ELECTRONIC RETAILING IN CROATIA AND COMPARSION WITH SOME EUROPEAN UNION MEMBER STATES

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Abstract

One of the trends in modern retail business is derived from the requirements of the contemporary customers that can access retailers in several ways. Classic or traditional retailing is one of the ways in which the ordering, delivery and payment take place in the traditional / classical way. Development of electronic technology created precondition that consumers can access retailers electronically. There are retailers on the market which are ranging from traditional to complete online retailers. The largest part of retailers combine a traditional and online businesses. This paper examines the development of key assumptions for the development of online retailing, the importance of online retail and the most common assortments in online retail. The research framework is based on a comparative analysis of business to consumer (B2C) business model in the Republic of Croatia and other countries of the European Union.

Key words: *retailing, e-commerce, B2C business model*

1. INTRODUCTION

Numerous changes are taking place in the contemporary commerce of developed countries that the people responsible for managing business of trading companies and responsible for business development policy should anticipate. The changes summarized in Table 1 point to key trends in modern commerce.

Table 1: Changes in contemporary commerce of developed countries

Lovreta and Stojković (2012)	McGoldrick (1995)	Deloitte (2012)
• from fragmented to integrated commerce; • from local to global commerce; • from traditional commerce nerwork to innovative formats of commerce; • from commerce certain spatial location to unlimited commerce; • from a classic purchasing commerce to commerce with the private trademark;; • from unsophisticated to technology intensive commerce; • from an independent and fragmented commerce to systematically guided commerce and • from vulnerable and poor commerce to commerce with a powerful and dominant position in the marketing channel.	• less stores, more sales area; • less independent, more multifilial retailers; • less inventory, more services • less national, more international traders • reducing the number of national retailers, increase the number of international retailers; • reduction of sales per unit area, increase margins.	• away from home; • accros channels; • mobile; • from data to personalization. .
	the impact of modern technology, including electronic commerce	
	prerequisite for electronic commerce	

The paper is focusing on some of the differences in understanding of e-commerce, potential necessary preconditions for e-commerce, the main e-commerce concepts and the differences or similarities of frequently used terms e-commerce and e-business.

2. DEFINITION OF ELECTRONIC COMMERCE

According to Turban et al. (2012, p.38) electronic commerce or e-commerce is the process of purchase, sale, transfer or exchange of products, services and (or) information via computer networks, mainly the Internet and intranets.

Key elements of the definition of e-commerce are: a) the business process: purchase, sale, transfer or exchange; b) the subject of the business process: products, services and information, and c) technology used in the performance of business processes that can be fully or partially electronic and completely classical or traditional.

The following questions could arise: 1) whether there is a necessary condition without which there is no satisfying e-commerce, and 2) can ordering by phone, fax or regular mail can be considered as e-commerce?

The answer to the first question could be: a necessary condition for the existence of e-commerce is the ability to send and receive orders over computer networks. The customer (legal person-organization or individual) must be able to order electronically. Without the possibility of ordering electronically there is no e-commerce.

A necessary condition for the existence of e-commerce is the possibility that the customer orders electronically. Delivery may be electronic or classical. Electronic delivery is limited by the nature of the ordered product. The bulk of the commercial asortiment is in physical form. It is not possible, at least for now, to electronically deliver products in physical form.

Example 1: The world's leading retailer Wal-Mart offers in the store format, such as Supercenter, about 150 thousand different products.

Example 2: The sales format such as department store with mixed assortment offers to the customers the range of about 50 thousand different products.

The products from both examples are delivered in the traditional manner, by delivery to the customer's address. Physical products are not possible, at the level of today's technology, to be digitalised and as such transfered to the place where the buyer is and then being materialized. There are indications and first phases of technology known as additive technology that would dramatically changed the role of various links in the distribution chain, including position of trader and what a customer buys. With mass application of such technology, nothing will ever be the way we know it today. On the other hand, payment can be performed in various ways - from classic payment to electronic one.

Placing orders can also be performed by phone, fax or regular mail, but if it excludes the possibility of placing orders electronically, via computer networks, including the Internet, then one can not speak of electronic commerce.

Can the answer to the first question be different? It can. The concept based on three dimensions of e-commerce (Turban at all, 2012) deffers between: the traditional commerce, pure electronic commerce and partial (incomplete) electronic commerce.

This concept is based on the following dimensions: delivery method (x), ordering (order, payment) (y) and treatment (ie. creation of products / services) (z). Each of the three dimensions can be in physical or digital form. The traditional trade is a combination of all three dimensions in the physical form. Clean (complete) e-commerce consists of the three dimensions in digital (electronic) form. Between these two possibilities of combining the above dimensions, different combinations can be interpolated in digital and physical form. One of such combinations includes ordering (y) dimension in physical form.

The above-mentioned dimension of e-commerce includes the payment. Payments can be performed in the traditional manner which excludes electronic payment. Ordering in physical form, according to this concept, does not exclude electronic commerce. The concept of the store in which one or two dimensions, out of mentioned three dimensions, are in physical form represents a partial (incomplete) e-commerce. Therefore, the possibility of placing orders electronically, according to this concept, is not a necessary prerequisite for the existence of electronic commerce.

