E-commerce development study and future expectations in Albania

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Declaration:

I hereby declare that I am the sole author of the thesis entitled “E-commerce development study and future expectations in Albania”. I duly marked out all quotations. The used literature and sources are stated in the attached list of references.

In Prague on ..................

Etla Buçpapaj
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List of Abbreviations

AKEP (Electronic and Postal Communications Authority Albania)........ 30, 31, 32, 33, 70, 72, 31
ATU (Albanian Telecommunications Union) ................................................................. 29
B2B (Business-to-Business) .................................................................6, 9, 11, 12, 38, 58, 59, 60, 61, 62
B2C (Business-to-Consumer) .................................................................2, 6, 9, 11, 12, 37, 58, 59, 60, 61
C2B (Consumer-to-Business) .................................................................11, 12
C2C (Consumer-to-Consumer) .................................................................11, 12, 38
ITU (International Telecommunication Union) ......................................................... 7, 30, 31, 32, 70, 71, 72
OPCE (Organization for the promotion of electronic commerce) ......................... 9
UNPAN (United Nations Public Administration Network) ........................................ 39
Introduction

The internet changed the way of living, communicating and viewing the world. Online sales are the future of purchasing goods and services and bringing closer every product that is available worldwide.

The initiative to write this thesis came from personal experience as a passionate internet user and an online sales customer. Many studies have been carried out for e-commerce but mostly taking into studies the developed countries. The developed countries have implemented the online transactions in almost all spheres of life, but on the other hand, the developing countries have a lack of implementation and customer culture in purchasing online. The reasons behind choosing Albania a country to write about are many; the main one is the knowledge about the country and the will to have a contribution in future development through findings and recommendation where to improve. Albania is a country of many resources and has many potentials to catch up the development of other European countries in technology and online transactions.

The primary objective of this work is critically identifying the problems of the local online platforms in Albania and to discuss further improvements. The main gaps that will be analyzed will be the infrastructure, secondly the trust in online transactions and moreover the quality of service offered by local online shops.

The first part of the thesis is the theoretical part. The first chapter is about the internet, development of e-commerce and today trends in communication and customer behavior toward online sales. The internet is vast and discussed subject, but the information presented in this part is mainly related to e-commerce and development of the way of interacting and purchasing via internet.

The second chapter is about Albania and the aspects related to online sales such as financial transactions, payment methods, transport infrastructure, internet penetration and government
reforms that help standardize the non-sustainable sectors. In this part has been included as well an overview of the online sales market, identifying and analyzing the important players on the market.

The second part of the thesis is the practical part. The third chapter contains a questionnaire which was conducted online to discover the customer perception toward the local online stores. The research question has been formulated to identify the biggest problems they face when buying online and reasons why. Moreover, the questionnaire helps to define and analyze the customer habits in Albania.

The fourth chapter, as the last, is a case study about one of the biggest e-commerce providers in Albania. A model of hybrid business which includes the retail selling with the B2C and B2B online platform. The results of the analyze help to understand the customer behavior of the company and the problems facing in Albanian market.
1.0 THEORETICAL FRAMEWORK OF E-COMMERCE

1.1 Internet and e-commerce
We are living in a technological world, where the usage of internet has earned another dimension, creating new ways of communication, interaction and spending our time. Concepts like: the online shopping, online banking, hybrid business, virtual enterprise, online marketing, virtual bank, virtual payments and advertising, are not anymore new.

How fast internet is spreading is something incredible, 400 million of users in 2000 while in 2015 3.2 billion users (ITU, 2015). According to ITU - International Telecommunication Union Report (ITU, 2016) by the end 2016, 3.9 billion people - 53% of the world’s population was not using the Internet, most of them in Africa (almost 75%), while in Europe only 21% of the population is not an internet user. Internet penetration rates are higher for men than for women in all regions of the world.

The internet has changed and impacted our lives in that way that the younger generation could not imagine how life before was. When internet changed the business models, marketing communication, and everyday life?

We can state as a change in the way of buying the year 1994 with the launch of Amazon.com, Retailer (today the biggest online retailer) and a year later (1995) eBay as an auction site. And some years later appears Alibaba (alibaba.com) in 1999 as a Business to Business marketplace which connected Chinese manufacturers with overseas buyers and in 2010 launched aliexpress.com as a smaller market reserved for smaller manufacturer and consumers.

Our way of getting information and communication started to change in 1995 when Yahoo! went online as directory and portal, the same year 1995 AltaVista (altavista.com) search engine was launched and getting improved in the next three years. In 1996 Hotmail (hotmail.com) web-based e-mail that got an audience via viral marketing by using e-mail signatures to promote their services. In 1998 the search engine Google (google.com) started to exist; 1999 MySpace (myspace.com) social network; In 2003 Skype (skype.com) peer-to-peer Internet telephony VoIP – Voice over Internet Protocol; 2001 Wikipedia (wikipedia.com); 2004 Facebook
(facebook.com) Social network applications and groups; and in 2005 YouTube (youtube.com) video sharing and rating;

In 1999 was released the first smartphone by a Japanese firm NTT DoCoMo but only in the late 2000 smartphones became widespread, in 2016 nearly 2 billion (Statista.com, 2016) people owned a smartphone. Inexpensive smartphones are increasing, giving opportunities to everyone to use internet and marketing communication. In 2016 Mobile broadband networks (3G or above) reach 84% of the global population but only 67% of the rural population (ITU, 2016).

The Internet has not only influenced the way of communication, marketing and managing time; it has also changed radically the way we purchase things we need. E-commerce, online sales or e-shop are the terms that are used to describe the process of purchasing goods and services through the internet and other mediums.

OECD Narrow definition of e-commerce:

An Internet transaction is the sale or purchase of goods or services, whether between businesses, households, individuals, governments, and other public or private organizations, conducted over the Internet. The goods and services are ordered over those networks, but the payment and the ultimate delivery of the good or service may be conducted on or off-line (OECD, 2002).

The UK government also used a broad definition when explaining the scope of e-commerce to industry cited by D.Caffey in his book (Chaffey, 2009): E-commerce is the exchange of information across electronic networks, at any stage in the supply chain, whether within an organization, between businesses, between businesses and consumers, or between the public and private sector, whether paid or unpaid (CabinetOffice, 1999)

E-commerce has been predicted to be a new driver of economic growth for developing countries, (Humphrey J, 2004). The opportunities offered by Internet technologies, a necessity for e-commerce has led many to believe that e-commerce will grow rapidly and help developing countries to overcome their problems of exclusion from the world economy and improve the terms of their participation (Odedra-Straub, M., 2003).
Dave Caffey in his book (Chaffey, 2009) referring to Kalakota and Whinston (1997) lists a range of different perspectives for e-commerce:

1. A *communications perspective* – the delivery of information, products or services or payment by electronic means.
2. A *business process perspective* – the application of technology towards the automation of business transactions and workflows.
3. A *service perspective* – enabling cost cutting at the same time as increasing the speed and quality of service delivery.
4. An *online perspective* – the buying and selling of products and information online.

Electronic commerce traditionally refers to electronically mediated buying and selling, but in nowadays we see that is more than that. In the package includes the information before purchase (information, photos, and testimonials) and the reaction after the purchase related closely to consumer satisfaction such as: reviews, suggestion, customer service, returns, etc. If we would divide products sold through e-commerce would be in two groups: Digital and physical products. Digital products are newspaper articles, magazines, and digital content such as software, games, and music, as well as services such as banking, travel, and tourism which can be digitally delivered. (Banking services relate to the year 2003 (Czech Statistical Office Survey). Physical products, by contrast, require physical delivery (and potentially face-to-face purchase), which adds another challenge to e-commerce.

Larger firms are more frequently involved in online sales (whether B2B or B2C), especially delivering physical products, while the digital products can be developed and sold easier by SME or individuals.

Hybrid business is a term used for firms that combine e-commerce with the traditional retail business, having a warehouse, physical shops but also using the opportunities of e-commerce by delivering physical products in areas where is not physically present. A study published by the OPCE (Organization for the promotion of electronic commerce) in spring 2014 revealed that companies with a hybrid business model have a much better success rate in their e-commerce initiatives than companies who developed an e-commerce division or separate entity within their organization to do business online (Lavigne, 2014). Amazon and Walmart are examples of following the hybrid business model.
E-commerce is facilitated by a range of digital technologies that enable electronic communications such as websites, wireless or mobile data, mobile applications, without which e-commerce would not be possible to be delivered to the final customers.

An indication of some of the barriers of using the Internet, in particular for consumer purchases, is clear from a survey conducted by (Booz Allen Hamilton, 2002) to study the perceptions in different countries. The barriers to adoption of the Internet include:

- No perceived benefit
- Lack of trust
- Security problems
- Lack of skills
- Costs

The barriers of the internet should be kept in mind when thinking of operating in the e-commerce sector as it’s more than obvious that without internet cannot have e-commerce. This fact is one of the challenges that many businesses are facing in developing countries where because of costs, coverage or infrastructure some areas or countries cannot be fully covered with internet service.

Since 2014 Mobile internet overtook fixed internet access (Smart Insight, 2015) making possible in this may the revolution of the technology bigger, nearly to addiction. Mobile applications are getting the most significant part of the pie on people’s usage of smartphones, as they can be used for many functions as communication, social media, games, fitness, magazines, reading books, maps, etc. According to statista.com the number of available apps in 2016 for Android users was 2.2million apps and 2million for Apple users, while the number of downloaded free mobile apps was 92.88billion and paid mobile app 9.19billion (Statista.com, 2016). Most popular apps in 2016 were Whatsapp (end-to-end encrypted instant messaging application for smartphones), Messenger (of Facebook), Facebook, Snapchat, Instagram, YouTube, Uber, Spotify, Twitter, and Netflix. According to Pew Research Center American Trends Panel Survey in October 2014 (Pew Research Center, 2015), more than half of smartphone owners have used their phone to get health information and use Online Banking.
While the others used it to look up for new jobs or submit a job application, get info about government services or take a class or educational content.

With the development of smartphones and Wireless technology, the next generation concept is Mobile-Commerce (shortly M-commerce), conceived in 1997 by Kevin Duffey at the launch of the Global Mobile Commerce Forum. In a report of BI Intelligence in 2014 mobile comprised 11.6% of the US’ $303 billion in e-commerce sales (Business Insider, 2015). The issues that M-commerce is currently facing is the adoption of the interface of websites to mobile view, trust on paying by mobile and longer time spent navigating on mobile than on desktop. Some of M-commerce products/services are: Mobile ticketing, Mobile vouchers, coupons and loyalty cards, Mobile Banking, Mobile Browsing, Location-based services (maps), e-books, gaming and gambling, advertising, etc.

Some of many advantages of mobiles to desktops are:

✓ No fixed location - can be used without the need to stay in one place;
✓ Personalization – it is easy to carry and use;
✓ Instant access/convenience – instant access thanks to Wi-Fi (high-speed wireless local-area network) coverage and 3G/4G service;
✓ Security – has more security compared to desktops as it is secured by passwords or finger recognition lately;
✓ Location-based service – Help location search option: find the location of restaurants, recreational centers, shopping centers, etc.

1.2. Principal models of e-commerce

Based on the relationship and transaction between consumers and business, e-commerce can summarize the following models: B2B, B2C, C2C, and C2B.

If including also the transactions with the government the models would be more: G2G (Government-to-Government), G2E (Government-to-Employee), G2B (Government-to-Business), B2G (Business-to-Government), G2C (Government-to-Citizen), C2G (Citizen-to-Government) which can summarize the transactions as: business registration, declaration of taxes, getting and renewing licenses, auction for properties etc.
**B2B (Business-to-Business)** is the largest e-commerce model based on revenue. Companies do business with each other directly, such as manufacturers selling to distributors and wholesalers selling to retailers. Contracts and prices usually are negotiated as the quantity orders must be considerable. Products purchased mostly are semi-finished goods, raw materials, materials needed in certain processes, end products in food, etc. The relations on the B2B are long-term oriented and important for the business as part of supply chains.

**B2C (Business-to-Consumer)** is the most know e-commerce model with a higher transaction frequency, the one that comes in the mind of everyone when thinking about e-commerce or e-shop. Businesses sell finished products to the general public (end customer) through dedicated websites utilizing catalogs, shopping cart software and online or offline payments (cash on delivery). Products will be delivered to clients requested address, will be picked up in stores or dedicated points of collection.

**C2C (Consumer-to-Consumer)** There are many sites offering auctions to sell and buy their assets, forums where individuals can buy and sell products using the online payment systems. Since 1995 eBay offers auction service where persons sell and buy products from different categories. As C2C are also considered blogs and communities, social networks, peer-to-peer (Skype), etc.

**C2B (Consumer-to-Business)** is the contrary model of the B2C. Individual customers offer to sell products or services for a particular budget to companies who are interested in purchasing them. The consumer (people) will review the bids and will select the company that will complete the project. In this model can also be included the Consumer-feedback pages where customers leave feedbacks for particular products or companies.

