



# ONLINE SHOPPING IN SERBIA AND ITS CONNECTION WITH LEADERSHIP COMPETENCIES

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## Abstract:

The environment in which consumers can buy has changed and companies adjust their products and inform their consumers about them online. In this manner, the usage of the Internet in Serbia is increasing, which has a positive effect on the increase and improvement of online shopping. It is assumed that consumers will make even more progress in 2016, where the main products will be clothes, footwear, accessories and transport tickets/booking accommodation. Since the leaders affect the trends of behavior, there is the assumption that they affect the trends of online shopping too. This paper will explore online shopping in Serbia and its connection with the leadership characteristics such as organization, persistence, self-confidence, enterprise and social skills with online behavior.

## Key words:

leadership, online shopping, leadership traits.

## 1. INTRODUCTION

The Internet has affected the way consumers consider brands and change of the shopping process. Due to the level of visibility and the possibility for discussion, as well as the availability of useful information, consumers gradually change their habits and turn to online shopping. As consumers choose online shopping, companies need to adjust and personalize. Nowadays, more and more people avoid traditional shopping and spend more time online, both shopping and searching for information.

The Statistical Office of the Republic of Serbia conducted the research for the year 2014, which has shown that around 3550000 people use the Internet, which is about 42,3% of all population in Serbia. The same research has shown that 22.7% of examinees used online shopping in the last 3 months, 10.6% of them used it in the period of previous 3 months or one year, and about 9% of examinees have not bought anything online for more than a year. Based on the results given by the Statistical Office, we can conclude that 57.7% of examinees have never shopped online (Statistical Office of the Republic of Serbia, 2015).

The usage numbers increased in the year 2015. In the publication of the MASMI company and e-business portal, 52% of examinees use the Internet every day, 8% use it 2-6 times per week, 9% use it once per week, and 31% do not use the Internet at all. The examinees who use the Internet every day mostly use it on their computers and laptops (90%), but also on their

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cell phones (57%). Those who use the Internet are usually younger and educated men who live in cities. However, only 34,9% of those men use the Internet for online shopping, while 65,1% use it for other purposes. Consumers who shop online are usually younger, educated, and have salaries above average. The products that are usually bought online are: clothes, footwear, accessories (49%), electronics, technical devices and computers (34%), books and magazines (15%). The results have also shown that products that are usually not bought online include toys, food and clothes for babies (8%) (MASMI, 2015).

It is assumed that leaders should be the drivers of online shopping trends, due to the fact that they try new activities all the time, regardless of whether this implies new projects or new people (Ibarra, 2015).

Leadership represents the process when a person influences other individuals to achieve the common goals and objectives. When leaders influence others using their knowledge and skills, they are using the process leadership (Jago, 1982). However, every person has personal traits that can influence their action and change their leadership style. This is called Trait leadership (Jago, 1982).

While we have two beliefs that “leaders are born” (Trait leadership) and that “leaders are made “ (Process leadership), the truth “lies” in the combination of these two types; leadership can be learned, but a leader’s skills and knowledge can be influenced by his or her attributes or traits.

The opinion of the leader is respected and has a significant influence on individuals. As they lead by example, their usage of new technologies should affect the behavior of those who shop online. But what happens if they have different personal traits such as organization, persistence, self-confidence, enterprise and social skills, does this influence their online shopping behavior?

Therefore, the authors of this paper have decided to analyze the behavior of consumers during online shopping and to examine the connection of certain types of behavior with leadership traits.

The authors have defined the following hypotheses:

1. Online shopping activities keep increasing in the Republic of Serbia.
2. Clothes, footwear and technology are the products that are usually bought online.
3. There is no huge discrepancy between domestic and international web sites for online shopping.
4. Methods of payment online are still underdeveloped.
5. Leadership characteristics can affect the behavior of consumers who shop online

## 2. METHODOLOGY AND RESULTS

The research was conducted in Belgrade in the period from 29th February till 10th March 2016. It was conducted in the form of questionnaire given to students (aged 18-25: 89.8%, and 25-35: 11.2%; 69.4% male and 30.6% female students) who filled it out on a voluntary basis. There were 44 questionnaires, but only 39 were suitable for the analysis. There were three types of data:

- 1) Demography
- 2) Online shopping
- 3) Leadership characteristics of examinees

The results have shown that there is still a growing trend in the number of users who shop online. Based on the results of the analysis, 71.4% of examinees shop online, while only 28.6% do not.

Chart I shows that examinees usually shop clothes, footwear and various accessories (52,8%), transport tickets and booking accommodation (25%) and parts for cell phones, computers or any other type of electronics (22.2%). They usually do not buy toys and baby equipment, house decoration equipment, furniture and beauty products. The results have also shown one interesting information- about 30% of examinees buy very specific goods, which is why the authors would like to analyze which specific issues are bought by the consumers in Serbia in the future.