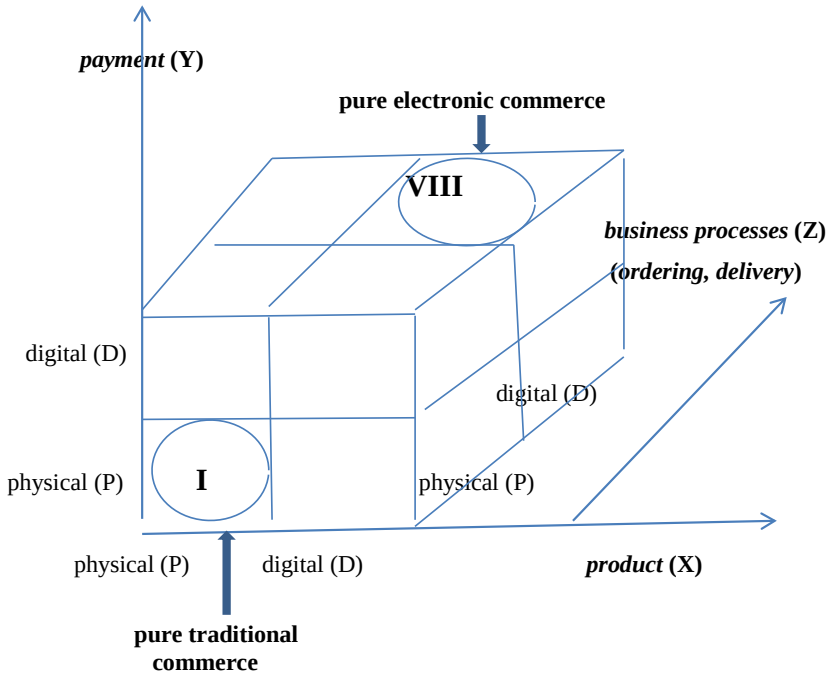
One can raise the question: to which extent is realistic assumption that a manufacturer, trader or supplier has a product / service (dimension z) in a digital (electronic) form, that can be delivered (dimension x) digitally, and that the buyer can also pay for it digitally (partially satisfying dimension y) but that is not possible to order such product/service electronically? It is easy to agree that such assumption is outside the boundaries of the real and if it happened it would be extremely rare. Here the statement 'the exception that proves the rule' can be applied.

It was concluded that the trade in which all three dimensions are in electronic form is a complete (clear) e-commerce. We will focus on: a) the product / service (x), b) the method of payment (y) and c) ordering / delivery (z). Trades in which the ordering is performed by e-mail, and delivery or payment, or both, is done the classical way, represents an incomplete electronic commerce. Trades in which the purchase, delivery and payment is performed in a classical (traditional) way is considered to be a traditional (classical) trade.

Merchants can range from complete (clean) classical or traditional retailers to complete (clear) electronic retailers. Between those two extremes there are traders who are considered to be incomplete classical (traditional) traders and incomplete electronic traders.

The above can be represented by their location in three-dimensional coordinate system quadrant as it follows in Figure 1.

Figure 1: Combinations of three variables in the physical and digital form



Note: slightly altered combination of the source Turban et al. (2012)

Figure 1 is based on the basis composed of the first level of the cube 2x2x1 (4 cubes) and the second level of the cube 2x2x1 (4 cubes) or of 8 cubes in total. The model is 2x2x2 = 8 cubes. Commerce can be, according to the model in Figure 1, pure traditional commerce, pure electronic commerce and partial electronic commerce.

Schedule of variables (x = product; y = payment; z = ordering) can be differently positioned in the space which does not change anything when it comes to the extreme characteristics in the model of the complete traditional (classical) trade to complete (clean) electronic trade. It will just be a different three-letter arrangement of six combinations, incomplete electronic or incomplete classical trade in the area. Product variable determines the method of delivery: digital product - digital delivery and physical product – physical delivery.

If we say there is a partial electronic commerce then we can also highlight partial traditional (classical) trade. Partiality arises from the possibility that at least one of the three dimensions (ordering, payment, delivery) is being represented in electronic (digital) or classic (traditional, physical) form. See Figure 2 with the combination of three variables in determining the classical and electronic commerce.

Options:

a) pure traditional commerce

- all three dimensions (x = product, y = payment, z= delivery) are in physical (traditional) form = 3P); nothing is in digital form (D = 0)
- the first cube in the bottom of the first row has such characteristics

b) pure electronic commerce

- all three dimensions (x = product, y = payment , z = delivery) are in electronic (digital = 3D) form; nothing is in the physical form (P = 0)
- eighth cube, the far right in the bottom of the second row, has such characteristics

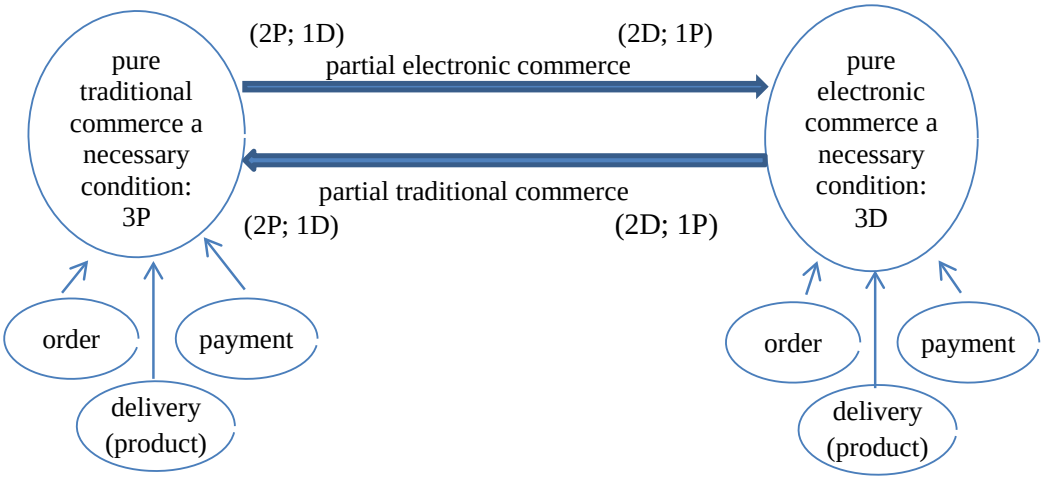
c) partial electronic commerce

- at least one of the above dimensions is in the electronic (digital) form (variants: 1D + 2P, 2D + 1P)

d) partial traditional commerce

- at least one of the above dimensions is in the traditional (physical) form (variants: 1P + 2D, 2P + 1D)