Dave Chaffey divides sites into five groups when coming to the control of businesses on them (Chaffey, 2009):

A. Seller-controlled - Vendor sites, i.e. home site of organization selling products, e.g. www.dell.com

B. Seller-oriented - Intermediaries controlled by third parties to the seller such as distributors and agents, e.g. Opodo (www.opodo.com) represents the main air carriers
C. Neutral

- Intermediaries not controlled by buyer’s industry, e.g. EC21 (www.ec21.com)
- Product-specific search engines, e.g. CNET (www.computer.com)
- Comparison sites, e.g. MoneySupermarket (www.moneysupermarket.com)
- Auction space, e.g. eBay (www.ebay.com)

D. Buyer-oriented • Intermediaries controlled by buyers, e.g. Covisint used to represent the major motor manufacturers (www.covisint.com) although they now don’t use a single marketplace, each manufacturer uses the technology to access its supplier's direct • Purchasing agents and aggregators

E. Buyer-controlled • Web-site procurement posting on company’s own site, e.g. GE • Trading Process Network (www.gxs.com)

1.3 Advantages and disadvantages of e-commerce

According to common observation but the study from Asian Journal of Computer Science And Information Technology, The study of E-commerce (Pratima Bhalekar, Sonali Ingle, Ketaki Pathak, 2014) the advantages and disadvantages are listed below.

1.3.1. Advantages of e-commerce

Time-saving: It one of the key benefits and first think why people choose to buy online. Everyone can save the traveling time and transportation to the shops.

Bond social relationships: As the access to e-commerce sites can be done from anywhere where there is internet access; this encourages costumes to purchase online and spend the remaining time with family and friends.

Price/Product comparison: Easy to compare products efficiency and prices.

Equality: Small businesses have same chances as large enterprises (if can fulfill required capacities).

Global ambitions: E-commerce has no boundaries. Businesses can go global without having a physical presence is more countries.
Easy selection of products: Arrangement of categories according to departments, usage and genders can help searching for products.

Low operation and transaction costs: As most transactions are made online no need for paperwork or staff interaction in the process.

No time limitations: There are limitation when you can search or buy through e-commerce, sites are 24/7 available to make purchases (some have also customer service on same shifts)

Direct costumers service: Online chats, contact forms, instant emails, phone number – all to be available to help customers with any question or guides how to purchase online.

Customer interaction: Some sites give the opportunity to give feedbacks and comments on products purchased. This is an advantage in case of good comments but which can be turned very fast into a disadvantage.

Easy transactions: Financial transactions can be executed from any part of the world.

No physical company set up: no physical set up of business is needed, as long as products can be delivered to the customer.

Expanding business: Hybrid businesses have better opportunities to have higher incomes from areas where the company has no stores.

Marketing cost reduction: Viral intensive marketing which does not cost much can be used and reach more potential consumer. Reduction of personal selling, printing, and distribution of marketing communication and reduced expensive advertisements in mass media.

Persuasion of consumers: Consumers can be easily persuaded to make another purchase by sending newsletter or “dedicated” offers connected to what they have search recently.

1.3.2 Disadvantages of E-Commerce

Lack of trust: This, especially for international retailers who are not very well known in some countries and consumers hesitate to order.

Internet barriers (coverage): Although the desire to cover many areas or regions the internet coverage can be a disadvantage, especially in developing or less developed countries.

Consumer’s perception of products: Some customers will have it difficult to order without touching or measuring the product. Some retail stores are adding more features to the sites for this purpose: short videos, 360º images, zoom options, etc. to show better the products.
Security: Consumers are becoming more and more conserved about the safety of personal data or the payment process. This is one of the biggest disadvantages of e-commerce.

Fake websites & Fraud: Existence of fake websites or fake sellers can damage the trust of the consumers to e-commerce.

Limited products: Number or nature of goods can be limited as might be difficult to deliver or use.

Fewer bargaining and in search of discounts: Hardly online businesses offer discounts and bargaining cannot be possible.

Delivery time: Delivery time can be in days or weeks depends on where the business is located, more international longer time to deliver.

More shipping cost: In some cases, the shipping cost is added to the value of the products and increases the overall costs.

Despite the general disadvantages that e-commerce has, the sites themselves can have other security and strategic risks, which if not managed in time can damage the image and reputation of the company:

- Breakdown of the website due to unexpected traffic after some advertising campaigns or sales. It might happen often during Black Friday or Cyber Monday. The failure might also happen because of third parties services like payments and shipping, lost connection to servers might need restart and repetition of transactions.
- Configuration changes due to human mistakes it might bring the site to fail.
- Hackers penetrating the security systems, stealing personal data and credit/debit cards details. In August 2013 Yahoo! said it believes that hackers stole data from more than 1 billion accounts (Washington Top News, 2016). The company asked all their users to change passwords and security questions.
- In the case of physical products delivery is very important that the stock update is accurate, otherwise, would create delays or cancellation of orders.
- E-mail customer-service inquiries from the website don’t reach the right person and are ignored.
- A company e-mails customers without their permission, so annoying clients and potentially breaking privacy and data protection laws (especially in EU countries).
All those reasons can make lose customers trust and leave or switch to some other online e-commerce providers.

The design of the website is also a crucial part of making consumers buy or leave the sites. If websites are not user-friendly and don’t also retain the customers that have not used before online shopping, their success is doubtful. Customers should not lose time searching for what they need; e-commerce website should be simple and clean.

1.4. Security and data protection in e-commerce

1.4.1 Privacy and Security of e-commerce

Security and privacy are a major concern for electronic technologies, especially when dealing with payments.

Privacy refers to a moral right of individuals to avoid intrusion into their personal affairs by third parties. Privacy of personal data such as our identities, likes, and dislikes are a major concern to consumers, particularly with the dramatic increase in identity theft (Chaffey, 2009).

Under EU law, personal data can only be gathered legally under strict conditions, for a legitimate purpose. Furthermore, persons or organizations which collect and manage your personal information must protect it from misuse and must respect certain rights of the data owners which are guaranteed by EU law. Every day within the EU, businesses, public authorities and individuals transfer vast amounts of personal data across borders. Conflicting data protection rules in different countries would disrupt international exchanges. Individuals might also be unwilling to transfer personal data abroad if they were uncertain about the level of protection in other countries (European Commission, 2016).

Regulation of the European Parliament (EU Parliament and Council, 2016) and Directive (COUNCIL, 2016) on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, entered into force in May 2016 and will be applied and transposed into European Union countries nation law on May 2018.
Following the concerns about data protection in e-commerce and the fast development of the sector, OECD in March 2016 published the Recommendation of the Council on Consumer Protection in E-commerce (OECD, 2016), pointing what the consumer should do to protect themselves and what the business should do to be more transparent and protect their customers.

While e-commerce helps businesses to be more global and consumers to enjoy goods from different countries, the issue of a separate legislation on data protection makes it more difficult for companies that provide services worldwide as they need to adopt to them. For companies like Google is complicated to exist globally without violating data protection policies in individual countries.

A standard policy is that each e-commerce platform, web-based or mobile, should have clear terms and conditions, privacy policy terms and terms of services. Usually, this information can be found on the bottom bar of websites or before confirming a purchase.

The international law of jurisdiction is not very helpful when it comes to delimiting the geographical scope of a state or a regional organization's data protection legislation (DJB Svantesson, 2014). As example, EU data protection operates on EU territory, aims to protect EU citizens and residents data, but does not have jurisdiction on breaches in other countries.

Hackers are one of the fearless data breaches that can cause significant troubles even to the so-called most protected entities. The latest scandal of stealing data was of Hillary Clinton's private email server, Secretary of State Colin Powell's email and Facebook accounts, or hack into the internal computers of The New York Times in 2002, American military networks, etc. But hackers don’t steal only personal data; they take credit card numbers, financial information, military data, social networks, government websites, etc.

E-commerce is very threatened by security possible breaches as contains personal data information as names, addresses, e-mails, purchase history, preferences, but also credit/debit card numbers or other payments records.
When building or running an e-commerce platform, the specialists of the field Jennifer Schiff (Jennifer L. Schiff, 2013) advices to make more secure websites are:

- Choose a safe e-commerce platform (use platform that uses a sophisticated object-orientated programming language).
- Use a secure connection for online checkout--and make sure you are PCI compliant.
- Don't store sensitive data.
- Employ an address and card verification system.
- Require strong passwords.
- Set up system alerts for suspicious activity.
- Layer your security (Start with firewalls, contact forms, login boxes and search queries).
- Ensure the safety by training to employees.
- Use tracking numbers for all orders.
- Monitor the site regularly--and make sure whoever is hosting it is, too.
- Perform regular PCI scans.
- Patch your systems (Web server itself, as well as other third-party code like Java, Python, Perl, WordPress, and Joomla).
- Make sure you have a DDoS protection and mitigation service.
- Consider a fraud management service.
- Whoever is hosting your site is backing it up--and has a disaster recovery plan.

But all those precautions cost a lot, financially but also in human sources, so many e-commerce businesses, especially the small online stores cannot afford them. This leads to more risks and makes the customers more prudent on what data they share and where they do it.

1.5. E-marketing or digital marketing

Is marketing heading changes in technology by creating the needs or is just following the development of the technology?

With the development of the technology has also evolved the perception of marketing, from a product/business-oriented marketing (traditional marketing), nowadays we have a marketing focused on the communication of costumer’s needs and wants. The change of 4 Ps of Marketing
to 4 Cs represents the change in the way of communication to customers, from the one way pushing messages that the client received, now the communication is two ways, giving the message and getting the feedback. The 4Cs marketing model was developed 1990 by Robert F. Lauterborn, Everyone that uses the internet is in contact with digital marketing every day when using smartphones, tablets or PCs.

Rather than talking at customers, marketers should talk with them. And the social web is the most effective way in the history of the world to do just that on a large scale (Weber, 2007).

![4Ps to 4Cs](http://marketingmix.co.uk/)

Advertising is the communication intended to reach the mass, not individuals, distributes the message and waits for the results if the customers perceived it or not. In difference from it, direct marketing aim is the relationship with the consumers. E-marketing or digital is one of the best ways of using direct marketing, integrating traditional marketing with the use of electronic sources. Using e-marketing or digital marketing the communication is based on the needs of the costumers, creates trends and gets costumers feedback.

E-marketing - Achieving marketing objectives through the use of electronic communications technology (Chaffey, 2009).

Digital Marketing – Marketing in which messages are sent using a medium that depends on the digital transmission (Drayton, 2007).

As also mentioned by Dave Chaffey in his book (Chaffey, 2009), another definition given by IDM (www.theidm.com) in 2005 has developed a more detailed explanation of digital marketing:
Digital marketing involves: Applying these technologies which form online channels to market: Web, e-mail, databases, plus mobile/wireless and digital TV. *To achieve these objectives:* Support marketing activities aimed at achieving profitable acquisition and retention of customers … within a multi-channel buying process and customer lifecycle. *Through using these marketing tactics:* Recognizing the strategic importance of digital technologies and developing a planned approach to reach and migrate customers to online services through e-communications and traditional communications. Retention is achieved through improving our customer knowledge (of their profiles, behavior, value and loyalty drivers), then delivering integrated, targeted communications and online services that match their individual needs (Chaffey, 2009).

Some of Digital marketing tools:

- Websites
- Mobile marketing (Mobile advertising, sites, and apps)
- E-mail marketing and SMS mobile marketing.
- Paid Social Media Advertising (Facebook, Instagram, Twitter)
- Viral videos/posts;
- Blogs and forums;
- Cookies (used to remember a specific person on subsequent visits)
- Installation of toolbars or other downloadable utilities
- Paid search advertising campaigns (e.g. Google AdWords)

Sometimes is the customer is the one looking for information to fulfill a need and can get in touch with the information published in blogs and forums, can get suggestions on Google thanks to Google AdWords, but most of the times is the customer that is spammed with messages and advertisements he did not ask. How has he been reached? By liking a post in social media that send to another website, by installing a free software on the computer and not unchecking the box asking if you want to get a free toolbar, by downloading an application or game on a smartphone for free but getting advertisements after each game or usage of the app.
1.5.1 Social networks

Like the confusion between the concepts of e-commerce and e-business, also social media and social networks are confused with each other or used for the same thing. Social media are websites and applications that enable users to create and share content or to participate in social networking, turning the communication into an interactive dialogue. Social networking, on the other hand, is a social structure with people who are joined by a common interest, hobbies, friendship or profession. A social network is a social entity composed of nodes (which are generally individuals, groups, or organizations) that are connected by links such as hobbies, friendship or profession. The structures are often very complex. (Efraim Turban, 2015)

Some examples of social networks worldwide know are Facebook, MySpace, Snapchat, Twitter, Pinterest, Google+ and Instagram, etc. On the other hand, there are successful local social networks that are used beside the worldwide popular: VK in Russia and Weibo, RenRen and PengYou in China (as they banned Facebook, YouTube, and Twitter).

