Electronic Trade, Cards and E-money

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Abstract: The introduction of information systems in the economy is a big step forward for all actors in the process. At the very beginning, there was a certain degree of mistrust of the participants themselves with the introduction of the Internet into business, but the current progress is noticeable with its greater perspective in the future. Buying goods and services online has become a need for a large number of citizens. Citizens have adapted over the years and gradually accepted the advantages of online shopping, and now it’s just a question of how far these measures will go. More and more goods and services are available online to be traded. Every day more websites specialize in e-commerce. The paper will show the number of transactions, as well as how they moved in the last 5 years in our country, limited to card transactions and the use of electronic money.

1. INTERNET AND ELECTRONIC BUSINESS

The integration of a large number of information systems and networks has led to the globalization of business through the global computer network. The success of a company’s operations depends on finding a place in the global division of labor, thus becoming a part of global business processes, which requires operating in a computerized business environment (Stankic, 2007). There are fewer and fewer companies that “Try to do business outside of new frameworks and there are fewer and fewer opportunities for that. Survival in the market is almost impossible nowadays without using the benefits offered by e-commerce. New opportunities offered by doing business on the Internet are the transfer of data, large amounts of information over long distances, direct payment, delivery of services and all that, as well as a large number of services in real-time from anywhere in the world (Simovic, 2013). Through electronic business itself, electronic commerce was born. The Internet is the fastest-growing sales and marketing channel in history and the most effective means of communication in the world, so it is not surprising that its implementation in trade has created an economic boom. There is an influx through various channels Internet has come to life in the economy and gives a handful of good things, with great application in today’s era.

2. ELECTRONIC TRADE

Trade is a special economic activity that has the task of organizing a regular exchange between production and consumption through its mediation in traffic. With its activity, it should ensure the supply of goods in the quantities and range that the market is looking for, at the time it is looking for, and at prices and other conditions that customers are ready to accept (Jaksic, 2006).
All this has risen to an incredible level with the expansion of electronic business, which has found its share in Electronic commerce, which is becoming the dominant way of trading.

The emergence of electronic commerce represents a real revolution in business, not only because of its hitherto unprecedented superior technological base based on modern telecommunications, computing, information technology and cryptology (Hadzic, 2013). From the first electronic transaction in 1994 to today, several different services have been introduced through electronic commerce that offers great opportunities to users and companies. The advantages of electronic commerce compared to traditional commerce are incredible and the benefit is huge for both end users and companies.

The theory of electronic business models encompasses several basic models of business transactions. The models of electronic business are defined based on the parties involved in the business process and the nature of their business relationship (Gledic, 2010). The participants in e-commerce are:

- Business entities (legal entities) – Business – B,
- Consumers (individuals) – Consumer – C,
- Government authorities – Government – G.

Below, we are presenting the division among participants in the following way:

- **B2B** – Business-to-Business, refers to the collaboration or exchange of information between two legal entities, two companies, or cooperation or exchange within one corporation.
- **B2C** – Business-to-Consumer, refers to online collaboration or exchange of information between a legal entity and an individual. A crucial element in B2C transactions is the information about products and services. Regardless of people’s location, the Internet enables them to access all relevant information about products and services, their quality, and possibilities of acquisition with just a few clicks of a mouse or typing on a keyboard (Stankic, 2021).
- **C2C** – Consumer-to-Consumer, involves two individuals and their exchange or collaboration facilitated by the Internet. A company supporting these transactions needs to find some unconventional method for service payments. Service payment usually involves a small percentage of the transaction, membership fees for the service, or some combination of these methods (Stankic, 2021).
- **C2B** – Consumer-to-Business, represents individuals offering their services or selling items to specific organizations.
- **G2B** – Government-to-Business, serves for the government to offer financing, various forms of assistance, etc., to the business customers.
− **G2C** – Government-to-Consumer, refers to services or training provided by the government to individuals.
− **G2G** – Government-to-Government, includes all services, solutions, or advice that one country’s government provides to another country.