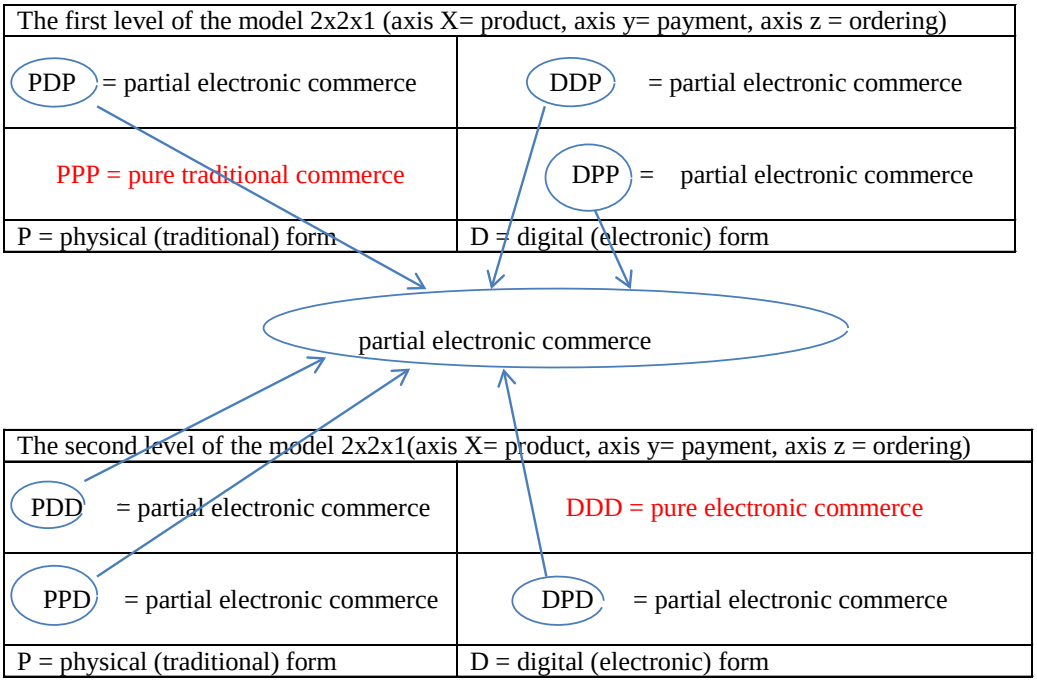
Figure 2: The combinations of three variables in determining the classical and electronic commerce



Note: prepared by the author.

If Figure 1 is flat develop one can get:

Figure 3: The two-level model of e-commerce



Note: prepared by the author.

As stated under the option (c) partial (incomplete) electronic commerce could be considered in a broader and narrower sense. In the broader sense it is necessary that one of the three dimensions is in

electronic (digital) form. Theoretically, this could be the product as well as any of the business processes (for example: payment or delivery because the product is in the digital form and can be delivered, but not ordered electronicaly). The probability of meeting the fact that the product is in electronic form and that it is not possible to order it electronically, is only a theoretical probability. The same applies to the delivery. If the delivery was in physical form then the digital product is transformed into a physical product. Examples might be: books, music, paintings, and various softwares.

According to the World Trade Organization (2013), e-commerce is the sale or purchase of goods or services carried out over computer networks using specially designed methods for the purpose of sending or receiving orders (underlined: N.K.). It is clear that computer network and specially designed methods are primarily in the function of sending or receiving orders.

In the same source it is stated that although the goods or services are ordered electronically, the payment and the ultimate delivery of the goods or services does not need to be conducted online. Connecting the mentioned sources, in this paper the existence of partial (incomplete) electronic commerce is not disputed in relation to the above-mentioned dimensions, but the existence of incomplete (partial) electronic commerce in which the order dimension is in the physical (classical) form is questionable.

We will agree that, in a formal sense, everything that is incomplete can be assumed as being partial. What about content-wise? The manufacturer, dealer, supplier has a digital product, delivered digitally and which can be paid digitally. What would be the reason (reasons) why it cannot be ordered digitally?

The WTO, in the same source states entities that may act as participants in the e-trade transactions. They are: companies, households, individuals, governmental bodies and other public and private organizations.

They are very clear in defining what is and what isn't electronic transaction. Electronic transactions are: orders over the web, extranet or electronic data interchange. Again, we continue with the question: if there is no electronic transaction (order) is that e-commerce? WTO excludes orders by: telephone call, fax or conventional letter. Conventional letter is freer interpretation of the hand written letter.

3. PARTIAL ELECTRONIC COMMERCE

If you can not order or receive orders electronically, it is not possible to talk about the incomplete electronic commerce because the key requirement of electronic commerce - the ability to order electronically - is not satisfied. This discusses approach to trade categorisation in the Figure 1 example. Excluding full (clean) traditional (classical) trade (the first cube at the bottom and at the beginning of the first row) and clean (complete) e-commerce (eighth, last cube in the second row) other six cubes contain one or two dimensions in electronic form. Out of these six, three of them have the possibility of ordering electronically (combination of dimensions: PPD, DPD and PDD). These are all combinations of incomplete electronic commerce. Combinations for which there is no possibility of ordering or receiving orders electronically (DPP, PDP and DDP), according to this definition of the WTO, are not incomplete electronic commerce.

According to Xu and Quaddus (2010) contemporary e-commerce typically uses the Internet at least at one point in the life cycle of a transaction. It covers a wide range of technologies such as e-mail, mobile devices and social networks.

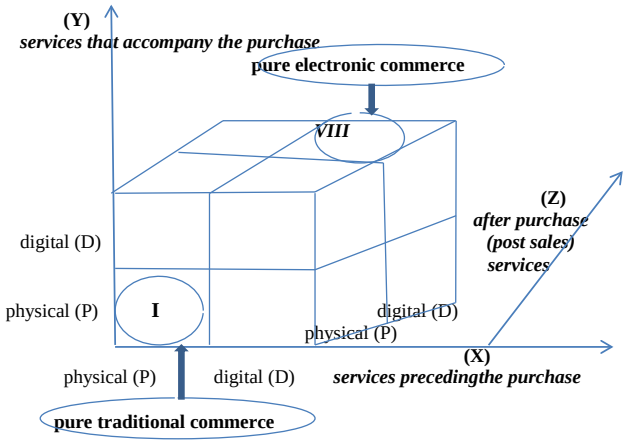
Using the Internet "at least at one point in the life cycle of the transaction" is a necessary prerequisite for understanding the electronic or digital trade in the broader sense (extensively). Internet as a specific network and as the concept of electronic networks, e-mail, mobile devices and social networks make a wide range of technologies used in electronic commerce.

Combinations of variables DPP, PDP and DDP have one or two dimensions in electronic (digital) form. Is this, according to the authors Xu-Quaddus, consider to be that "at least one moment in the life

cycle of the transaction," which is a prerequisite for understanding the electronic or digital trade in a broader sense? If so, such specified combination could be considered as incomplete electronic commerce.