According to the data collected in March 2017 from (alexa.com, 2017), the worldwide average of time spent on social networks shows how important and indispensable those networks have become. The most visited are Facebook with 13:49 daytime spent, Vk.com (Russian version of Facebook) 11:42, Youtube.com 9:23, Twitter 6:44, LinkedIn (the professional social network website) 6:32, Instagram.com 5:40.

Social networks can be reachable from desktops but also through an application on mobile phones and tablets. Usually, they are free of charge for the customers but not for businesses that want to promote their activities. Social networks offer the option to reach the customers based on the algorithms providing tailored advertisements based on individual likes, interests, shares, and activities on social media. The advertisements published on social networks gives the option to redirect customers after clicking in websites, map to show location, an invitation to events, discounts coupons, etc. In the same time, to don’t impose the choices there is an option to hide or ignore certain advertisements.

Businesses pay the ads based on their budget, the audience they want to reach, defining an age, location, interests, and also the timeframe when they want the add to run.
Cookies are another tool that helps websites tailor their content to customers. Besides the tempting name, cookies are text files that contain information of unique user ID that remembers what a customer has visited in a particular website, e-shop charts, and “last time seen” products. Websites using cookies ask for initial approval from the user before recording the visits.

Social media gives people the opportunity and the freedom to express their thoughts, show their interests and hobbies, their political and religious beliefs. For a lot of companies, it can be a handy tool. Can be used from their PR, show how much they care about the community through posts or videos, share the news or events they held, and gives customers a direct way of communication, answering questions or getting the feedback on a certain issue. In the same way, uncontrolled media as social networks can damage the image in few moments, if not taken the right measures or reaction on time.

“United breaks guitars” in 2009 is a song went viral on YouTube against United Airlines, a protest of Dave Carroll, a passenger who got destroyed his guitar in one of his flights and did not get a refund for it. His video has been seen by over 5 million views in mid-August and in total 18 million viewers in 2017. United Airlines reacted by apologizing for the incident, refunded him and asked if they can use his video for trainings. At the time, in media reported that: “The company has lost 10 per cent of their share value - a massive $180 million - after being blamed for damaging a musician's guitar” (The Economist, 2009).

Another case to mention is Seoul Secret, Cosmetics Company, which launched an online advertising campaign for skin whitening product, showing an Asian woman turning black, and a whiter version of the woman that says: “Just being white, you will win.” After many critics, the company posted a ‘heartfelt apology’ on their Facebook page and removed all materials related to the campaign.

Companies invest a lot of sources in social media management, financial and labor, not only to prevent crises but also to create a bond with the customers. Using multi social media increases changes to be seen and remembered. Being active in social media is nearly equal to being present in customer’s life. This can be done by promoting products but also sharing information, posting everyday activities and giving trick on how to use their products. Examples of good social media management can be mentioned: Qatar Airways posting football fans and travelers, Dove
campaigns of beauty and feelings, Oreo posting creative recipes, Starbucks with tips to use their products, etc.

Social Medias are a two sided coin, one causing emotional instabilities through bullies, discrimination, racism, political views, unauthorized published videos or photos; and the other helps get solidarity to major force events by fundraising or sending support, creates awareness and solidarity about major social events, signing petitions, etc.

Nonetheless mentioning the freedom and the effects that social networks have in everyday life, some countries ban the population to use the internet in general or specific websites or applications which they cannot control. Why such countries ban them? Governments cannot monitor the internet or social media. They want to control the thoughts and spread only their propaganda.

Countries censor online activities because of the main reasons:

Criticism of Authorities; Corruption; Conflict; Political Opposition; Satire; Social Commentary; Blasphemy; Mobilization for Public Causes; LGBTI Issues; Ethnic and Religious Minorities;

Based on the “Freedom on the Net” by (Freedom House, 2016) Two-thirds of all internet users -67 percent - live in countries where criticism of the government, military, or ruling family are subject to censorship. Social media users face unprecedented penalties, as authorities in 38 countries made arrests based on social media posts over the past year. Globally, 27 percent of all internet users live in countries where people have been detained for sharing, publishing, or merely “liking” content on Facebook.

Some apps that are blocked or users get arrested if use them: Facebook, WhatsApp, Twitter, YouTube, Telegram, Skype, and Instagram. In total 24 countries have restricted those platforms, and 38 countries have arrested users (Freedom House, 2016).

Some of the countries that have “not free” or “partly” status on internet or app usage are: No internet or controlled by the government: Burma, North Korea, Turkmenistan, Vietnam, and China. Block sites or content: Saudi Arabia, Iran, China, Tunisia, Turkey, Brazil, China, Iran, Qatar, Uzbekistan, Saudi Arabia, Thailand, Egypt, India, etc.
Figure 1 Freedom on the Net 2016 Overall Scores

1.5.2 Blogs, forums, wikis

Forums or discussion forums are areas on websites where people discuss topics, give feedbacks or personal opinions. Everyone has equal rights and usually are free discussions with others about the chosen content. The idea or topic is initiated by one of the members/visitors and followed by ideas and thoughts from other members. The landing pages are organized based on topic and sphere of the subject, so can be easy to search and get involved in desired topics.

- Generating new content which can be found when searching on search engine;
- Visitor retention as they might get involved in discussions with comments and replies;
- Increased sales through the feedback of other members on new purchase
- Community building and relationship building as free discussion create a community atmosphere where you feel supported and voice worthy.
- Market research by reading the content and feedback of members, things to improve or new ideas to launch.
Blogs are controlled and authorized discussion by an individual or a team. In other words, bloggers are called “citizen journalists”, who share their knowledge on different spheres of life: business, fashion, education, politics, sports, “how-to” trick, personal life experiences, etc. In most cases, blogs have also a discussion sector where the visitor can ask questions or give feedback. As well as forums, Blogs are informal and open to communication.

Social media such as blogs, however, allow everyone to publish and to participate in the multithreaded conversations online. Because bloggers, sometimes referred to as “citizen journalists”, have no editorial constraints and have access to the entire Web, their posts can make or break personal, product, or corporate reputations (Weber, 2007)

Bloggers often are also called opinion leader and can be hired by companies to advertise by giving their opinion or feedback to certain products. Bloggers can be image builder or image destroyer. So companies

Reasons to have an own blog: Build Professional Network, get more exposed, became famous in the industry, share your knowledge, sell products, express yourself, get income, etc.

Wiki is a website that allows collaborative editing of its content and structure by its users - definition by the creator of the wiki in 1995, Ward Cunningham. As the meaning of the word in Hawaiian, quick, wikis are a quick source of information. The very first wiki was WikiWikiWeb in 1995, followed later by other wikis in different fields. Most famous ones are Wikipedia and WikiLeaks, some other examples: WikiAnswers, WikiTree, WikiLyrics, AboutUs.com, Wikisource. The opponent opinion about wikis is the liability, as the content can be edited with a not confirmed information. Wiki's use safeguard protection from vandalizing or corrupting content.

1.5.3 False or misleading advertisings

One of the problems facing digital marketing is that there so many competitors that an idea should be unique to attract attention as there are thousands of messages we are in contact every day. The lack of creativeness or having no distinguishing characteristics leads some businesses to use misleading advertisement. They pretend to have “invented the wheel” or to be better than
everyone else: selling a miracle face cream, tights that make look skinnier, a real precious jewelry with huge discounts if you buy it in the next two hours or just to the first ten purchases. Those technics put a lot of pressure in people, creating an artificial sense of urgency in buying those products.

Examples of misleading advertisements online:

- Hidden costs, not included in the final price advertised;
- Miracle cures or benefits of products (weight loss in few days, clean pearl skin after usage of creams, etc.);
- A unique opportunity to earn fortune;
- Buying a subscription for very less money, but be charged a few times more after some period when it expires;
- Single or just today deal with enormous discount, when in reality the cost of the product was before even lower than the price after discount;

A lot of companies use the Slice-of-Life Advertising, where a real life problem is shown in a dramatic presentation and the product advertised represents the solution to the problem.

Comparative advertisements are also used to show the hypothetic advantages on your competitors on a particular products or services, sometimes trying to demine competitor’s reputation or just spotting yourself up.

In many legislation are amendments that prohibit false or misleading messages, but in the vast ocean of digital marketing, some cannot be detected easily.

New laws and regulations are enforced to protect the consumers from misleading digital marketing. Federal Trade Commission in the USA has published Advertising and Marketing on the Internet: Rules of the Road (Federal Trade Commission USA, 2000), with enforcements and guidelines to protect customers from misleading marketing, disclaimers, frauds, etc. Same has been done by European Commission to protect consumers from misleading marketing, enforcing the rule of opt-in, opt-out emails or SMS. Those rules protect costumers and give them rights to give their consent or decline to receive marketing promotional materials, getting offers or redirecting them to other sites (European Commission, 2016).
2. INTRODUCTION OF ALBANIA AND ACTUAL E-COMMERCE SITUATION

2.1 General Macroeconomic presentation of Albania

Albania is relatively a small country in South-East Europe, with a population of 2.9 million living in the country and nearly the same amount living abroad. Geographically Albania is between West and East, along Adriatic and Ionian see, with neighbors: Greece, FYROM, Kosovo, Montenegro, and Italy from the sea. Albania has two ports (in the Adriatic Sea and the Ionian Sea) and one national airport in Tirana.

Albania is the last country that left the communist regime in Europe in ’90-’91 (besides USSR) after 50 years under the regime. A system that was very isolative and the consequences continued to affect the area of “capitalism” for many years. In 90-s Albania was one of the poorest countries in Europe until 2008 when gained the status of the middle-income country. In 2015 recorded a GDP of 11.1billion$ and DGP per capita 3,840$.

Albania is EU candidate country since 2013, a member of NATO since 2009 and member of WTO since 2000.

2.2 Currency and financial transactions

The official currency of Albania is Lek (ALL – Albanian Lek), its exchange rate in March 2017 was: USD/LEK 125.33, EUR/LEK 135.39 (25 March 2017- Bank of Albania). Since 1992 Albania has a free-floating exchange rate regime. Widely used currency is also Euro, mostly because of the stability but also has a psychological effect as the price sounds less expressed in Euros. Euro is used as currency in real-estate in transactions, asset sales, hotel rates but also in restaurants in some tourist’s areas.

Albania is cash payment driven country. Has a small number of debit/credit card users but like many other aspects, the number of card holders is higher in number in the main cities. Principal banks try to increase the number of card usage by launching time to time promotions

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if costumers purchases in local shops with their cards. One of the issues to be mentioned regarding the usage is that the acceptance of payment via debit/cards is not very spread in small-medium businesses, and only chain supermarkets, hotels, very know restaurants or shopping mall have it as an option. Some merchant that have installed POS expect the client to spend more than 1000 Lek to accept payment by card. But the majority of minimarkets, restaurants, recreation centers, etc. don’t have POS to process payments.

ATM-s are easily found in urban areas, and the widely accepted cards are Visa and MasterCard, American Express is accepted only in few locations. Total number of ATM according to Bank of Albania has decreased from 826 in 2015, to 800 in 2016. Meanwhile, the number of POS has increased, from 6689 to 7111.

According to a publication from (Bank of Albania, 2017), in the last trimester of 2016, the total number of debit cards issued was 871,611 cards and 85,937 credit cards; Credit cards, on the other hand, has a very slight increase but remain very few. In total, only 2.9% percent of the population has a credit card and nearly 30% debit cards. In the third trimester of 2015 Bank of Albania indicates that the cards that have been issued are: Visa cards: 745,612 cards, MasterCard 233,340 cards, American Express 20,329, local cards: 32. The users of debits cards are mostly people who use them only to withdraw cash but does not use it for other transactions. The lack of credit card holders is related to not enough information or the fear of hidden high fees for transactions or commission.

In the observation of the online sales providers in the Albanian market, a crucial factor is the option of the payment on delivery that in most countries do not exist anymore. Virtual POS reported from Bank of Albania are only 28 in 2016, decreased from 30 in 2015. Are those sales considered online if they don’t use online payment methods but only order it online or via phone? Something that will be discussed in the next part of the thesis.

2.2.1 Mobile payment platforms:

The use of cell phones to pay for goods and services, same as the payments by bank cards is developing. Mobile banking itself is very limited and mostly is used by businesses. In the other hand, in Albania, there are three mobile payment platforms which offer the possibility to make payments, pay bills, transfer money or buy mobile subscription packages, some of them without
having a bank account. This can be very promising especially for the rural areas, but difficult regarding educating them to the service.

*M-Pesa* (M for mobile, Pesa is Swahili for money) - is the mobile payment platform introduced by Vodafone in 2015, second market after Romania in Europe. Offers the possibility to deposit money, paying bills, transfer money, and buy communication packages provided by all operators, with or without a bank account. Vodafone has launched various campaigns to educate costumers to use this option.

*EasyPay* - online and mobile payment platform that operates in Albania since 2006. Has various agreements with businesses but also with the government in some sectors. The options offered are: money transfer, paying utility bills, mobile top up, donations, paying fines, paying kindergarten bills, shopping online, and adding credit to digital TV platforms or sport bet accounts.

