector companies (hotels and travel agencies) who participated in tourism fairs organized by the Agency for Promotion and Support of Tourism in 2012. We got 22 answers to the questionnaire. Research was carried out in 2013.

Respondents were approached by e-mail. The questionnaire consisted of 11 questions: 5 questions concerning the main features of the company (travel agency or hotel, city where they are established, licensed agency or categorized hotel, attending to the tourism fairs, whether participating in any of the tourism fairs organized by the Agency in 2012), and 4 questions concerning the promotion of Macedonia as a tourist destination through international tourism fairs. The questions may have positive, negative or neutral answers.

Macedonian tourist business sector is not satisfied with the location and appearance of the Macedonian booth at the International Fair of Tourism, said 89% of respondents, only 4% were satisfied while 7% answered – partly. Further on, they emphasize that booth space is constantly changing without any serious analysis where we belong as a destination, dysfunction of the stand, color and design are attractive, counters are not branded It shows that the Macedonian Agency for Tourism is unsuccessfully branding the stand of the Republic of Macedonia at the International Tourism Fairs.

Table 1. Location and appearance of Macedonian booth on International tourism fairs is representative

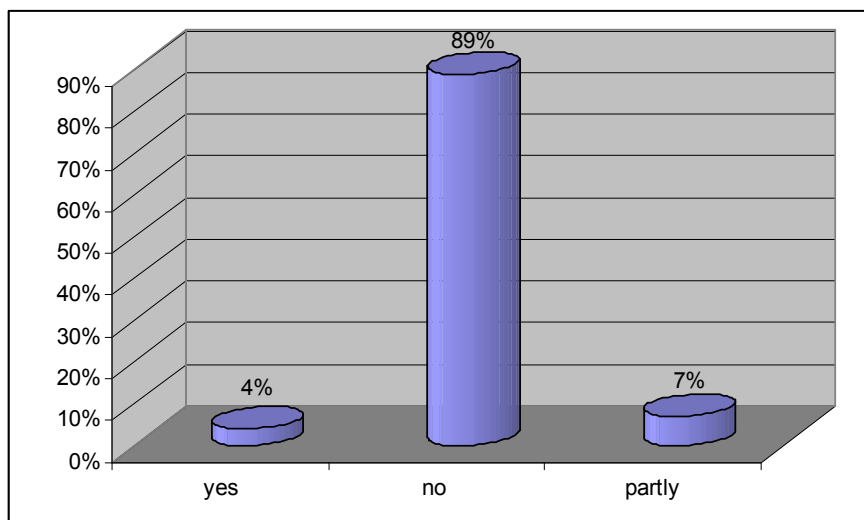| Respondents	Frequency	YES	NO	PARTLY
DOMESTIC	22	1/4%	19/89%	2/7%

Figure 1. Affinity of tourism business sector to the brand of Macedonian stand on tourism fairs

The quality, content and branding of printed promotional materials for general tourist promotion produced by APPTRM is unsatisfactory. A very high percent of the respondents (77%) answered affirmatively. Only 19% of respondents said they are satisfied with the quality and branding of promotional materials. It is an indicator that Agency should prepare a new printed materials about general tourist promotion of Macedonia.

Table 2. Branding promotional materials for general tourism promotion on tourism Fairs