Combination of the three variables in the physical and digital form, as it was given in Figure 1, could be replaced by groups of services in the trade segment which represents the service industry: services preceding the purchase (x), services that accompany the purchase (s) and after-purchase (post sales services) (z). Within each service groupe one could differentiate the services that could be provided to the customer in a physical or electronic (digital) form. Reflecting on classical (traditional) commerce and complete (clear) e-commerce would be the same as previously stated, and conditional on a combination of three variables in the physical (P) and digital (D) version. See detailed Figure 4.

Figure 4: The combination of variables of the three groups of services in physical and digital form



Note: made by the author and adjusted according to the basic model from Turban et al. (2012)

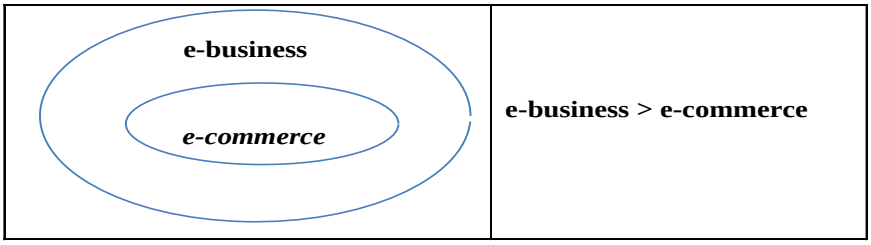
4. RELATIONSHIP OF ELECTRONIC COMMERCE AND ELECTRONIC BUSINESS

The relationship between electronic commerce and electronic business is not unique in terms of broder activities and content within each of these terms.

Possible options:

Option I: It is more common option of thinking about e-business as a substantially broader concept than the concept of e-commerce. E-commerce, in addition to buying and selling in electronic way, includes a number of other services. Examples of these are various services for the customers, different business processes that take place between organizational units (components) as business system and between enterprises as a component of complex business systems with the example of supply chains. The activities such as e-learning and e-payment of various services could be added beyond the scope of commerce as understood in the narrow sense (as a segment G NCA - the National Classification of Activities). According to this view e-commerce is part of e-business. E-commerce is e-business in the strict sense. E-commerce is reduced to e-purchasing and e-sales. Under this concept e-commerce is brought down to business transactions between buyers and sellers. It is a significant segment of e-business. We believe it is not exaggeration if we say that this is the the most significant segment of e-business. E-bussiness is e-commerce in broader sense. Vice versa also applies: e-commerce is e-business in a narrow sence. Different information communication technologies are used for business support to the trade companies. For the relationship of the two concepts in this option, see Figure 5.

Figure 5: Relation of e-business and e-commerce (option I)



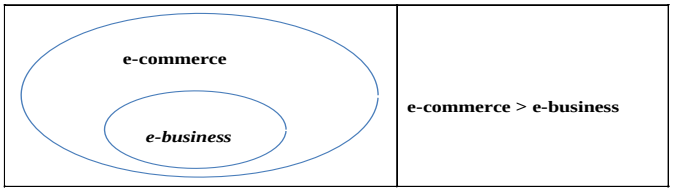
Note: made by the author.

Option II: Less common is an option of considering e-commerce as a content-wise broader concept in relation to e-business. E-commerce in this option is defined substantially broader than e-business. E-commerce is considered from a macro point of view. Generally considering that trade is a segment of the economy. In the National Classification of Activities (NCA) is classifed as a segment G. Macro aspect of e-commerce in this option extends beyond the scope of the segment G of the NCA. Examples of these are extensive approaches to macro aspect of e-commerce through the position contemplation and the impact on society as a whole, the new (digital) economy, information-communication technology and more.

According to this option, e-business refers to the micro level of the business operation in the organization (company). This primarily refers to the business processes in the enterprise or in the supply chain.

The relation of the two concepts in this option can be seen in Figure 6.

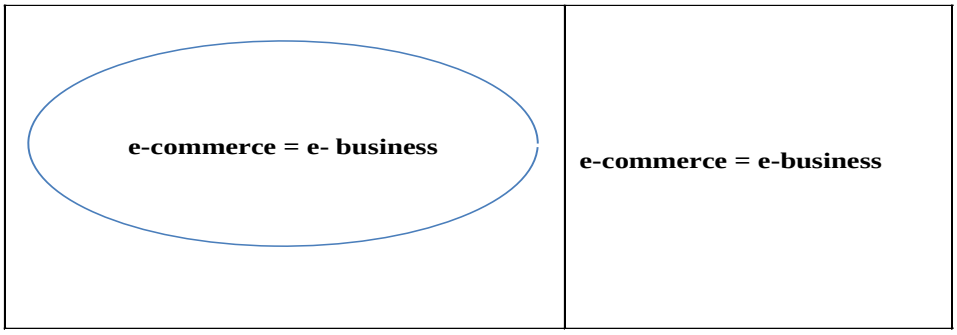
Figure 6: Relation of e-commerce and e-business (option II)



Note: made by the author.

Option III: Equating the two concepts. Using of the term e-business as a synonym to the concept of e-commerce and vice versa. Among these terms, in this option, there is a sign of equality between them. See Figure 7.

Figure 7: Relation of e-commerce and e-business (optiont III)



Note: made by the author.

5. KEY ASSUMPTION FOR THE DEVELOPMENT OF E-COMMERCE

E-commerce is the sale or purchase of products and services through computer networks. The Internet is a "network of all networks", and as such has become a generic term for a computer network. Due to this, there are disputes between editors and authors whether this network should be written with capital or small letter. A compromise would be acceptable: a) to always use capital letter when referring to a specific computer network and b) using a small letter when specific network is used in the context of the generic term for all networks. Access to the Internet is one of the key prerequisites for the development of e-commerce

a) Internet users in the world

Number of Internet users in the world in the ten-year period, 2004-2014, has more than tripled. It increased by 3.2 times - from the initial 910 million users in 2004 to 2.93 billion users in 2014. The relative proportion of Internet users in the total world population increased from 14.1% in 2004 to 40.4% in 2014. This is a significant segment of the material-technical base, which is a function of the spread of e-commerce. The share of Internet users in the total world population by each years of the observed time interval can be seen in Table 2.