*M-Pay* (Mobile Pay) - is a collaboration of two commercial banks, Raiffeisen Bank and Societe Generale Albania, with three mobile operators: Vodafone, Eagle, and Telecom. Offers the options as well to pay utility bills, recharge mobile subscriptions, check balances bank accounts, add digital TV credit and receive alerts of their utility invoices.

### 2.3 Telecommunication in Albania

#### 2.3.1 Fixed line and mobile providers

Telecommunication market in Albania has a decline of fixed-line penetration and increase of mobile subscriptions. This can be related to the tendency of the consumers to reduce costs, and also because mobile solutions are available everywhere.

Fixed-line providers are:

- AlbTelecom – the national fixed-line provider
- Other private providers with offer fix line connected to the internet subscription: ABCOM, Abissnet, ASC (Albanian Satellite Communications), ATU (Albanian Telecommunications Union).
According to AKEP, AlbTelecom market share in the fixed sector declined from 66% in 2014 to 59% in 2015, (akep.al). In the other hand, the subscription for Triple Play (Internet, Tel, +TV (IP/CATV) have increased three times (from 23 thousand to 69 thousand) 174,589.

Mobile phones are widely used, and the mobile network covers the majority of the territory, with some exceptions in some deep rural areas.

Albania has four mobile operators that offer GMS services:

- **Vodafone** – was introduced to Albanian market in 2001, part of Vodafone Group Plc.
- **Telekom** - part of Deutsche Telekom; previously AMC part of Cosmote who privatized it from the state getting 85% in the year 2000.
- **Eagle Mobile** – introduced in the market in 2008, owned by ALBtelecom, the national fix telephone provider, part of TürkTelecom.
- **Plus** - Is the 4th operator launched in 2010, is owned 100% by Albanian capital.

*Figure 2: Mobile vs Fixed networks in 2015 in Albania*

Vodafone is the market leader, followed by Telekom Albania and Eagle Mobile (part of Albtelecom), with Plus as smallest and youngest network. Vodafone is the first provider of 3G service in the market in 2011 but with limited coverage, the second was AMC (today Telecom) in the same year, Eagle followed in 2012. In September 2015 the mobile operator was consented to use the 4G/LTE.
To get a SIM card in Albania consumers need to preregister it in one of the shops of the operators, showing ID. But the number of phone number allowed is not limited, so many people get one more SIM card number, usually from the different providers, this for the reason that the fee for calls is considered high consumers to call between vendors. Another known practice is that private businesses offer phone numbers to employees, doubling the number of persons using two SIM numbers and two mobile phones.

According to a presentation of AKEP - Electronic and Postal Communications Authority Albania (Shefqet Meda (AKEP), 2016):

- Mobile subscribers’ number with access to UMTS/LTE broadband is 1,515,684.
- Subscribers with fix broadband access - 254,950.
- 2 million users of mobile broadband.
- 550 MB average download per user.

2.4 Internet penetration in Albania

Internet penetration in Albania, according to internetlivestats.com is 62.8 % of population (total number of population 2,903,700), or 1,823,233 users. The fact is that the internet is widespread in Tirana and major urban areas, but most rural parts have limited access. The internet cafes are in every city, charging around 70-100 Lek/hour, to offer the opportunity to navigate for the ones that do not have it. Meanwhile Wi-Fi in generally offered for free in hotels, restaurants, and bars. In main cities fee Wi-Fi zones have been introduced by mobile operators. This option is also offered in most touristic parts in the sea coast.

Table one contains a comparison between Albania and EU regarding Fixed Broadband by Technology presented in ITU (International Telecommunication Union) as Market overview and regulations in Albania (AKEP, 2016).
Table 1: Fixed Broadband by Technology Albania vs EU

<table>
<thead>
<tr>
<th>ALBANIA</th>
<th>EU</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. DSL: 63% (FTTN/C 52%)</td>
<td>1. DSL: 69% (VDSL included)</td>
</tr>
<tr>
<td>2. Cable 23%</td>
<td>2. Cable 19%</td>
</tr>
<tr>
<td>3. Cable DOC SIS 3.0: 14% of total cable</td>
<td>3. Cable DOC SIS 3.0: 80% of total cable</td>
</tr>
<tr>
<td>4. NGA Subscribers: 63% mostly FTTN/C</td>
<td>4. NGA: 35% mostly VDSL, FTTH/B and Cable DOC SIS 3.0</td>
</tr>
</tbody>
</table>

Source: Market Overview and Regulation in Albania, presentation from representative of AKEP, Enkeleda Pojani, for ITU.int

With the expansion of technology and the fast upgrades, also in Albania as worldwide the use smartphones to communicate is increasing, mostly using the apps of communication replacing the traditional calling options of phones significantly. This can also be seen with the high number of mobile/smartphone sellers in the market, with physical stores or online.

In Albania, the internet providers have independent control on their cables, which have created a challenging environmental issue to manage with wires hanging in the air, especially in the major cities where most of the population is concentrated. AlbTelecom has signed agreements with four operators about Bit stream Access (wireline incumbent installs a high-speed access link to the customer's premises and then makes this access link available to third parties). Therefore the optic fiber coverage is increasing, offered so far in main urban areas: Tiranë, Durrës, Vlorë, Shkodër, etc
2.5.0 Transport and infrastructure

The postal system is fairly vestigial in Albania, regardless the recent investment in national roads. Although is a list of postal code number that has a unique code for each city, they are not in use. People are used to give addresses related to a known object in the area, an institution, or a famous bar and then giving directions from that point. Sounds funny but indeed is not, that’s one of the reasons that the postal system is not very efficient.

The biggest universal postal provider is Posta Shqiptare (national postal service of Albania), which has the exclusivity of mail delivered to the country unless they have been sent to a particular private company operating in the country. Posta Shqiptare has been through reconstructed thanks to private investments and offers financial and postal services, EMS as well. The service is better that was a few years ago.

Besides the national postal service, there are also some private postal providers, which according to AKEP cover mostly the express mailing (locally and international). Private postal providers are Albanian Courier, FedEx, DHL, TNT, UPS and some small local ones.

In the third quarter of 2016, Posta Shqiptare has handled 180,882 express postal objects, other providers together: 261,565.

The total number of postal objects handled by all the providers in the 3rd quarter of 2016 reported from (AKEP, 2016) in Table 2.

Table 2: Postal objects handled in 2016

<table>
<thead>
<tr>
<th>Type of Postal Service</th>
<th>Postal objects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Universal postal service</td>
<td>4,670,575</td>
</tr>
<tr>
<td>No universal postal service</td>
<td>1,110,435</td>
</tr>
<tr>
<td>Express service</td>
<td>442,447</td>
</tr>
<tr>
<td>TOTAL</td>
<td>6,223,457</td>
</tr>
</tbody>
</table>

The reason behind the non-usage of postal codes is the missing infrastructure: not all roads have names, not all buildings have numbers (only the cadastral number), and the people do not have a unique address. To solve this problem, the Ministry of Interior Affairs, with the cooperation
of Municipalities across the country, has launched in 2016 the Project “Regjistri i Integruar i Adresave dhe Shtetasve (Registration of Addresses and Citizens)”, which will make possible finally the registration of all population and provide a unique address for everyone. The registration will be followed by installing road signs and building numbers during 2017-2018, and the communication of unique address will be in 2017-2018.

Last but maybe the most manageable is the non-usage of postal boxes in apartment buildings or houses, but this maybe will be solved together with the finalization of the Project when everyone will have their unique address. The postman who delivers a postal parcel often has to return if no one is at the given address or commonly has to call before to make sure someone is there to pick up the package.

2.6 Legal framework of online sales in Albania

As measurement to protect the consumer, in 2008 was approved in accordance with other European legislation, a law that will protect consumers and relevant to e-commerce as well:

Law 9902, dated on 17.04.2008 "On Consumer Protection". Mentioned in Article 36 are Distance contracts – which includes as well electronic commerce. Based on Article 37 of the law the Client has the right to withdraw from the contract without any penalty and without any reasons, within a period of 14 calendar days from the delivery date of the ordered goods and the return expenses should be paid by the customer.

From the observance of the e-commerce providers, not everyone respects this article, giving the clients the right to return the goods within 14 days. Some of the online stores leave the customers the opportunity to return the products within 48 hours! Big retailers respect the 14 days period in their physical stores as well online, but smaller retailers and only online providers do not offer it, breaking in this way the law.

Other Articles that are connected with digital marketing and e-commerce, in the same direction as other legislation: Article 14 Misleading practices, Article 16 about Aggressive commercial practices; Article 17 Unfair commercial practices, Article 23 Misleading advertisement, Article 25 Comparative advertisement.
### 2.6.1 Personal Data Protection

A very sensitive topic related to security and privacy is the protection of the personal data, which has been covered by the Law 9887, dated on 10.03.2008 “On Personal Data Protection”, as well as its respective bylaws. The law stipulates that personal data are collected for specific, clearly defined and legitimate purposes and cannot be kept for a longer time than is necessary for the purpose for which they were collected.

One of the reasons for being skeptical of sharing their data is connected with the usage of them for marketing purposes as well. This is done by the seller or by a contracted agent which sends marketing materials.

The usage of non-authorized data on purpose of marketing is prohibited, such as newsletters via emails, SMS for promotions or direct sales via phone based on many instructions:

- Instruction no. 6, dated 28.05.2010 “On correct use of SMS for promotional, advertising, information, direct sales, by means of mobile telephony”

But in reality, those instructions are not respected! Costumers receive promotional e-mails, phone calls and SMS without their authorization, etc.

Other laws covering Electronic communications:


Law no. 9880, on 25.2.2008 “On the electronic signature”
2.7. E-commerce overview market in Albania

E-commerce in Albania is one of many infant sectors. If compared with European countries is still behind in the development. In a cash-driven economy as Albania is more than obvious that many online sales providers will offer the option of cash on delivery as the principal one. Giving a look to the online stores operating in Albania, you may notice the advertisements of pay on delivery option, as well as placing orders by phone, which in most countries does not happen anymore. This directs to two main problems, among others:

Firstly, people have not yet an online sales culture. Online sales are quite new in Albania, not older than ten years. People mostly are used with TV shopping sales, where costumers are encouraged to place orders by phone. Only a few of them direct the customers to their websites. Using direct marketing but also broadcasting advertisements some e-commerce providers try to promote their businesses but also to educate people with the idea of buying online. Having a look at major providers of online sales in Albania, in the content of the website they have as well explanations about the process how to buy on their sites, some using print-screens and some animations with explanations.

Secondly, people have a lack of trust on sharing their data, share their bank account number, or just even believing that the product they get is the same or similar to the one they get. Having the option of payment on delivery is their kind of insurance that their data is not used, the order will be delivered for sure, and it gives them time to rethink about their purchase. Moreover, people might not be sure about the product without touching and feeling it, one of the main difficulties to convince how to trust buying online without knowing the product.

Observing the list of the most clicked websites in Albania from alexa.com one thing that catches the attention is that most clicked sites are newspapers or news portals (besides social networks). Obviously, this trend is in the same direction of TV stations offering 24/7 news, which is in misbalance with the number of population. According to E-commerce News (ecommercenews.eu, 2014), in 2014 Albania was one of the least countries about the percentage of online companies with 18%, ranked in the bottom of the list together with Lithuania (16%) and Serbia (19%). The counties that have the highest rate are Germany (64%), Belgium (63%) and the Netherlands (59%).
2.7.2 Overlook of the e-commerce Albanian market

Most of the retailer’s online offer fashion clothing and shoes, accessorize and as well electronic accessories. Just a few of them have home or bigger electric appliances.

- **B2C**

*With physical stores*. Some of the retailers that have an established reputation and physical stores approached the new trend of e-commerce, by reaching people who cannot go to the store or attract customers who know their product and want to benefit from the delivery at home options.

To be mention is Megatek, the biggest Hypermarket of DIY nature, offering home furniture’s and appliances, garden tools and furniture, offices and bathroom furniture, etc. They have a hypermarket located on the national road between Tirana and Durres and provide B2C sales since 2014. Secondly, Neptun, one of the biggest electronic providers, with around 20 stores around the country. Started the experience firstly online having a catalog view of products and later added the option of online sales. Similar to them are also Globe, electronic retailer.

International retailers that operate in Albanian website has as well the possibility of buying online, Bershka, Zara, Stradivarius, although not advertising it or sharing data. Topshop.al – selling mostly through TV advertising has physical stores, the orders are placed via by phone and accept only payments on delivery.

Shpresa.al is an electronic shop that has an online portal which works mostly as a catalog but without the options of payment. Prices are shown in Euro, and the transport is said to be provided within 24 hours through DHL.

Dyqantaxi.com is one the well-known online sales providers who started the businesses only online at first then opened a store/warehouse in Tirana to be more near the customers in the case of returns or detailed information.

*Online only*: On the other hand are online stores without a physical store, following the business model of Aliexpress, which offers the opportunity to different sellers and buyers to be in the same place. Ebuy.al, part of ikub.al group (which owns many other websites about information,
yellow pages, job vacancies), won the price of innovation in e-commerce in 2013 from the Ministry of Commerce and Trade. Movida.al is another model, which was established after the failure of Kaymu, internationally known online sales provider but that happened to fail without starting properly.