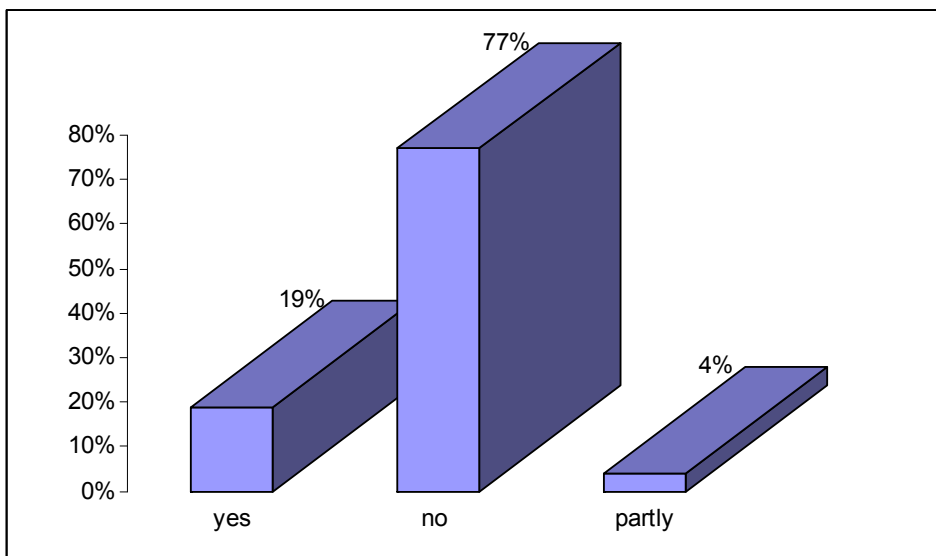| Respondents	Frequency	YES	NO	PARTLY
DOMESTIC	22	4/19%	17/77%	1/4%

Figure 2. Branding Promotional materials for general tourist promotion on the Fairs

On the question: "Are you satisfied with the activities realized at the stand of Republic of Macedonia on international tourism fairs?" , only 9% of the respondents gave positive answer while 73% gave a negative one. It shows that Agency should create different activities on the stand such as folklore presentation, Happy hour, of traditional food tasting, presentations…

Table 3. Affinity to activities realized at the stand of the Republic of Macedonia on international tourism fairs

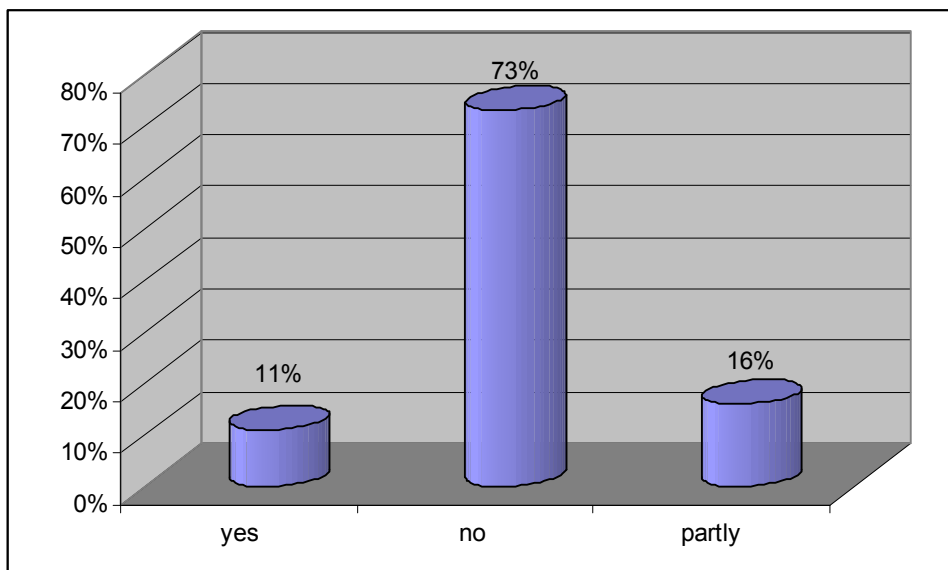| Respondents	Frequency	YES	NO	PARTLY
DOMESTIC	22	2/11%	16/73%	4/16%

Figure 3. Affinity to activities realized on Macedonian stand by APPTRM

On the question: "Are you satisfied of presenters on Macedonian stand on International tourism fairs?" 81% answered no and only 11% answered affirmatively.

