

TRENDS AND PATTERNS OF E-COMMERCE IN UKRAINE

Digitalization has covered all aspects of public life and trade has actually become one of the leaders of the national economy in the field of digitalization. The reason for this was not only the active development of digital products, but also the COVID-19 pandemic, and for Ukraine – also a full-scale invasion.

It would be fair to note that for Ukrainian enterprises, the digitalization of economic processes and the ability to do business online is actually a chance for survival. Ukraine has transformed from a country with a turbulent transition economy into one of the most digitally advanced countries in Europe, where almost 7% of all businesses make e-commerce (Fig. 1).

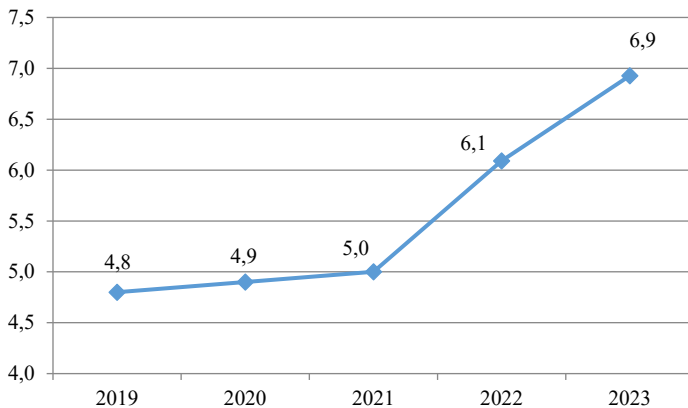


Fig. 1. Share of Ukrainian enterprises which have made e-commerce in 2019–2023, %

Source: constructed by the author based on data from [1]

But in some types of economic activity in Ukraine, the share of enterprises engaged in e-commerce is significantly higher than the

average: for example, in the types of economic activity “Activities of travel agencies, tour operators, provision of other reservation services and related activities” and “Temporary accommodation”, more than 35% of Ukrainian enterprises are engaged in e-commerce in 2023.

However, in the field of public utilities (the electricity, gas, water supply; sewage treatment; waste management etc.), the level of e-commerce in Ukraine in 2023 barely reaches 1%.

The Ukrainian digital product Diia is already widely known in Europe, but Ukrainian entrepreneurs also widely use online marketplaces, social networks (Instagram, TikTok, Facebook, Telegram etc.), and online payment services (WayForPay, LiqPay, Fondy etc.).

Ukrainian entrepreneurs currently conduct e-commerce through their own website or web apps. Slightly fewer Ukrainian businessmen use websites or web apps used by several enterprises and EDI-type messages (Fig. 2).

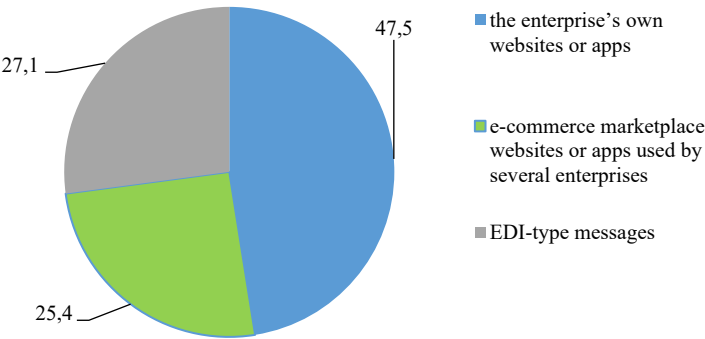


Fig. 2. Sales channels for e-commerce by Ukrainian enterprises in 2023, %

Source: constructed by the author based on data from [1]

Despite the growing volume of e-commerce in Ukraine, unfortunately, the volume of Ukrainian e-commerce with European Union (EU) countries is not significant and currently amounts to 0.5%.

The reasons for this, as shown by the results of the survey [2], are: the significant costs of delivery or return of products when selling to EU

countries; the lack of knowledge of foreign languages for communicating with customers from EU countries.

The current trading conditions in Ukraine contribute to the further intensive development of e-commerce. Along with traditional areas of e-commerce, the importance of using artificial intelligence to personalize customer preferences with the formation of appropriate product offers, customer consulting, market analysis and forecasting, etc. is growing. Ukraine also has prospects for the development of this promising direction of e-commerce: according to the State Statistics Service of Ukraine [3], in 2024, 5.2% of all Ukrainian enterprises used artificial intelligence technologies in their activities, including 2.9% for marketing and sales. Thus, the prospects for further research are developments regarding the effective and responsible use of artificial intelligence technologies in e-commerce in Ukraine.

References:

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