Part of nettrade group, as well as dyqantaxi, are also other stores differing from the products they offer: Simjalti.al – fashion e-shop for women (including a blog as well: Melodi; Luledielli.al – Flower delivery; Sekret.al – providing erotic products in the market as Albania is a courageous innovation. In their website repeatedly they promise to keep the privacy of users/buyers. Idedhuratash.al – offering ideas and products for gifts. Bukinist – the newest online bookstore that sells and delivers (as advertised) around the world.

**Services only:** 123.al is one of the remaining websites that offer discounted coupons, but reporting lost in the last years. Similar to that but not operating anymore had been: tag.al, oferta.al, kuponi.al. Other online service sellers: Digitalb (selling own Tv-subscription); FSHF – selling football matches tickets and accessories from the national team.

- **C2C**

From the observation of the Albanian market, there is no such opportunity as online selling for Customer to Customer. It exists only in the forms of advertising websites, selling or buying cars, electronic devices, properties: Peshkuiarte.com, Njoftime.com; Merrjep.al (ranked nr. 14 most clicked sites in Albania according to Alexa.com); shesmakina.com etc.

- **B2B**

B2B online sales are a unique opportunity which has not been yet approached by many businesses in Albania. Currently is offered only from two retailers so far: megateksa.com and neptun.al. Megatek.sa has a broad range of products provided to businesses, mostly related to construction processes, raw materials, wood, electrical, flooring, etc. On the other hand, Neptun is specialized in electronic appliances. The low number of B2B providers can be linked to the small purchasing power market in Albania and the competition from abroad.
Approaching the need to develop and to be in the same direction as other European Countries, as their aspiration of many years, also Albanian government has created an online-facilitating portal. The unique website called: www.e-albania.al, is the portal launched in May 2015 (application for smartphones as well) that offers online services to citizens and businesses for all government administrative activities: 734 Services for Albanian citizens and 711 for businesses. Registration of property, Application for ID, property legalization, Declaration of personal income, information about electricity bills, etc. To have access to the services offered is needed to register with own ID or unique ID number for Businesses. Video tutorials showing how to use the platform have been released on YouTube but also broadcasted on TV. Guidelines how to use the platform can also be found on the website. Similar services offered to businesses, as registration of new business through National Registration Agency, registration of property, employee registration, making a company seal, etc. helped Albania to rank higher in the last year in the report of (World Bank, 2016) Doing Business. In Starting a Business for 2016, Albania ranks in 46th place.

Although, in the UNPAN (United Nations Public Administration Network, 2016) e-government survey for 2016, Albania is ranked in the 82nd place out of 193 countries, with a slight improvement from 2014 with two positions. The biggest improvement has been from 2015 when from the 102nd position moved up in 2008 on 86th. But since then no significant changes have been made.

However, the benefits of the new platform fade with the low usage of it. And the main reasons are connected to low internet coverage in some areas of the country and secondly the lack of training or knowledge to use such services online.

2.7.3 Payment methods and e-commerce in Albania

Forms of payments in e-commerce in Albania differ, but the primary one confirmed by the businesses but also from the observation of the market is the cash payment on delivery. Most the online stores advertise it as an option to attract many people who do not own a debit/credit cards, students, or simple people who do not trust the online payments.
PayPal is another preferred way of payment due to the reputation as a safe and reliable system of payments, giving a guarantee and security if they do not receive what they have purchased.

Many of the online sales providers do not offer the option of debit/credit card payments. As reported by National Bank there are only 28 online POS. One of the reasons that those providers do not have this option of payments are the costs of installation and the high maintenance fees to the bank that manages such service.

Only a few websites offer the payments with the alternative mobile payments operators such as M-Pesa or EasyPay. In the case they provide it, there is a reciprocal advertisement from both sides to encourage customers to use the services offered.

2.7.4 International vs local e-commerce

In August 2016 was enforced the new law regarding the new minimum taxable order online. The minimum moved from 145 Euros to 22 Euros or 25 US Dollars. In line with this, a limit was enforced as well for deliveries from individuals living abroad to 45 Euros per parcel. For every online purchase over 22 Euros, the customers should pay the duty of 22.4% of the value composed by 20% VAT + 2.4% customs duty tax. This measurement can be considered as protectionism, the attempt of the government to protect local businesses from the addiction of recent years of Albanian customers to buy online in foreign providers. But how effective are those measures?

From an observation of the most clicked websites according to alexa.com in 31 of March 2017 in Albania, the most viewed e-shops from the Albanian customers are international providers, not the local ones. Aliexpress is the most visited, ranked number 57 with the average daily time spent 14 min 21sec (14:21), followed by Ebay.com 69 with 10:11sec, Amazon.com 85 8:15, Alibaba 162 3:25. On the other hand, the most visited Albanian e-commerce rank very far away from those international e-shops: Dyqantaxi.com 338 4:29, Neptun.al 411 4:42, Movida.al 577 7:36, Megateksa.com 607 6:30, E-buy.al 878 6:44.
Table 3: International vs Local websites ranking by alexa.com

<table>
<thead>
<tr>
<th>Intern. Website &amp; Time spent</th>
<th>Ranking</th>
<th>Albanian Website &amp; Time spent</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aliexpress 14:21</td>
<td>57</td>
<td>Dyqantaxi.com 4:29</td>
<td>338</td>
</tr>
<tr>
<td>Ebay.com 10:11</td>
<td>69</td>
<td>Neptun.al 4:42</td>
<td>411</td>
</tr>
<tr>
<td>Amazon.com 8:15</td>
<td>85</td>
<td>Movida.al 7:36</td>
<td>577</td>
</tr>
<tr>
<td>Alibaba 3:25</td>
<td>162</td>
<td>Megateksa.com 6:30</td>
<td>607</td>
</tr>
</tbody>
</table>

The results clearly show that Albanian customers continue buying online from global online stores, especially from the ones that offer prices lower that 22 Euros or ships them as gifts.

This assumption is confirmed as well by the fact that the registered offices of Posta Shqiptare dedicated to parcels pick-ups are not closed or reduced in staff. Some of those offices were open to support the intensity of delivered packages 2013-2014 when was the pick of buying from abroad.

2.8. Digital Marketing in Albania

In Albania, the usage of digital marketing is increasing rapidly. The market is still informal and not very much regulated by institutions which allow many providers send unrequested marketing materials to potential customers.

To mention is the e-mail marketing which is very common but not very efficient as is not very well targeted. Advertising emails are also sent when the receiver has not agreed on receiving them, so most of the times they go to spam folder. Senders can be directly the businesses or companies offering it as a service, e.g.: postajuaj.com which is specialized in email marketing and has a database with almost 100,000 email addresses. Mostly the spam emails are from private hospitals, supermarket chains, language courses, electronics and home appliance stores, restaurants, car services, etc.
Direct calls also used but not very often, mostly used by internet provider companies, survey companies or teleselling shops who want to sell their products. Text (SMS) marketing usually are used from banks to offer new services or shops informing about new collection or sales. Ubiquitous are advertisements on TV promoting “miracle” products, mattresses, slimming goods and/or other unique “only today offers”, which are reputedly broadcasted, using slice-of-life method or testimonials. Most of those companies encourage customers to make orders over the phone, increasing the opportunity to make additional offers or deals.

Leaflets or printed brochures are still used massively especially in Tirana and some major cities, where they are delivered to the front doors of apartments or offices. Most common ones are from supermarket chains, electronic or home appliances, pizza deliveries, language courses, etc.

2.8.1 Social Networks

Facebook is the most visited social network in Albania, 1,400,000 registered visitors are recorded in June 2016 by (internetworldstats.com, 2017), raked in 7th place as the most visited website in Albania according to Alexa.com in March 2017. Facebook is widely used as a direct marketing tool, to promote local businesses with a limited marketing budget, but also by bigger companies who want to be in touch with the costumers through PR. Second most visited social network is Instagram, ranking on 37th position according to Alexa.com.

In many cases, Facebook and Instagram are used to demonstrate and sell products but with no online payment option, only cash on delivery. Usually, the sellers are individuals or local shops who cannot afford to have and manage an own website, so they decide to offer their products on social networks. They post the photos of the products with a short description and the price, asking customers to contact them through direct messages or a phone number. The delivery is up to an agreement to be picked up by the client when there is no physical store and cash payments is in almost all cases the used payment method. The most traded products in social media are clothes, shoes and accessories, handmade products and personalized gifts.

To be noticed is the usage of the mobile application as an opportunity to order or communicate with the online sales providers. Beside the phone numbers, e-mail addresses, and online chats,
some portals use WhatsApp or Viber numbers to contact clients or to get orders from them. This directs to the idea that customers do not want to spend much and are in search of bargain prices.

The posts of online stores on social platforms are very frequent, sometimes with multiple posts within a day to reach as many views. In the table below is shown the number of likes or followers of most clicked online sales websites retrieved in March 2017.

Table 4: Overview of popular websites in social networks

<table>
<thead>
<tr>
<th>WEBSITE</th>
<th>FACEBOOK</th>
<th>INSTAGRAM</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBUY.AL</td>
<td>119,241 page likes</td>
<td>53,500 followers</td>
</tr>
<tr>
<td>DYQANTAXI.COM</td>
<td>52,882 page likes</td>
<td>8,741 followers</td>
</tr>
<tr>
<td>NEPTUN.AL</td>
<td>204,529 page likes</td>
<td>1,558 followers</td>
</tr>
<tr>
<td>MEGATEKSA.COM</td>
<td>63,905 page likes</td>
<td>443 followers</td>
</tr>
<tr>
<td>MOVIDA.AL</td>
<td>202,167 page likes</td>
<td>54,700 followers</td>
</tr>
</tbody>
</table>

Most of the businesses have as well their profile on Twitter, Pinterest or Google+ but they don’t invest much time or resources to those.

Keyword Search

When searching for online shops in Albania, besides searching the name of the store, keywords that lead to the websites can be related to the products they sell.

The most used tags according to Alexa.com are: “blerje online” (buy online), “blerje online ne Shqiperi” (online buying Albania); Specific ones: “karrige” (chair), “kondicioner” (conditioner), “kasetofon” (Cassette player), “rroba” (clothes), “rroba banjo” (swimming clothes) etc.
3.0 E-COMMERCE IN ALBANIA – STUDY SURVEY

To collect data and opinions of Albanians about local online stores was conducted an online questionnaire, from 19-25 March 2017. The respondents were contacted directly through the social network Facebook, and they were required to fill and submit an online Google form. Respondents were asked to fill their own experience about online sales in Albania sharing real thoughts. They had the opportunity as well to share more details in the free comment section at the end of the questionnaire. The responded were not asked to show identity or share personal data, no login was requested either. Cannot come to a number of refused to answer respondent as it was free of choice and own initiative to respond by submitting the questionnaire. The responses were stopped when the number 300 of responses was achieved.

3.1.1 Research Approach and strategy

Deductive reasoning is a logical process in which a conclusion is based on the concordance of multiple premises that are generally assumed to be true².

Where deductive reasoning proceeds from general premises to a particular conclusion, inductive reasoning proceeds from particular premises to a general conclusion.

The method used is the deductive approach, with closed-ended questions, moving from theory to observation and finishes with a confirmation of the theory.

There are two ways of collecting data for research, secondary data published already in a form known as research or printed materials and primary data which are collected through observations, interview, questionnaires, etc. The aim of this study is to gather primary data through survey and analyze factors involved in customer approach toward online sales from local businesses in Albania.

² Explanation of Deductive reasoning, Techtarget.com: http://whatis.techtarget.com/definition/deductive-reasoning
3.1.2 Questionnaire

The questionnaire (in the Appendix) consists of a checklist and multiple choice closed questions. Some of the questions had as well the option “others” to add options which were not initially included in the question. The questionnaire begins with four initial question retrieving the demographical and age data, and the question “DO you buy online from local Albanian businesses” derives in section two if yes or section three if no. Section two contains ten questions and comment section; section three contains four questions and a comment section. Inconclusive questions such as many, few, etc. are not used.

3.1.3 Sample

The respondents are three hundred Albanians living in Albania, contacted indirectly and responded voluntarily to the questionnaire. The majority of the sample lives in the capital city, Tirana. Besides the personal circle of contacts, respondents are as well mutual friend’s contacts which shared on their social network pages the request to fill the questionnaire. The target was determined to be 300 answers and the process of receiving answers after this was stopped. The title and description were clear about the purpose of the study. The questionnaire was conducted in Albania and then translated into English for the purpose of this thesis.

3.2 RESULTS

As described, the questionnaire was designed in three sections:

- general data of respondents,
- if you buy from Albanian local e-commerce,
- if you don’t buy;

The responses and description of answers are in the following part.
**Gender Analysis**

*Figure 3: Analysis of Sample’s Gender*

From the figure and table, we can see that the majority of the respondent were females, significantly higher in number than males, 29 percent are Males and 71 per cent Females. This fact can be related to the availability of females to fill online questionnaires and the gender of the author and distributors of it.

