

## **PERSPECTIVES FOR DEVELOPMENT OF INTERNET-TRADE IN UKRAINE**

Internet commerce is an industry that is developing at a rapid pace, which is why business on the Internet pays special attention to the emergence of the informational society and its direct contribution to the economy. The global network enables goods and services to enter the global trading market. The development of the informational and communicational technology sector is also a factor contributing to the successful conduct of business and an impetus to increase the rates of economic growth of countries. E-commerce has been developing steadily over the past two decades, which is a short period of time compared with many sectors of the economy.

E-Commerce is a form of business deal, in which, instead of physical contact and exchange, the interaction of the parties is carried out electronically, resulting in the ownership or right to use the product, or the service is transferred from one person to another.

In Ukraine, the rapid development and adaptation of Internet commerce are underway, and the development of the ICT sector, which is the direct engine of Internet commerce, is in the world. It is worth noting that this kind of sales of goods has a huge success among the target audience, because, as a rule, in the absence of time, many people simply do not visit retail outlets. And so they come to the aid of a fast and accessible online store at any time of the day or night.

There are different levels of e-commerce organization: national and international. For a number of reasons, international commerce is becoming more complicated. It depends, first of all, on customs duties, differences in tax systems and in the conduct of banking operations. E-commerce is implemented within the framework of the Internet economy, that is, the environment where the company or person can establish interrelationships of bilateral cooperation in the field of trade.

E-commerce is growing rapidly in modern conditions and is constantly being modernized by a business model. Accordingly, it has its own peculiarities. First of all, business on the Internet should cover the following aspects: establishing contacts with the target audience of buyers by attracting attention (advertising, bright site design, etc.); sale of goods and services; providing full control over the payment, delivery and after-sales operations.

An online store can be both a basis for business creation and an auxiliary tool aimed at developing and expanding already existing business, thereby helping to attract more customers and capital. The main drivers of the development of Internet commerce can be considered an increase in the competition of online stores and the dynamics of electronic payments.

There are over 10 varieties of business models for online commerce, but the main and most popular are models:

B2C – a consumer to a company;

B2B – a company to a company;

C2B – a consumer to a company;

C2C – a consumer to a consumer.

B2C category has historically been the first model in which a commercial enterprise acts as a seller of goods and services, and a customer (consumer) is an individual. In B2B commercial organizations play a role both as a seller and a buyer. This business model opens up new horizons for companies, such as the placement of commercial offers, large deals, and contracts, the expansion of business ties at the international level and increased activity on the global market. At present, a large percentage of all transactions carried out in the e-commerce markets are in the sector. In the C2B model, the role of the seller is assigned to a private individual, and the buyer is a company. A similar system of sales organization allows consumers to set the value limits of goods offered by commercial organizations, thereby independently shaping the demand for these products. But it should be noted that this business model is the least used of all existing ones. In the C2C model, individuals are both buyers and sellers. Under these conditions, sites are only intermediaries between consumers.

During the first half of 2018, Ukrainians refuse to pay almost 4 billion USD for purchases on Prom.ua[3], which revises the result of the same period in 2017. This is evidenced by data from the study of small e-commerce. This did not happen at the expense of healthy goods, but due to the number of orders. Yet e-commerce in Ukraine is restored by a young industry that will not yet be used by the economic potential to gain a more prominent share of the world market. The Internet retailing market is attracting active attention to business development, as well as for investors who are actively entering the market, financing new ideas and projects. Under Internet retailing, we understand sites that have a certain amount of goods, as well as the possibility of ordering through the mechanism of the basket.

E-commerce in Ukraine is now in the stage of rapid development. This segment of the economy attracts attention. Experts estimate that market development will last until 2019. But in order to prevent this process, it is necessary to solve a number of problems. First of all, government support is needed. It is worth paying attention to the development of e-commerce infrastructure, as well as the security of personal data of clients and intellectual property rights. In addition, there is the problem of the lack of awareness of Internet users about electronic payment card, which greatly facilitates the process of payment for goods and services. These tasks require immediate resolution and participation in this particular state.

The online market in Ukraine is developing at a slower pace due to poor logistics and an unstable payment system. The local market of Ukraine is dominated by local companies such as Rozetka[2], Allo[1], Prom.ua[3] and many others.

Most buyers are young people with higher education, living in cities. More than half of Internet buyers in Ukraine are people aged 14 to 34 years. A little over 36% of them are residents of cities with a population of more than 500 000 people, and 20,5% live in rural areas. Positive impact on the growth of the online consumer audience has made access to 4G. According to the results of last year, Ukraine has outstripped all other European countries by such an indicator as the growth rate of sales on the Internet – for our country this figure was 35%. Extreme distribution of Internet commerce occurred in the countryside. By the end of 2018, 60% of people have access to online purchases.

Purchasing activity has a greater impact on the development of Internet commerce, but its availability depends on the development of Internet infrastructure. In order for business in the field of Internet retailing to bring a positive result, you need to use a way to promote stores (companies) in social media. Distribution and sharing of information in the global network between users form a special kind of purchasing behavior. Target audience before purchasing a product thoroughly examines it and compares it with analogs. But the final decision is often taken only after reading the opinion of other users. According to the research, for the Ukrainian consumers, in addition to personal recommendations of acquaintances, the Internet becomes the main information resource and place of the decision on the purchase.

Internet retailing has its own specifics. It opens new opportunities both for consumers (buyers), for suppliers, and for commercial organizations. At the present stage of development, such a sector of the economy is in the phase of formation and is gaining momentum.

The rates of Internet penetration in the capital and in large cities are much higher than in other regions of our country. But recently there is a positive dynamics of this process. In the coming years, the indicators on the market of e-commerce in Ukraine will increase significantly; there is a positive trend of growth in market volumes. But there are a number of problems that slow down this process; therefore, for the even development with the least losses and risks, support of the state is necessary. The main task of the state is to create a stable situation in the e-commerce market and make it a competitive player on the worldwide online platform.

Thus, Internet commerce, being a fairly young segment of the Ukrainian economy, is actively gaining momentum in its development. Our country is ready to take high positions in the e-commerce market. A good organization of business, taking into account all the trouble moments, such as competitive prices, a wide range, choice of delivery method, will promote Ukraine's advancement in the Internet space. The Ukrainian Internet commerce market, according to our deep conviction, is rather attractive not only for domestic players but also for foreign investors. Indicators of the volume of the Ukrainian e-commerce market have positive dynamics, despite the economic crisis and the political situation that has developed in the country.

## **REFERENCES**

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