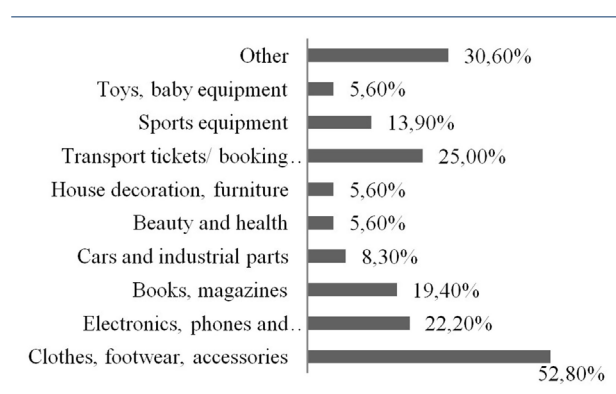


Chart I. Products and services bought online

The results (FIGURE I) have also shown that examinees mostly shop online using domestic web sites (38,1%), while there are also examinees who buy both from domestic and international websites (33,3%), and the lowest number of examinees buy only from international web sites (28,6%). When comparing the results, there is no huge discrepancy between the usage of domestic and international websites for shopping.

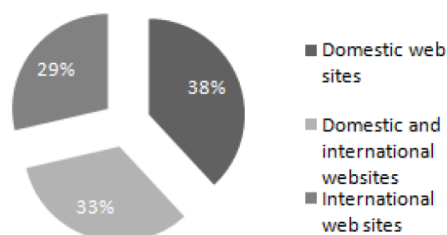


Figure 1. Types of web sites used for online shopping

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Methods of payment are still underdeveloped (Chart II), as consumers order the goods online, but pay for it offline. The results have shown that the biggest number of examinees still pay cash on delivery (69,4%), *i.e.* they pay when the goods are delivered to their home address, or they pay by money order (11,1%), while only 36,1% of examinees pay online by cards or using e-banking, mobile banking and Pay pal.

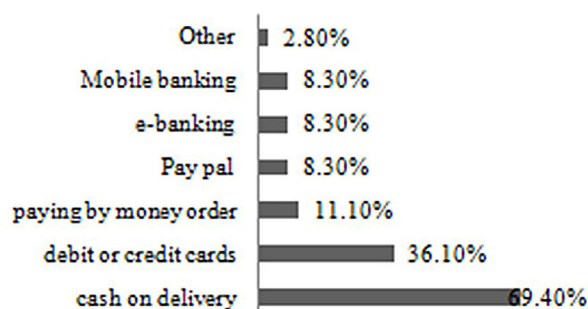


Chart II. Method of payment

As one of the main premises, the authors have given the hypothesis that online behaviour has some connection with leadership traits. Leadership traits are measured in several scales, with every scale referring to one leadership characteristic. There were 48 statements in Likert Scale, divided into 5 indicators: Organization (9 statements), Persistence (15 statements), Self-confidence/ Ambition (9 statements), Enterprise (7 statements), Social skills (8 statements).

However, during ANOVA analysis, with online shopping as independent variable, the results have shown that there are no statistical differences among groups. Even though we can notice in Table 1 that there is a slight difference between means, there is no significant statistical difference which should be taken into consideration.

		N	M	SD	SE
Organization	Yes	30	2.63	0.79	0.14
	No	9	2.69	0.63	0.21
Persistence	Yes	30	3.32	0.31	0.06
	No	9	3.26	0.4	0.13
Self-confidence/ Ambition	Yes	30	3.65	0.4	0.07
	No	9	3.64	0.57	0.19
Enterprise	Yes	30	3.19	0.52	0.09
	No	9	3.46	0.6	0.2
Social skills	Yes	30	3.22	0.39	0.07
	No	9	3.11	0.56	0.19
Overall	Yes	30	3.2	0.29	0.05
	No	9	3.26	0.23	0.08

Table I. Leadership and online shopping

Also, during ANOVA analysis, there was no statistical difference when it comes to leadership traits and their connection with the type of web site for online shopping.

There was also no statistical difference in the analysis of the type of products bought online, or in the analysis of the reasons for choosing not to shop online.

However, ANOVA analysis has shown that there is statistical difference for the trait Persistence when it comes to methods of payment, where  $F(6, 39) = 3,17, p=.05$ .

### 3. CONCLUSION

Internet technologies can affect the restructuring of industry, as well as the behavior and opinion of consumers who tend to use the Internet as the main source of information and the main shopping venue. The results have shown that there is still a positive trend of the growth of online shopping, due to the increase in the percentage when compared to 2014, 2015 and 2016.

Regarding the products which are bought and methods of payment, everything remained the same- clothes and footwear are still top products, and the payments are still made by cash on delivery with the low level of development. The reason for this can be the fact that there are still not so many web sites which provide consumers with the possibility of shopping using their cards, *i.e.* the market is still underdeveloped.



What is important for the owners of domestic web sites which offer the possibility for online shopping is the fact that there is still no huge discrepancy between domestic and international web sites for the purpose of online shopping.

One of the most significant results in this paper is the fact that we could not confirm the hypothesis that leadership traits can affect online behavior of consumers. However, since the results have shown that there is a statistical difference for the personal trait Persistence when it comes to methods of payment, it will be the authors next research project where they will try to explain this connection with more detail.

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