**Age Analysis**

*Figure 4: Analysis of Sample’s Age*

As shown majority of the respondent are of the group age 26-30, 134 out of 300. The less represented group is of age 55+ and 40-50, this directly connected to access to social networks where the questionnaire was published or the know how to fill the survey online.
From the table and chart can be seen that the most of the answers are from respondents living in Tirana, exactly 191 people or 64 percent of all respondents. The other 36 percent is distributed in other different cities, in Korçë 27, Durres 18, Fier 15, Kukës 11, and fewer in other cities.

**Do you buy online in Albanian e-commerce providers?**

The majority of respondents declare that they don’t buy online from Albanian online sales providers, exactly 154 answers or 51 percent of them. In the questionnaire, in this question was not any other option than Yes or No. From this question was derived the upcoming sections.
**Reason why not buying from local online stores**

Table 9: Reasons why not buying online in local e-shops

<table>
<thead>
<tr>
<th>Reasons</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bad experience</td>
<td>2</td>
<td>1.30%</td>
</tr>
<tr>
<td>Expensive prices</td>
<td>7</td>
<td>4.55%</td>
</tr>
<tr>
<td>I have never tried it</td>
<td>47</td>
<td>30.52%</td>
</tr>
<tr>
<td>I don’t trust</td>
<td>67</td>
<td>43.51%</td>
</tr>
<tr>
<td>I don’t like the quality</td>
<td>27</td>
<td>17.53%</td>
</tr>
<tr>
<td>Other:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I don’t like to buy online</td>
<td>1</td>
<td>0.65%</td>
</tr>
<tr>
<td>Bad postal service</td>
<td>1</td>
<td>0.65%</td>
</tr>
<tr>
<td>I buy from same distributors as them</td>
<td>1</td>
<td>0.65%</td>
</tr>
<tr>
<td>I’m lazy to buy online</td>
<td>1</td>
<td>0.65%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>154</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

Respondents who say they have not tried online sales are 47: 17 are of age 18-25, 11 from the age range 26-30, 11 from 30-40, 7 from 40-50 and one respondent 55+.

36 is total number of responded of age 18-25 who do not buy online; 17 have not tried to buy online, 13 answer that they don’t trust local online shops, 3 do not like the quality of products, 2 of them think that the products are expensive and 1 does not like to buy online at all. This can retrieve the idea that younger age (18-25) does not have the online buying culture.

More focused on the quality of the products offered are from the range age 26-30, from which 22 respondents say they don’t like the quality of the goods, 24 does not have trust, 11 that have never tried online buying, 4 that think that the products are expensive and one has had a bad experience.

The respondents that don’t buy in local e-shops where asked “**Do you buy from international online stores?**” and the answers are as below in Table 10:

Table 10: Do you buy in international e-shops?

<table>
<thead>
<tr>
<th>DO YOU BUY INTERNATIONALLY</th>
<th>FREQUENCY</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>NO</td>
<td>50</td>
<td>32.47%</td>
</tr>
<tr>
<td>I NEVER BUY ONLINE</td>
<td>22</td>
<td>14.29%</td>
</tr>
<tr>
<td>YES</td>
<td>82</td>
<td>53.25%</td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td><strong>154</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>
More than half of people who don’t buy in local e-shops trusts and buys in international e-shops. 22 of respondents answered that they never buy online, similarly to this can be taken as well the answer that they don’t purchase either in local or international e-shops, 50 of the responses.

From 82 people that do not prefer local but international e-shops 61 live in Tirana, 6 in Durrës, 5 in Berat and the rest of the cities with 1 or 2 respondents. This result shows that in the biggest people prefer buying online but not from local online stores. This is in accordance with the finding in chapter two, that the most visited websites of e-commerce are international, having a big difference with the most clicked Albanian ones.

In the question “Why do you prefer international rather than local online stores?”, from the multiple choice alternatives where more than one answer was accepted, the results are as below:

<table>
<thead>
<tr>
<th>WHY INTERNATIONAL</th>
<th>FREQUENCY</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Better quality</td>
<td>23</td>
<td>28.05%</td>
</tr>
<tr>
<td>Better quality, more choices</td>
<td>11</td>
<td>13.41%</td>
</tr>
<tr>
<td>Better prices</td>
<td>17</td>
<td>20.73%</td>
</tr>
<tr>
<td>Better quality, better prices</td>
<td>6</td>
<td>7.32%</td>
</tr>
<tr>
<td>Better quality, better prices, more choices</td>
<td>12</td>
<td>14.63%</td>
</tr>
<tr>
<td>More choices</td>
<td>13</td>
<td>15.85%</td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td><strong>82</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

The results show that the main two reasons to buy internationally are the better quality of the products and having more options from which to select. The prices are as well one of the factors that influence their choice. From a quick look at the popular websites that have been chosen from the respondent, the products of clothing/accessories or small electronics offer products similar to some popular websites as aliexpress.com or ebay.com but with higher prices than those websites.

Other products as home appliances, home products (including furniture’s) and home décor are challenging to ship internationally and have higher costs than buying them in local stores.
Buying online from local e-shops

From the results of the survey, 146 respondents answered that they buy online from local online stores and the three most important reasons are “I save time” 87 responds or 59.6 percent, “Home Delivery” 41 or 28.1 percent, and “I know the products” 10 respondents or 6.38 per cent. The other 5 percent choose the option other and added reasons as: “Can’t find those products in my city”, “Better offers”, “Discounts”.

Table 12: Reason why to buy on local e-shops

<table>
<thead>
<tr>
<th>REASON TO BUY ONLINE</th>
<th>FREQUENCY</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home delivery</td>
<td>41</td>
<td>28.1%</td>
</tr>
<tr>
<td>I know the products</td>
<td>10</td>
<td>6.8%</td>
</tr>
<tr>
<td>Save time</td>
<td>87</td>
<td>59.6%</td>
</tr>
<tr>
<td>Other</td>
<td>8</td>
<td>5.5%</td>
</tr>
<tr>
<td>GRAND TOTAL</td>
<td>146</td>
<td>100%</td>
</tr>
</tbody>
</table>

If we look into details of the answers, in total are 53 respondents that live outside Tirana and answer that they purchase products online, and the main reason they choose the online option is 21 for the “Home delivery”; 25 “I save time”; 5 “I know the products”; and 2 others declare that they buy because they don’t find those products in their cities.

In the other hand respondents living in Tirana choose as “I save time” as main reason to buy online 63 out of 93 respondents that buy online; “Home delivery” only 20 respondents, I know the products 5 respondents, 5 others choose the option “other” and wrote reasons as “special discounts” or “Less expensive products”.

Table 13: Division of reasons Tirana vs other cities

<table>
<thead>
<tr>
<th>REASON</th>
<th>TIRANA</th>
<th>OTHER CITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home delivery</td>
<td>20</td>
<td>21</td>
</tr>
<tr>
<td>I know the products</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Save time</td>
<td>63</td>
<td>25</td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>GRAND TOTAL</td>
<td>93</td>
<td>53</td>
</tr>
</tbody>
</table>
Where do you buy online?

143 respondents (out of 146 that answered yes) choose multiply from eight websites and had the option “Other” to add other website which were not listed. Websites not listed and added by respondents were: “Top shop” six times but in reality does not offer online sales but telesales, their website serves mostly as catalogue and customers can order via phone; bukinist.al 2 respondents, cade.al, shpresa.al.

Figure 7: Where do you buy online?

<table>
<thead>
<tr>
<th>WEBSITE (RANKING)</th>
<th>NR. OF ANSWERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ebuy.al</td>
<td>47</td>
</tr>
<tr>
<td>Dyqantaxi.com</td>
<td>41</td>
</tr>
<tr>
<td>123.al</td>
<td>30</td>
</tr>
<tr>
<td>Megateksa.com</td>
<td>20</td>
</tr>
<tr>
<td>Simjalti.al</td>
<td>20</td>
</tr>
<tr>
<td>Neptun.al</td>
<td>15</td>
</tr>
<tr>
<td>Globe.al</td>
<td>7</td>
</tr>
<tr>
<td>Movida.al</td>
<td>5</td>
</tr>
<tr>
<td>Other</td>
<td>30</td>
</tr>
</tbody>
</table>

Those results are in accordance with the analysis of the most visited online shop websites in Albania according to Alexa.com mentioned before.
What products do you buy online?

The question “What products do you buy online?” was as well with multiple options were the respondents were free to choose as many options they wanted. In the “Other” option were added “Coupons” by most of the respondents, and 3 of them added Books.

Figure 8: What products do you buy online?

As we see from the graph majority of respondents prefer to buy Clothes/Accessories, 54 out of 107 choose only this option, without other categories.

The group age 18-25 in other cities than Tirana (13 respondents) selected Clothes/Accessories without any other combination in 7 cases, only cosmetics 1, only home appliances 1, 4 other selected Clothes/Accessories with electronic and cosmetics.

On the other hand, the group age 25-30 from other cities (23 respondents) and group age 26-30 (11 respondents) selected only Clothes/Accessories in the majority, as well choose only Electronics or Home appliances or and home décor products.

The last two groups 40-50 and 55+ (6 respondents in total) from other cities, is more focused in Home Appliances, Home décor, Electronics, Cosmetics and only 1 of them only clothes/accessories.

The same behavior can also be seen in respondents living in Tirana, from the group age 18-25, in total 24 respondents, 10 of them choose only Clothes/Accessories, two of them Electronics, 1 Electronics and Home Appliances and the others combination of Clothes/Accessories with Electronics, home décor or cosmetics.
From 52 respondents of age group 26-30, 15 of them selected only Clothes/Accessories, 7 of them only Electronics, other 2 Home Appliance, and others the combination of Clothes/Accessories with Home Décor, Home Appliances, Electronics, and Products for Home.

From 19 respondents of age group 30-40, 9 of them selected only Clothes/Accessories and all the other categories from 1 respondent.

The group age 40-50 and 55+ together five respondents, 4 of them chose Products for home and only one combination of Clothes/Accessories with Cosmetics and Coupons.

<table>
<thead>
<tr>
<th>AGE</th>
<th>TIRANA</th>
<th>OTHER CITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-25</td>
<td>• Clothes/accessories 10</td>
<td>• Clothes/accessories 7</td>
</tr>
<tr>
<td></td>
<td>• Electronics 2</td>
<td>• Cosmetics 1</td>
</tr>
<tr>
<td></td>
<td>• Electronics &amp; Home Appliance 1</td>
<td>• Home Appliances 1</td>
</tr>
<tr>
<td></td>
<td>• Combination of Clothes and other products 9</td>
<td>• Combination of Clothes and other products 4</td>
</tr>
<tr>
<td>26-30</td>
<td>• Clothes/accessories 15</td>
<td>• Clothes/accessories 7</td>
</tr>
<tr>
<td></td>
<td>• Electronics 7</td>
<td>• Cosmetics 2</td>
</tr>
<tr>
<td></td>
<td>• Home Appliances 2</td>
<td>• Home Appliances 2</td>
</tr>
<tr>
<td></td>
<td>• Combination of Clothes and other products 28</td>
<td>• Clothes &amp; Cosmetics 2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Other combinations 10</td>
</tr>
<tr>
<td>30-40</td>
<td>• Clothes/accessories 9</td>
<td>• Clothes/accessories 7</td>
</tr>
<tr>
<td></td>
<td>• Electronics 1</td>
<td>• Clothes &amp; Home Appliances 2</td>
</tr>
<tr>
<td></td>
<td>• Home Appliances 1</td>
<td>• Other combinations 5</td>
</tr>
<tr>
<td></td>
<td>• Combination of Clothes and other products 8</td>
<td></td>
</tr>
<tr>
<td>40-50 &amp; 50+</td>
<td>• Products for home 4</td>
<td>• Home Appliances 3</td>
</tr>
<tr>
<td></td>
<td>• Clothes &amp; cosmetics 1</td>
<td>• Cosmetics 2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Clothes &amp; accessories 1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Other combinations 2</td>
</tr>
</tbody>
</table>

Which payment method do you use?

In the questionnaire the question “Which payment method do you use” was check-question with only one possibility of choice between Debit/Credit Card, Cash on Delivery and Paypal and adding “others”. In the option “other” M5 was added by the respondents.
The most used method of payment is cash on delivery chosen by over 55 percent of responses. From 81 respondents who choose this payment method, 49 live in Tirana, 7 in Durrës, 5 in Korçë, 5 in Fier, 3 in Kukes, Sarandë, Shkodër, 2 in Elbasan, Bajram Curri and 1 in Berat and Vlorë. Debit/Credit Card payments are the second one with 45 responses, majority in Tirana 31, 4 in Durrës and Fier, 2 in Korçë and 1 in other cities. PayPal as the third has 16 responses, with 9 from Tirana, 5 Korçë, 1 Elbasan, and Berat. The last one is M5 with only four respondents that live in Tirana.