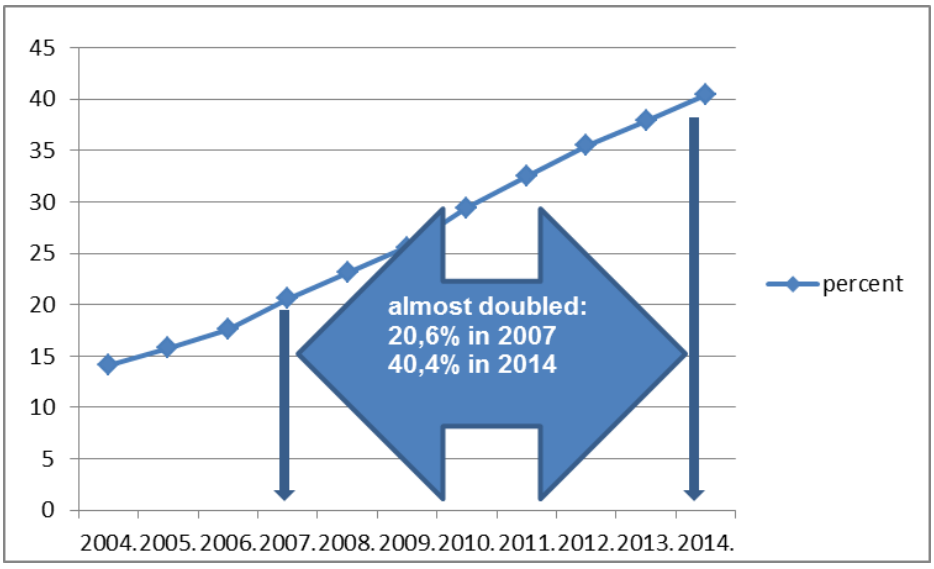
Table 2: Number of Internet users in the world, 2004-2014

Year	World population	Internet users	The share of Internet users in the total population in %
2004.	6 435 705 600	910 060 180	14,1
2005.	6 514 094 610	1 029 717 906	15,8
2006.	6 593 227 980	1 157 500 065	17,6
2007.	6 673 105 940	1 373 040 542	20,6
2008.	6 753 649 230	1 562 067 594	23,1
2009.	6 834 721 930	1 752 333 178	25,6
2010.	6 916 183 480	2 034 259 368	29,4
2011.	6 997 998 760	2 272 463 038	32,5
2012.	7 080 072 420	2 511 615 523	35,5
2013.	7 162 119 430	2 712 239 573	37,9
2014.	7 243 784 121	2 925 249 355	40,4

Source: Internet users in the world, Internet Live Stat 2015, http://www.internetlivestats.com/internet-users/, accessed February 2015.

Number of Internet users in the world population in the period 2007-2014 almost doubled. See detailes in Graph 1.

Graph 1: The share of Internet users in the total population in %, 2004-2014



Note: made by the author. All data are from the same source as in Table 2.

b) The leading countries according to the share of Internet users in the population

Out of the top ten countries according to the number of Internet users in 2014, eight of them had a significantly higher proportion of Internet users in the total population then the world average. The total number of Internet users in the top 10 countries represented 55.4% of all internet users in the world. The top five countries according to the share of Internet users in the total population are: United Kingdom (89.90%), Germany (86.78%), the US (86.75%), Japan (86.03%) and France (85.75 %). These countries accounted for 1/5 of all Internet users in the world, or 35.4% of all Internet users in the top 10 countries in the world. All of this confirms the extremely high level of concentration of Internet users at these geographies. For details, see the information contained in Table 3 and Figure 8.

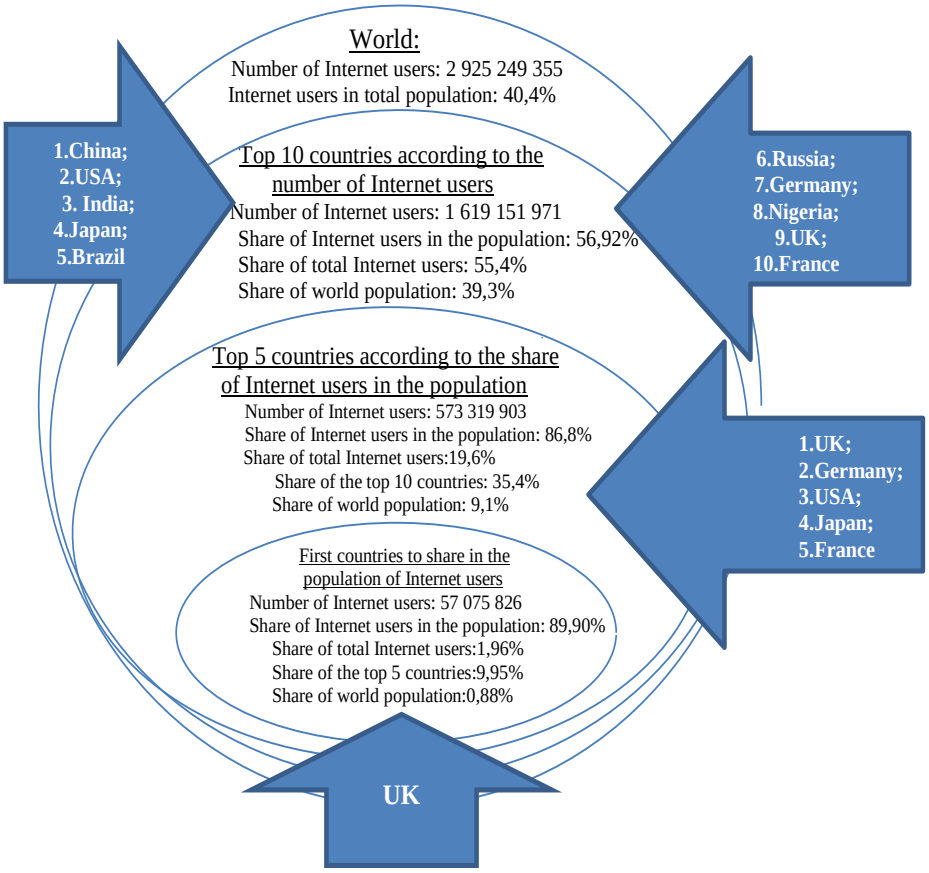
Table 3: The top ten countries according to the number of Internet users in 2014

Rank	Country	Internet users	Total population	The share of Internet users in the total population in percent
1.	China	641 601 070	1 393 783 836	46,03
2.	USA	279 834 232	322 583 006	86,75
3.	India	243 198 922	1 287 401 849	19,19
4.	Japan	109 252 912	126 999 808	86,03
5.	Brazil	107 822 831	202 033 670	53,37
6.	Russia	84 437 793	142 467 651	59,27
7.	Germany	71 727 551	82 652 256	86,78
8.	Nigeria	67 101 452	178 516 904	37,59
9.	United Kingdom	57 075 826	63 489 234	89,90
10.	France	55 429 382	64 641 279	85,75
Total: Top 10 countries		1 619 151 971	2 844 569 493	56,92

Note: The same source as the previous table and own data processing.