Macedonian business sector is not satisfied with the presenters on Macedonian stand on international tourism fairs. In additional answers they note that presenters are not in branded clothes, do not know the language of the visitors and have low education in the tourism, they're poorly trained and some of them are not polite and friendly

Table 4. Affinity to the presenters on Macedonian stand on international tourism fairs

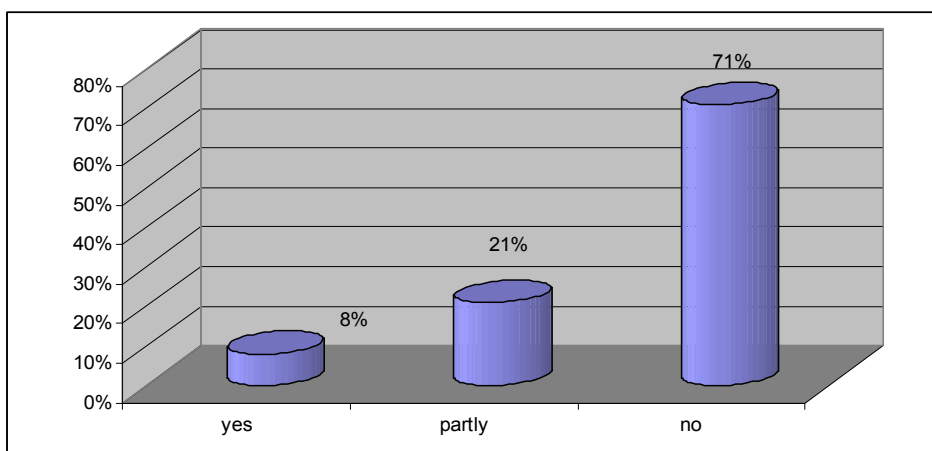| Respondents	Frequency	YES	NO	PARTLY
DOMESTIC	22	3/12%	18/81%	1/7%

Figure 4. Affinity to presenters on Macedonian stand on international tourism fairs

NTO intensively participates in international tourism fairs aimed at establishing the country as a tourist destination, building positive brand for the country, opening new markets and attracting new tourists from new destinations. It is also, the role of the Macedonian agency for promotion of tourism in Republic of Macedonia. In its development since 2008 till present days, there is a positive period especially in 2011 when we have 25% increase in the number of foreign tourists, the successful presentation of international tourism fairs contributed to the opening of new markets such as Dutch and Finnish market when by charter flights many tourists came to Macedonia.

In 2012 after changing the management team of the agency instead of progressing we have stagnation in terms of successful promotion of Macedonia in international tourism fairs.

CONCLUSION

International Fair of tourism are extraordinary tool for promoting the country as a tourist destination, enhancing the image of the country, opening new markets and thus increasing the number of foreign tourists in the country. But only quality presentation can be successful. Macedonian Agency for Promotion and Support of Tourism should qualitatively raise the level of presentation at the International Fair of Tourism.

The presented results indicate the following conclusions about activities that Macedonian Agency for Promotion and Support of Tourism should realize on international tourism fairs:

- determining the size and location where the booth will be mounted, functionality of the stand,

- layout and design of the booth, (branding , music and video presentations on screens)

- staff and presenters at the Macedonian stand should have highly developed communication skills, friendly, well trained, educated in the area of tourism, speak the language of the visitors, wear branded clothes, good looking

- Promotional materials have to have a good quality, printed in the language of the country where visitors are involved, it is good to have a general brochure and more specific brochures on certain forms of tourism, branded design, colour photos, description.

- The activities taking place on the space of the booth need to attract attention from tour operators, journalists and visitors at the Fair. Some of activities that should be organize are: Happy hour , press conferences for journalists and tour operators , folklore presentations, visitors' contests, presentation of Macedonian traditional food ..

- Macedonian Agency for Promotion and Support of Tourism should invite major foreign tour operators from the respective country for meetings during the fair with representatives from the tourism business sector of Macedonia.

- It should inform Macedonian embassies, economic promoters and associations of Macedonian diaspora in that country, in order to improve promotion and achieve better success at the Fair.

- Activities on the stand are very important and should encompass staff arrival at least one day prior to the start of the fair, in order to make final checks on the appearance and functionality of the stand, to timely start working on the stand, to take care of providing flawless implementation of activities planned to be carried out on the stand.

- After the departure from the Fair, Macedonian APPTRM should made database of contacts (journalist and tour operators) and constantly animate them through electronic letters (press release) about novelties in the tourism in the country.

However, it requires coordinated joint action of all subjects and stakeholders in tourism in Macedonia, local municipality and states institution. A good management is indispensable and that require including well trained and educated people in the area of tourism.

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