Table 16: Payment method Tirana vs other cities

<table>
<thead>
<tr>
<th>PAYMENT METHOD</th>
<th>TIRANA</th>
<th>OTHER CITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on Delivery</td>
<td>49</td>
<td>32</td>
</tr>
<tr>
<td>Debit/Credit Card</td>
<td>31</td>
<td>14</td>
</tr>
<tr>
<td>PayPal</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>M5</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Grand Total</td>
<td>93</td>
<td>53</td>
</tr>
</tbody>
</table>

The results are in line with previous assumption that Albania is an economy of cash payments and the usage of Debit/Credit card is very low. Other payment methods are not used widely as well and only in few cities. The Debit/Credit card payment method is used mostly in the websites globe.al, neptun.al and 123.al; M5 in ebuy.al and dyqantaxi.al; PayPal in ebuy.al, dyqantaxi.al, megateksa.com and neptun.al; cash in delivery is used in all the listed websites and others.
Do you pay for the delivery?

In the questionnaire the question “do you pay for the delivery?” had three options, “Yes”, “No” and “other” which were added from the respondents

Table 17: Do you pay for the delivery?

<table>
<thead>
<tr>
<th>Answers</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>NO</td>
<td>52</td>
<td>35.6%</td>
</tr>
<tr>
<td>YES</td>
<td>86</td>
<td>58.9%</td>
</tr>
<tr>
<td>Sometimes Yes/No</td>
<td>3</td>
<td>2.1%</td>
</tr>
<tr>
<td>Depends on the product</td>
<td>2</td>
<td>1.4%</td>
</tr>
<tr>
<td>Depends on the amount spent</td>
<td>3</td>
<td>2.1%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>146</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

From the observation of the websites and the answers of respondents, for the Albanian customers in the majority of the cases pay cash on delivery is the dominant method of payment. The cost of delivery is fixed in some websites between 100 Lek for deliveries in Tirana and 250 Lek in other cities. In some other sites that offer bigger products, the cost of transport depends on the weight/volume of the product and the distance where the product should be delivered.

Table 18: Paying for delivery Tirana vs other cities

<table>
<thead>
<tr>
<th>AGE</th>
<th>TIRANA</th>
<th>NR.</th>
<th>OTHER CITIES</th>
<th>NR.</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>18-25</td>
<td>Yes</td>
<td>17</td>
<td>Yes</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>6</td>
<td>No</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Depends</td>
<td>1</td>
<td>Depends</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>25</td>
<td>Total</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>26-30</td>
<td>Yes</td>
<td>17</td>
<td>Yes</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>25</td>
<td>No</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Depends</td>
<td>3</td>
<td>Depends</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>45</td>
<td>Total</td>
<td>23</td>
<td></td>
</tr>
<tr>
<td>30-40</td>
<td>Yes</td>
<td>9</td>
<td>Yes</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>8</td>
<td>No</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Depends</td>
<td>1</td>
<td>Depends</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>18</td>
<td>Total</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>40-50 &amp; 50+</td>
<td>Yes</td>
<td>4</td>
<td>Yes</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>1</td>
<td>No</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>5</td>
<td>Total</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td><strong>Grand total</strong></td>
<td><strong>93</strong></td>
<td></td>
<td><strong>53</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**Who delivers the products?**

*Table 19: Who delivers the products?*

<table>
<thead>
<tr>
<th>Delivers the product</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Curriers</td>
<td>37</td>
<td>25.34%</td>
</tr>
<tr>
<td>Own Company couriers</td>
<td>75</td>
<td>51.37%</td>
</tr>
<tr>
<td>Posta Shqiptare (National Post)</td>
<td>34</td>
<td>23.29%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>146</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Posta Shqiptare is used in most cases for deliveries in other cities than Tirana, in 34 responses only one is in Tirana. Own company couriers are used mostly in Tirana in 54 out of 75 cases, understandable from the logistic point of view as the e-shops have their physical stores in Tirana. Private couriers as well are used in Tirana, based on 21 out of 37 answers, and just a few in other cities as the cost of delivery is more expensive.

**Do you have problems with the delivery address?**

When asked if they have problems with the address used for the transportation, 64.5 percent choose the option No, I have a precise address which can be found easily, and 35.5 percent said that cannot be located easily. 31 out of 47 respondents that have problems with their address live in Tirana.

*Figure 10: Do you have problems with the delivery address?*
3.3. Conclusion of questionnaire data

The aim of this questionnaire was to determine the customer behavior of Albanian customers toward online sales for local e-commerce providers. Online sales are increasing in Albania, and local businesses are trying to catch the flow, but there is a lot of improvements to be done.

Respondents of the online distributed questionnaire are from different cities but mostly from Tirana and over half of them don’t buy online in Albanian e-shops. The biggest problems they face is trust, the quality of the products and the prices of products. More than the half of respondents who do not buy in local e-shops prefer international e-shops because of better product quality, wide option to choose and better prices.

When asked why they buy online, the respondents in majority prefer saving time and delivery at home option, related directly to convenience.

Main products that Albanian customers buy from local e-shops are clothes and accessories, followed by electronics, home appliances, and other household products. This can relate to the range of goods that most e-shops offer.

The main barrier to online sales is safety, the majority of respondents prefer as payment method cash payment on delivery, showing no trust on electronic payment method.
4. CASE STUDY – MEGATEK S.A.

To understand better the inward of the local e-commerce market in Albania, we decided to study more in details one of the e-commerce providers who offer B2C and B2B online sales. Megatek is the biggest hypermarket in Albania and one of the best providers of online sales offering all the range of home and entertaining products for sale.

4.1. Description of the company

MEGATEK SA is a “Do it yourself” hypermarket, focused in the wholesale and retail market since 2009 in Albania. Megatek is a company with 100% Albanian investment which employees more than 300 professionals in the respective departments, offering professional advice and help to clients.

Megatek offers as well wholesale to smaller retailers in different cities of the country through their personal sales force. Since 2016 orders are placed via B2B e-commerce platform.

Their vision: When customers think "HOME" they should think "MEGATEK" as the best source for selection, value-oriented pricing, and excellent customer service.

As can be retrieved from the vision that the company shares, almost all products offered are about home, and their main target are families. In the recent years, the variety of goods has increased in the way to attract as well younger generations by adding electronic products or school equipment.

The hypermarket is open every day of the week and offers more than 40,000 products, including Working Tools, Electrical Materials, Hydraulic and sanitary materials, Building Materials, Furniture, Kitchen and its accessories, Garden Products, etc. The hypermarket is organized into seven main departments: Electric Department, Décor, Gardening, Wood products, Hydro sanitary and Working tools. The sessional corner changes depending on the time of year and required activities, for example: Christmas related products; Gardening and flowers; Seaside and picnics; starting school and offices, painting and decoration, etc.
Megatek as part of their CSR organizes every year in spring the Professional Skills Olympics, in cooperation with other private and public partners to promote professional education in Albania through trainings and then theoretical and practical competitions of students of the 3rd and 4th year of professional schools across the country.

4.2. Development of e-commerce

Megateks website a few years ago had news about the company and a catalog of products they offer, but in 2014 started the project of creating e-commerce. A new website was set up to support the new platform with all information and design needed. The website is bilingual, English and Albanian, offering the possibility to foreigners living in the country to buy but likewise getting prepared for further expansion in other countries.

The process of preparation lasted nearly one year and required extra staff to make sure that all the products are displayed and offered for sale online. Four photographs were hired to work on three shifts, working as well when the hypermarket was closed; ten designers worked to edit the photos and also make compositions of usage of products; procurement department provided all the technical and descriptive information of the products: dimensions, usage, components, etc.

The descriptions of products were later translated and corrected in both languages: English and Albanian; Warehouse was in charge of measuring all the products to help with the final price of transport;

The B2C platform was launched in September 2014 after many tests offline and online. The launch was pointed out almost all marketing campaigns that the company used to promote their products or seasonal sales. The most used elements of the marketing mix are: Leaflets delivered door to door, billboards printed in the parking of the hypermarket, short radio advertisements, social media, TV spots and email campaigns.

The cost of transport is not fixed as in other e-commerce platform in Albania but is calculated in the base of volume, weight, and distance. The client can return the goods directly to the hypermarket or send by post within fourteen days.

The B2B was launched in 2016 when already the B2C was consolidated, and the website had all the needed information. Salesforce firstly contacts the clients, and after an agreement, the
orders can be placed directly on the platform by using a specific ID and password and get a ten percent discount (communicated from customer service). Transport cost is free in case of orders through the B2B platform and can be delivered within the same day in Tirana and Durrës and next following day in other cities. Additionally business can be the first to initiate such cooperation by signing up in the platform online inserting information about the company, and after submitting the request, they will be contacted by a local salesmen’s.

Both in B2C and B2B the payment methods are PayPal, Bank Transfer and cash on delivery. The payment via debit/credit card was removed after results in low usage and high maintenance from the bank offering this service.

**Overview of the website www.megateksa.com:**

- Albanian and English language available for the content and banners;
- Three currencies options: Lek, Euro, USD;
- Very short first-page view;
- Helpline and online chat available;
- Detailed description of Term & Conditions and privacy;
- No clear information about the cost of transport (only in the last stage of the purchase);
- Double confirmation when concluding the purchase;

According to alexa.com retrieves on 30th of March the website www.megateksa.com was ranked as number 607 in Albania, with a bouncing rate (single-page session) 39.80%, 5.50 daily page views per visitor and the daily time on site was 6 minutes and 30 seconds.

51.8% of visitors are new visitors on the website, and 48.2% are returning visitors according to the data shared by the company for 2016.
The keywords searched which leads to the website of Megatek are shown in the below table:

Table 20: Frequent keywords

<table>
<thead>
<tr>
<th>Keyword</th>
<th>Percent of Search Traffic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. megatek</td>
<td>54.66%</td>
</tr>
<tr>
<td>2. karrige</td>
<td>5.24%</td>
</tr>
<tr>
<td>3. mega tek</td>
<td>4.86%</td>
</tr>
<tr>
<td>4. vernilac</td>
<td>4.36%</td>
</tr>
<tr>
<td>5. omv petrom</td>
<td>3.56%</td>
</tr>
</tbody>
</table>

4.3 Data Analysis

The data that will be analyzed are real data which were provided by e-commerce department. Into consideration are taken the sales of 2016 for online sales in the B2C segment, as B2B was launched by the end of 2016 and not many data are available. The data used for the purpose of this thesis are treated as confidential and do not include financial or private data of buyers.

In total are considered for the thesis purpose 1553 sales orders, from which not 100% of them were finalized as some were canceled before the delivery.

From the data analyzed will get the information about the customer behavior, preferences and future expectations of online sales in the biggest provider of e-commerce and a complete website regarding information, details, and transparency.

4.4 Results of Analysis

Who buys online in the B2C platform?

<table>
<thead>
<tr>
<th>BUYERS IN 2016</th>
<th>NR.</th>
<th>MARGIN</th>
</tr>
</thead>
<tbody>
<tr>
<td>COMPANY / INSTITUTIONS</td>
<td>55</td>
<td>3.54%</td>
</tr>
<tr>
<td>FEMALE</td>
<td>695</td>
<td>44.75%</td>
</tr>
<tr>
<td>MALE</td>
<td>803</td>
<td>51.71%</td>
</tr>
<tr>
<td>GRAND TOTAL</td>
<td>1553</td>
<td>100.00%</td>
</tr>
</tbody>
</table>
As we see from the table and chart the majority of the buyers are male, followed by females and just minority are companies/institutions. This can be justified by the nature of the products that Megatek offers, and a low number of businesses/institutions is because companies generally buy through sales representatives and recently through the B2B platform.

**Trend of online Sales during 2016**

*Figure 11: Trend of online Sales during 2016*

From the graph can be seen that the most sales are made in November-December, this can be related to many factors: Christmas and New Year season and seasonal discounts. In Albanian tradition, the New Year has to come with new things at home, so many people rush to buy before 31st of December. The buying then decreases rapidly in the next months. The month with the fewer sales is February as no special discounts are made and no new season yet. June has as well the pick from the summer months as it is the beginning of summer and beach period.