There is a strong concentration of Internet users in some countries of the World. For details, see the information contained in Figure 8. The analysis of the data on the number of Internet users and their share in the population in 2014 shows that there is a high concentration in the top ten countries that had 55.4% share of the total Internet users in the world and 39.3% in the global population. The top five countries according to the share of Internet users in the population have 19.6% share in total Internet users and 9.1% in the global population. United Kingdom as the leading country according to the proportion of Internet users in the population participated with 1.96% in the total global Internet users and with 0.88% in the total world population.

Figure 8: The impressive concentration of Internet users, 2014



Note: Prepared by the author based on the same sources as in Table 3.

The ranking of countries according to the number of Internet users goes in favor of leading populated countries. Examples of this are China and India. Both countries together had 2.7 billion inhabitants or 36.7% of the total world population and participated in the total number of Internet users in the world with 30.2%. Both countries are significantly below the world average share of Internet users in the population. In China, this share was 46.03%, and in India it was 19.19% or at the level of both countries it was 33.2%.

Ranking criteria could be: a) the number of Internet users and b) the proportion (share) of Internet users in the total population. The share of Internet users in the total population is a qualitative indicator of development. Table 4 contains information on the ratings of the top ten countries in the world according to both of these criteria. Drastically different ranking is visible between the countries according to the share of Internet users in the total population compared to the ranking according to the number of Internet users.

Table 4: Top 10 countries according to the number of Internet users and the proportion of Internet users in the population in 2014

Rank	Country	Number of Internet users	Rank	Country	Share of Internet users in the population
1.	China	641 601 070	1.	United Kingdom	89,90
2.	USA	279 834 232	2.	Germany	86,78
3.	India	243 198 922	3.	USA	86,75
4.	Japan	109 252 912	4.	Japan	86,03
5.	Brazil	107 822 831	5.	France	85,75
6.	Russia	84 437 793	6.	Russia	59,27
7.	Germany	71 727 551	7.	Brazil	53,37
8.	Nigeria	67 101 452	8.	China	46,03
9.	United Kingdom	57 075 826	9.	Nigeria	37,59
10.	France	55 429 382	10.	India	19,19
Total: Top 10 countries		1 619 151 971	Total: Top 10 countries		56,92

Note: The same source as the previous table and own data processing

c) Internet users in the countries of the Visegrad Group plus Croatia, Bulgaria and Romania in 2014

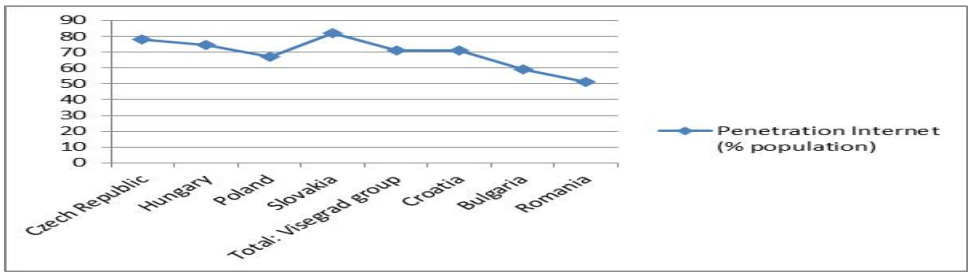
Visegrad countries (Czech Republic, Hungary, Poland and Slovakia) had the indicator of Internet access higher than European average in 2014. Croatia, Bulgaria and Romania were below the average of Visegrad Group with Croatia being closest to the average of the Visegrad Group. For details, see Table 5 and Graph 2.

Table 5: Internet users in the countries of the Visegrad Group plus Croatia, Bulgaria and Romania in 2014

Country	Population, 2014 estimation	Internet users, 30 June 2014	Penetration (% population)	Rank
Czech Republic	10 627 448	8 322 168	78,3	2
Hungary	9 919 128	7 388 776	74,5	3
Poland	38 346 279	25 666 238	66,9	4
Slovakia	5 492 677	4 507 849	82,1	1
Total: Visegrad group	64 385 532	45 885 031	71,3	
Croatia	4 470 534	3 167 838	70,9	
Bulgaria	6 924 716	4 083 950	59,0	
Romania	21 729 871	11 178 477	51,4	
Total Europe	825 824 883	582 441 059	70,5	

Source: Internet World Stats 2015 Internet in Europe stats, http://www.internetworldstats.com/stats4.htm#europe>http://www.internetworldstats.com/stats4.htm#europe, accessed April 2015.

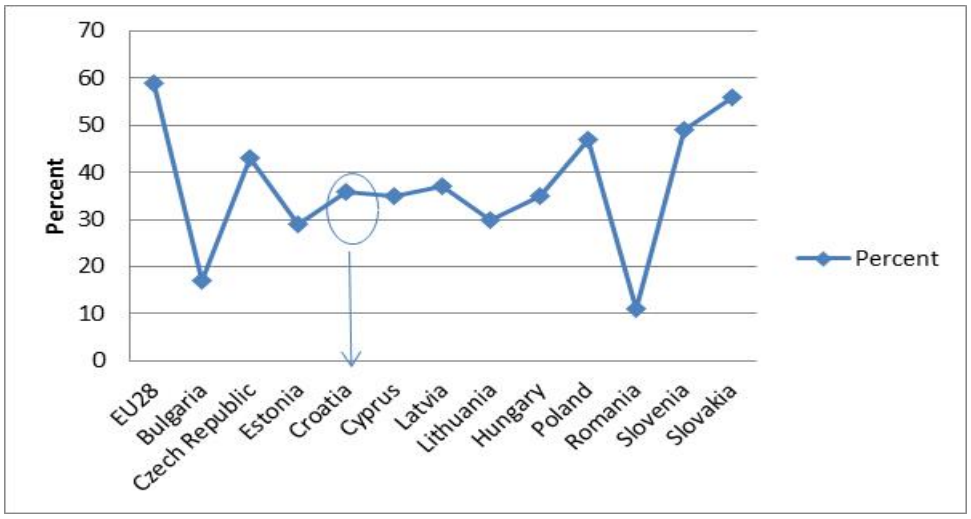
Graph 2: Internet users in the countries of the Visegrad Group plus Croatia, Bulgaria and Romania in 2014



Note: The same source as the previous table and own data processing.