### 3. CARDS AND E-MONEY

The use of information technology in banking has revolutionized the way financial services are provided, to the extent that for most services we do not need to go to the bank but can do them from home, from work, or even on the move via mobile phone, at any time and we mostly use electronic money, not banknotes (Hadzic, 2013). The greatest technological achievement in the development of banking is the appearance of electronic money, and therefore electronic banking. Electronic money is defined as specific monetary information” that is transmitted utilizing electronic impulses in real time” between transactors who make payments (Stankic, 2007). Payment cards are non-cash payment instrument that allows you to pay for goods and services and withdraw cash (National Bank of Serbia, 2007). We divide payment cards into credit and debit cards. Debit cards are cards that allow us to withdraw our available money, which also includes the permitted overdraft, i.e., permitted minus. The opposite of them are credit cards, which allow the use of money that we currently do not have and we have an agreed limit with the bank. Prepaid cards are cards with pre-deposited value on them. Funds are deposited on this type of card by purchasing electronic money that is on the card and is available to the user for spending at designated points of sale for a certain amount of real money. These cards can be single-purpose or multi-purpose (Simovic, 2013).

![Figure 1. Mastercard](source: Mastercard, 2022)

The table shows a five-year overview of purchases of goods and services via the Internet in Serbia, the overview includes purchases using a card and purchases using e-money. A moderate increase is present in every year shown in comparison to the previous one, except for a strong jump from 2020 to 2021, which, according to everything shown and analyzed, followed the impact of the Covid virus and everything that it brought with it, so the use of electronic commerce in that period in a big increase compared to other years. Thanks to its wide and limitless application, the great opportunities offered by electronic commerce are also available to user companies in Serbia, and the expectation is that the growth will continue and that the results will be even better.


<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase using a card</td>
<td>30,319,594</td>
<td>22,641,921</td>
<td>14,188,856</td>
<td>6,970,722</td>
<td>2,813,939</td>
</tr>
<tr>
<td>Purchases using e-money</td>
<td>81,112,211,678</td>
<td>55,454,047,993</td>
<td>32,235,014,623</td>
<td>17,783,001,065</td>
<td>9,267,804,195</td>
</tr>
<tr>
<td>Total</td>
<td>30,451,676</td>
<td>22,856,789</td>
<td>14,316,356</td>
<td>7,026,252</td>
<td>2,847,265</td>
</tr>
</tbody>
</table>

Note: The blue numbers are the number of transactions made, and the red numbers are the value of those transactions in RSD.

Source: National Bank of Serbia, 2022

4. CONCLUSION

One of the definitions of electronic commerce that gives the simplest explanation is in the Law on Electronic Commerce, where electronic commerce of goods and services is a form of distance commerce (Official Gazette of the Republic of Serbia, 41/2009, 95/2013 and 52/2019). The Government of the Republic of Serbia, Ministry of Trade and Services (2022) has prepared a Guide to online shopping to make it easier and closer for users from Serbia to use electronic trade. The advantages offered by e-business, e-commerce, as well as e-banking are that the quality of service increases with fewer employees, costs are reduced, availability is set to a maximum of 24 hours a day every day of the year, a large number of users, easier data processing, immediate processing and carrying out transactions, as well as a host of others.

With the information revolution, which follows all these processes, the consequence that every company faces is that it has to become globally competitive, even if it sells only in the local or regional market if it wants to survive in the market. Competition is no longer local, it knows no borders, and every company must become multinational in modern conditions. Investing in information technology gives results in all fields, both for companies and for the population, everyone benefits from it.

There are various predictions, one of them is that the traditional form of banking will disappear because they are increasingly threatened by modern IT-oriented companies. There are great expectations and predictions regarding the Internet itself. Electronic commerce in the world and its growth has been transferred and implemented in our country as well, which can be seen by the number of completed transactions, as well as by the amount. It is evident growth from year to year, as well as with the investments in information technology which are noticeable and which are the mediator of the growth of e-commerce in Serbia. A large difference caused by the impact of the virus was noticeable, but the growth stabilized already the following year as the impact of the virus and everything that followed began to weaken. There is no place in sight, nor is there an obstacle that is insurmountable for the progress of electronic commerce both in the world and here, it has even opened a handful of opportunities to all countries of the world, regardless of status, possibility, and location.
References