When looking into details about the months to see the most sold articles, furniture’s are the most bought product category during the year. In the Department of furniture are included: living room furniture, bedroom furniture, office furniture, and outdoor furniture, etc. Appliances follow furniture as the second most sold: Refrigerators, dishwashers, cooking appliances, TVs, and audio, etc.
The tops 3 group of products purchased for each month are:

- **January**: Furniture, Appliances, Electrical
- **February**: Furniture, Electrical, Heating
- **March**: Furniture, Appliances, Building Materials
- **April**: Furniture, Appliances, décor
- **May**: Furniture, Agriculture, Appliances
- **June**: Furniture, Appliances, Gardening
- **July**: Furniture, Flooring, Building materials
- **August**: Furniture, Seasonal, Bathroom
- **September**: Furniture, Bathroom, Wood department (doors, windows, etc.)
- **October**: Furniture, Appliances, Gardening
- **November**: Heating, Furniture, Flooring
- **December**: Furniture, Heating, Decor

The average number of articles that were purchased are:

- Male: 5.02
- Female: 4.4
- Companies/Institutions: 9.9

Megatek delivers their products in all the territory of Albania, but the top ten cities for 2016 where the most purchases were made from:

1. Tiranë  
2. Durrës  
3. Shkodër  
4. Vlorë  
5. Laç  
6. Berat  
7. Lezhë  
8. Fier  
9. Lezhë  
10. Kavajë

Tirana and Durrës are on the top of the list firstly because the two cities are the most developed ones and is where the population is concentrated. Secondly, because the hypermarket and warehouse are located in the industrial area between those cities and the shipping is within the day in both cities.
Shipping Methods

Between the two methods of shipping offered: The standard one which according to the website can last from 7-10 days and Express within 1-2 days, the most used one is the standard way of delivery. Standard is the most used because, firstly, is less expensive and secondly because the most sales are made from Tirana and Durrës, where the delivery is within the same day or maximum next day even when using standard transport. And the third reason is that costumers are not willing to pay extra costs to shorten their waiting time. Megatek delivers the products using an outsourcing transport company which is allocated nearby the hypermarket, saving costs and time on traveling.

From 2017 another change of way of working is the possibility to choose the shipping methods, on the website of the company when start the purchasing process there is not anymore the option to choose between Standard and Express, and now the only available option that appears is “transport”.

*Figure 12: Shipping methods used in 2016*

Cancellation of orders

From all the orders that were made during 2016, only 12.30% of them or 191 orders (out of 1553) were canceled, and the primary reasons were:

- 29.32% reordered as mistaken in first order
- 17.6% did not like to wait a long time for the delivery
- 11.4% decided after consultation with family
- 25.7% doesn’t want the product anymore
- 15.98% (the rest) did not give reasons for cancelling the order.
Methods of Payments

During 2016 four were the ways of payments, during 2017 are reduced to three due to low usage of card payments and high costs of the service provided by the bank. The first choice of Megatek’s costumers to pay for the online purchases is cash on delivery; the second one is PayPal – considered as one of the safest ones; third method is payment by bank cards mostly used by companies/institutions; and the last one is bank transfer which is not very preferred as it takes a long time to confirm the payment and afterward deliver the goods. Those results are very in line with the findings of the questionnaire conducted which showed that the preferred way of payments in Albania is cash on delivery.

Table 21: Methods of Payments per users

<table>
<thead>
<tr>
<th>Method of Payment</th>
<th>Count</th>
<th>Company / Institutions</th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Transfer</td>
<td>7</td>
<td></td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Card (Debit/Credit)</td>
<td>102</td>
<td></td>
<td>25</td>
<td>33</td>
</tr>
<tr>
<td>Cash on Delivery</td>
<td>1311</td>
<td></td>
<td>25</td>
<td>674</td>
</tr>
<tr>
<td>PayPal</td>
<td>133</td>
<td></td>
<td>4</td>
<td>47</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>1553</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4.5 Discussion about the Case Study

Megatek is one of the biggest retailers for home products in Albania and selling products online is a challenge. Firstly because of the nature of the goods offered, as most of the products have high value or long life of consumption, and is hard to buy them online without knowing the products. Most people prefer to compare different options, prices and to see the products personally, so the ones buying online are customers who know the products and know the company.

Secondly, Megatek offers a very large of products, and they keep adding new categories. Can be considered an advantage as it fulfills all the needs of customers in one place, but if not advertised well customers will not know all the categories they offer and will keep buying the same categories they know from before.

Another aspect of the complexity of the products that Megatek sells as “Do it yourself” hypermarket, is that most of the furniture need to get assembled: bedroom furniture, office furniture, etc. The advantage of having unassembled furniture is the low cost of transport as is calculated based on distance, weight, and volume and the price, in general, is cheaper. But on the other hand the big disadvantage is the culture of people who are not used to it, that prefers to hire specialists to get assembled the furniture or to lay the parquet. Directly related to this can be the fact that the majority of the buyers are males, in comparison with the other websites that are specialized in clothes & accessories.

The highest number of orders in the online platform is during the month of November and December, a time when people tend to renovate furniture, buy heating products, gifts for Christmas and take advantage of discounts. The number of orders drops with more than 50% in January and even more during February, which is called a stagnation month as no new season or further discounts are not offered.

If we discuss the methods of Payments, the fact that the company has decided to dismiss the card payments is a step back in the e-commerce and today environment of online sales. The dismissal leads to the question if this payment method will be back in the future or is directly connected to the customer behavior and trust issues that Albanian customers have.
The two primary reasons for canceling the order are reordering as the wrong orders or the order finalized was not in full, and the second reason is that they don’t want the product anymore. The first reason can be directly related to the fact that online sales are quite new in Albania and people need to learn and get used to them. Even that the company has an article on how to make an online purchase, customers that try for the first time struggle how to process the order.

From the data analyzed the most used method is the cash on delivery, which is considered an offline payment and not entirely compatible with the principle of online sales and payments. Megatek did not charge for the usage of the cards on their website, but the number of card holders is deficient in Albania. As well the maintaining fees and transaction fees for returns are high if compared with the total income from this method. PayPal is an essential payment system used by customers of Megatek and this directly related to the reputation of PayPal as a secure way of payments. Bank transfer is the method used the less and this because the time to receive and confirm a payment is long and it prolongs the time of delivery of the products to the costumers.

The website www.megateksa.com has an attractive design where the goods are displayed in categories or “departments” as they choose to call it and the products have a very detailed description and good quality photos. Can be noticed that the front page of the website is shorter than the usual sites, and does not demonstrate many categories. The bilingual website is equally populated in the Albanian and English version, from the description of products to the banners and other text content. To be noticed is the lack of updating the information, such usage of card payments or shipping methods which keep being the same as before changes. In the DIY section are published articles on how to assemble products or other useful tips but has not been updated with new items in many months. Discounts are mostly communicated through social media, especially Facebook, and recently Instagram has started to be more active.

In conclusion, Megatek is one of the most completed and innovative e-commerce platforms and has all the opportunities to be the leading example of online sales in Albania. In the future needs to focus more on educating own in store costumers on how to buy online; return the card payment method and encourage the use of it by having at the beginning special discounts or other benefits, to make customers try and feel secure.
CONCLUSIONS

This study accomplished to determine the customer behavior in Albania toward local online sales providers and to identify the biggest problems that need development. Online sales are increasing in Albania, but the lack of trust and experience buying from local businesses lead customers to buy from international providers.

Nearly 63% of the population in Albania is connected to the internet but mostly the urban areas because of better infrastructure and financial possibilities to have it.

An online questionnaire was prepared and distributed via social Media as the main target are online customers and received 300 appropriate responses which were analyzed. The results show that 154 respondents or 51% declare that they don’t buy from local e-shops, and half of them prefers to buy in international online stores (82 out of 154). The main reasons they prefer international online stores are a better quality of products and better prices.

Albania is a cash payment driven country. And the results of the Questionnaire and the Case study are in line with data collected regarding usage of credit/debit cards, showing that most of the customers prefer cash on delivery payments. According to Albania National Bank, only 2.9% of the population has credit cards and 30% of population debit cards which are mostly used to withdraw cash (salaries mostly). The low number of card holders is one of the problems that e-commerce faces and this issue needs intervention and measurements from banks mainly and retailers.

As shown from the results of the questionnaire one the reasons of a low number of card transactions, simultaneously low number of card holders, is related to lack of trust and information on how to use it.

One of the main barriers to online sales is safety. Albanian costumes are worried about sharing their personal and financial information.

The perceived quality of the products is another issue that affects the decision to buy or not online from local online stores. From the results of the questionnaire, the customers prefer to buy from
international online stores because the perceived quality of products is better and have favorable prices.

The infrastructure and the lack of unique addresses make the process of delivering the orders more difficult, but central and local governments have taken measurements, and the results will be visible by 2017-2018 when each citizen will have a unique address.

The future of online sales in Albania is promising. The market itself is not very big, but the desire of people is to buy online and to have the opportunity to select.
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THE QUESTIONNAIRE DISTRIBUTED IN ALBANIAN LANGUAGE:

Shitjet online në Shqipëri

Ky është një pyetësor në lidhje me sjelljen e konsumatorëve shqiptarë në lidhje me blerjet online brenda Shqipërisë.

Ky pyetësor do të ndihmojë në projektin e Diplomës: E-commerce in Albania.

Gjinia?

- F
- M

Mosha juaj?

- 18-25
- 26-30
- 30-40
- 40-50
- 55+

Në cilin qytet jetoni? ________________

A blini produkte/shërbime online nga bizneset shqiptare?

- Po
- Jo

** Pjesa e dytë = Po, Blej online në biznese shqiptare

Nëse po, në cilat website shqiptare?

- megateksa.com
- dyqantaxi.com
- ebuy.al
- simjalti.al
- globe.al
- neptun.al
- 123.al
- movida.al
- Tjetër ________
Pse blini online?

- Kursej kohë
- Dërgesa në shtëpi
- I njoh produktet
- Tjetër

Si e zgjidhni ku të blini?

- Rekomandime nga miqtë
- Reklama
- E provoj si risi
- I njoh produktet

Si e vlerësoni cilësinë e produkteve nga bizneset shqiptare online?

- Shumë mire
- Mirë
- Pranueshëm
- Keq

Cilat metoda pagese përdorni?

Ju lutem edhe arsyen përse zgjidhni këtë metodë pagese

- Pagesë me para në dorë
- Kartë debitit/kreditit
- Paypal
- Tjetër

Çfarë produktesh blini?

- Veshje/aksesorë
- Produkte dekori
- Elektroshtëpiake
- Kozmetikë
- Produkte për shtëpinë
- Elektonike
- Tjetër

Dërgesat bëhen nga:

- Korrierë të kompanisë
- Posta Shqiptare
- Korrierë privatë
- Tjetër
A paguani për dërgesën?
   o Po
   o Jo

A keni probleme me dërgesat në shtëpi?
   o Jo, kam adresë të saktë
   o Po, nuk gjendet kollaj

Keni eksperiencë me kthimet pasi keni blerë?
   o Po
   o Jo

Ndonjë koment tjetër? ______________________________________________

*** Pjesa e tretë = Jo, Nuk blej online në biznese shqiptare

Përse nuk blini nga bizneset shqiptare?
   o Kushtojnë shumë
   o Nuk më pëlqen cilësiat
   o Nuk e kam provuar
   o Nuk kam besim
   o Eksperiencë e keqe

Si e vlerësoni cilësinë e produkteve nga bizneset shqiptare online?
   o Shumë mire
   o Mirë
   o Pranueshëm
   o Keq

Blini online në biznese ndërkontinente?
   o Po
   o Jo
   o Nuk blej asnjë herë online

Nëse po, përse zgjidhni bizneset e huaja
   o Çmime më të lirë
   o Cilësi më e mirë
   o Gamë më e gjerë

Ndonjë koment tjetër? ______________________________________________
THE QUESTIONNAIRE TRANSLATED IN ENGLISH

Online sales in Albania

This is a questionnaire about Albanian consumer behavior regarding online purchases within Albania.

This questionnaire will help in the Diploma Thesis: E-commerce in Albania.

Gender?
  o F
  o M

Age?
  o 18-25
  o 26-30
  o 30-40
  o 40-50
  o 55+

In which city do you live? ______________________

Do you buy online products / services from Albanian businesses??
  o Yes
  o No

** Second part = Yes, I buy online in Albanian businesses

If so, from which Albanian website?
  o megateksa.com
  o dyqantaxi.com
  o ebuy.al
  o simjalti.al
  o globe.al
  o neptun.al
  o 123.al
  o movida.al
  o Other _______

Why do you buy online?
  o Save time
  o Home Delivery
  o I know the products
  o Other _______
How do you choose where to buy?

- Recommendations from friends
- Advertisement
- I try as an innovation
- I know the products

How do you evaluate the quality of products from Albanian businesses online?

- Very good
- Good
- Acceptable
- Bad

Which payment methods do you use?

Please also explain why you choose this payment method

- Cash payment
- Credit / debit card
- Paypal

What products do you buy?

- Clothing/accessories
- Decoration products
- Electrical appliances
- Cosmetics
- Home Products
- The electronics
- Other ________

Deliveries are made by:

- Own company couriers
- Albanian Post
- Private courier
- Other ________

Do you pay for the shipping fees?

- Yes
- No

Do you have any problems with home addresses?

- No, I have a correct address
- Yes, it is not easy to find
Do you have experience with returns after you buy?

- Yes
- No

Any other comment? ____________________________________________________________

*** Third part = No, I do not buy online in Albanian businesses

Why do you not buy from Albanian online stores?

- They cost a lot
- I do not like quality
- I have not tried it
- I do not trust
- Bad experience

How do you evaluate the quality of products from Albanian online stores?

- Very good
- Good
- Acceptable
- Bad

Do you buy online in International online stores?

- Yes
- No
- I never buy online

If so, why choose foreign businesses

- Cheaper prices
- Better quality
- Wider range

Any other comment? ____________________________________________________________