The percentage of users who use the Internet for shopping is different. Graph 3 contains data on the percentage of Internet users who have used the Internet to perform purchase in the last 12 months of 2012. Average for EU-28 (59%) was higher than individual countries listed in the chart. The first was Slovakia and at the rear were Bulgaria and Romania. In Croatia, 36% of Internet users used the Internet to perform purchase in the last 12 months (data for 2012).

Graph 3: Percent of Internet users who used Internet for purchasing in the previous 12 months (2012)

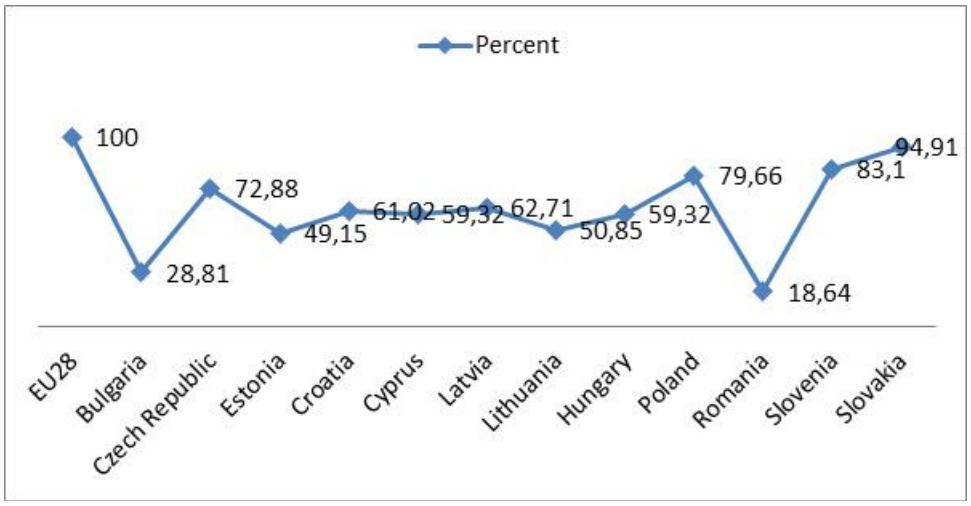


Note: Our data processing contained in the source: Eurostat release figures on online shopping in Europe, http://www.ecommerce-europe.eu/news/2013/10/eurostat-release-figures-on-online-sh, accessed February 2015.

Deviation of the average online purchase for observed countries compared to the average of EU 28 are shown on Graph 4.

The achieved level of Internet used for shopping in the Republic of Croatia in relation to the average EU28 has an index = 61.02 or 39% less than the average EU28. Closest to the EU28 average were Slovenia (index 83.1) and Slovakia (index 94.91). For details, see Graph4.

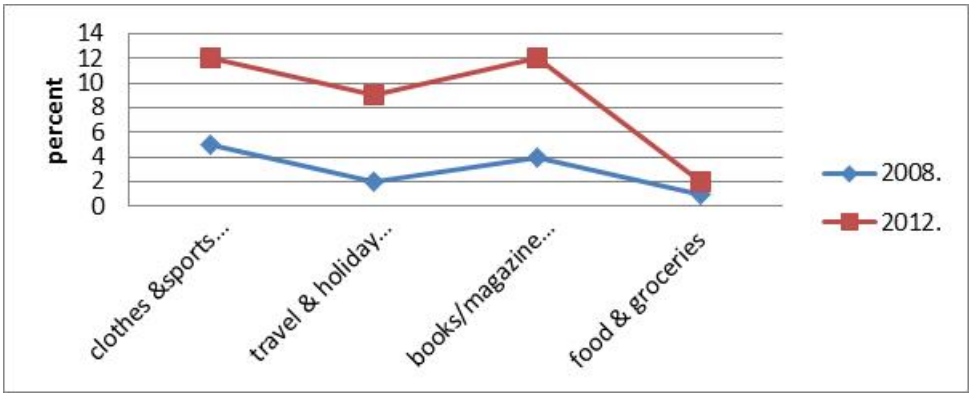
Graph 4: Indeks deviation from EU average online purchase by Internet users, 2012



d) What did customers buy in Croatia using e-commerce?

The percentage of Internet users in Croatia who have used the Internet to perform purchase in 2012 has significantly increased compared to 2008. All categories of purchases were on the rise. Over the Internet, customers were buying the most clothes and sports equipment and books, magazines and materials for distance learning. Internet was least used for purchasing food products. For details, see Graph 5.

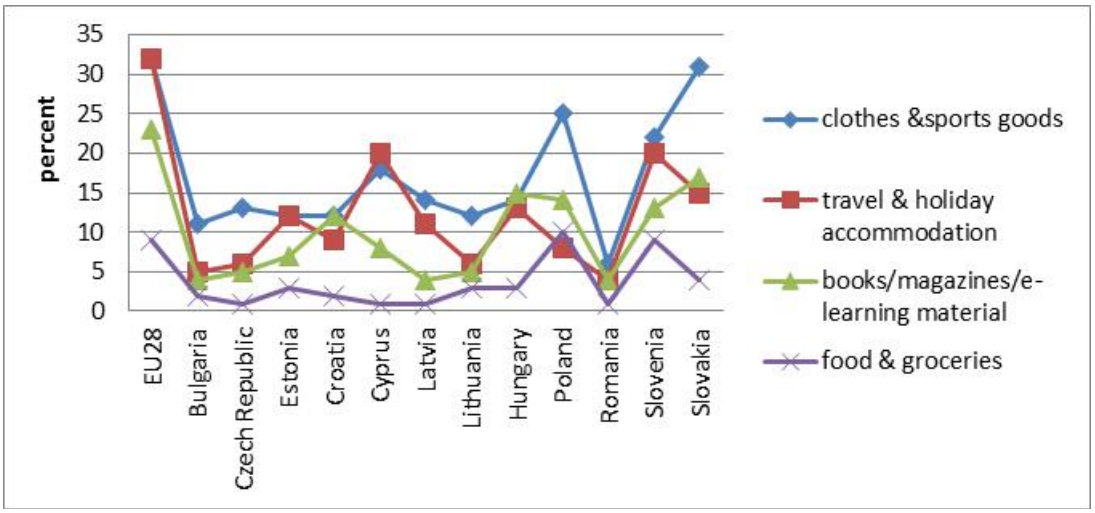
Graph 5: Percent of Internet users having used Internet in the previous 12 month for purchasing in Croatia, 2008 and 2012



Note: Our view of the data contained in: Eurostat release figures on online shopping in Europe, http://www.ecommerce-europe.eu/news/2013/10/eurostat-release-figures-on-online-, accessed February 2015.

A similar trend of using the Internet while shopping was observed in other countries. On the first or second place were travel & holiday accommodation and clothes & sports goods. Buying food & groceries was at the bottom of the interests of Internet users. For details, see Graph 6.

Graph 6: Structure of the purchases over the Internet in 2012

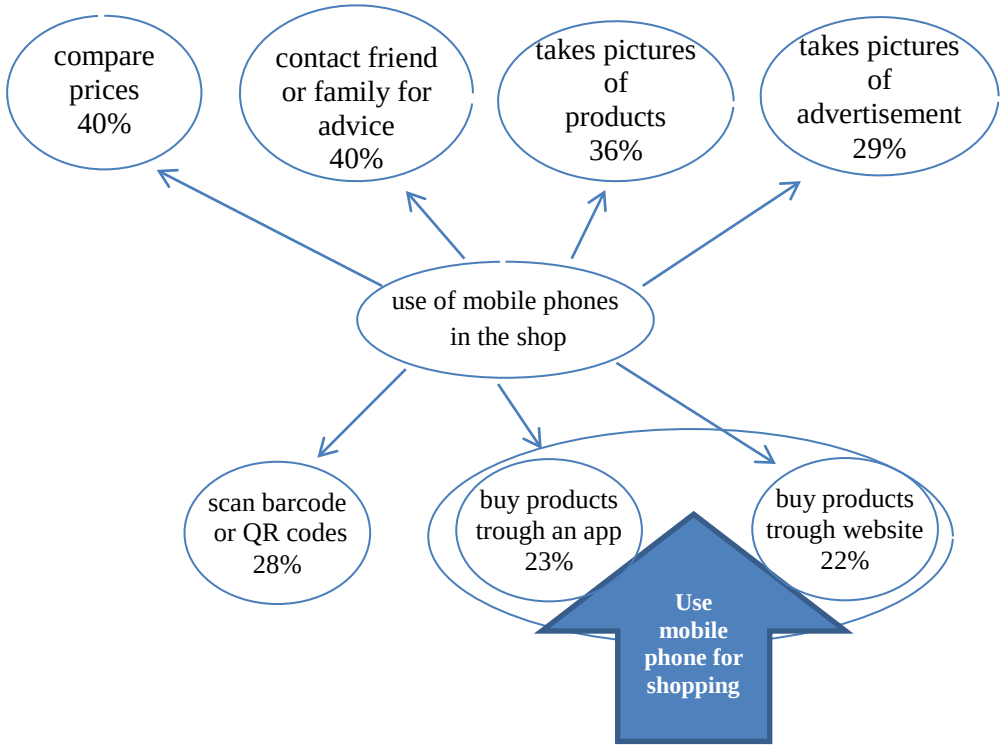


Note: the same as in the previous graph.

e) What shoppers do via mobile phone while in a store?

Mobile phones allow the development of mobile commerce. In one of the researches following results were noted for using mobile phones by phone users. Survey was performed among more than 25 000 mobile users in 23 countries. According to the usage of mobile phones, the mobile phones were at least used to purchase products via the web and various applications.

Figure 9: What shoppers do via mobile phone while in the store?



Note: Our data processing contained in: http://www.gfk.com/documents/press-releases/2015/20150223_pr-study_mobile%20behaviour%20in%20store_global%20press%20release.pdf , accessed i March 2015.

6. INSTEAD OF A CONCLUSION

Based on several above mentioned sources, where e-commerce is defined, it is visible that key assumption with which, or without which there is no electronic commerce is stated in a more or less explicit way. Depending on it, one can or can not talk about the category of partial (incomplete) electronic commerce.

The existence of partial (incomplete) e-commerce is not disputed as a category or one of the segment of e-commerce. What is disputable is whether each combination of variables or dimensions (x, y, z) combined digital and physical is a partial (incomplete) electronic commerce. Looking in the formal and the maximum extensive way – it is. Looking from the content side - it is not. One of the three variables relating to the possibility of ordering should be in digital (electronic) form, and the remaining ones or both of them could be in the physical form in order to satisfy the assumption of the existence of a partial (incomplete) electronic commerce. This confirms the view of the World Trade Organization on e-commerce.

There is no unambiguously clear understanding of concepts such as: e-commerce and e-business. They could be treated as equal terms, they can be used as synonyms, and from the contextual point they could be considered as broader and narrower terms in relation one to another.

We will not go wrong if we say that in both processed contents (full-incomplete e-commerce and e-commerce and e-business) there are different possible responses to what this is or is not. How acceptable are they? The acceptability depends on with how many arguments we are willing to explain them.

The spatial concentration of Internet users determines the markets to which to focus and the assessment of expectations.

By analysing data on the share of Internet users in the population of the Republic of Croatia and the V4 countries, Bulgaria, Romania and the former Yugoslavia countries, it can be concluded that Croatia is at the average of V4 countries and slightly above the average for the Europe as a whole.

In comparison to the former Yugoslavia countries, Croatia occupies the second position in the number of Internet users in the population, just after Slovenia.

There is a considerable room for improvement of the number of Internet users in the world. This is especially significant for the countries that have significantly larger share in the global population then in the share of total Internet users. There are also highly developed countries, one of which is United Kingdom where the proportion of Internet users in the population reached 90% in 2014.

The increase in the number of Internet users is caused by a larger number of factors. Here are some of the factors influencing the future increase in the number of Internet users: population growth, age and educational structure of the population, an increase in the level of economic development, prices of computer equipment and Internet access.

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