

E-COMMERCE IN POLAND AND UKRAINE: DEVELOPMENT AND CHALLENGES

E-COMMERCE W POLSCE I W UKRAINIE: ROZWÓJ I WYZWANIA

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Abstract: The aim of this article is to examine and explore the characteristic features of e-commerce, as well as to show the possibilities and alternatives for the further development of e-commerce in Poland and Ukraine. The article discusses, among others, the advantages of e-commerce, and the approaches towards its service. It also considers the dynamics of e-commerce development in Poland and Ukraine in recent years, the positive consequences of e-commerce expansion in terms of trade turnover, as well as the range of goods and services; and, in turn, the development of online stores. The authors, after analysing the source materials relating to e-commerce sector in neighbouring countries, state that on-line trade has a demand among people and that there are perspectives of further development even in difficult conditions of martial law in Ukraine. According to presented assessments, the importance of online shopping in Poland is increasing, online shopping is gaining new customers in various age groups, the openness of Polish e-customers to cross-border shopping is growing and more and more sellers are deciding to sell online. In Ukraine online trade is gaining momentum and its development has created the conditions for Ukrainian enterprises to integrate with the European digital space. The article proposes alternative ways for improving normative regulation in terms of the development of e-commerce in Ukraine under the conditions of compliance with fair competition. Polish and Ukrainian e-commerce market faces a number of challenges and tasks and their implementation will enable the achievement of higher global standards.

Keywords: digitalisation, e-commerce, e-commerce market, Poland, Ukraine

Streszczenie: Celem artykułu jest zbadanie i uogólnienie charakterystycznych cech handlu internetowego oraz wskazanie możliwości, alternatyw dla dalszego rozwoju e-commerce w Polsce i w Ukrainie. Omawiane są m. in. zalety handlu internetowego, podejścia do jego obsługi. Rozważana jest dynamika rozwoju handlu internetowego w Polsce i w Ukrainie w ostatnich latach, pozytywne konsekwencje jego ekspansji pod względem obrotów handlowych, jak i asortymentu towarów i usług, rozwoju sklepów internetowych. Autorzy po przeprowadzeniu analizy materiałów źródłowych dotyczących sektora e-commerce w państwach sąsiednich stwierdzają, że handel on-line ma popyt wśród ludności i perspektywy dalszego rozwoju nawet w trudnych warunkach stanu wojennego w Ukrainie. Z przedstawionych ocen wynika, że znaczenie zakupów on-line w Polsce wzrasta, zakupy internetowe zdobywają nowych klientów w różnym wieku, rośnie otwartość polskich e-klientów na zakupy transgraniczne i coraz więcej sprzedawców decyduje się na handel on-line. W Ukrainie handel elektroniczny nabiera tempa, a jego rozwój stwarza warunki dla ukraińskich przedsiębiorstw w kierunku integracji z europejską przestrzenią cyfrową. W artykule zaproponowano alternatywne sposoby poprawy normatywnego pola regulacyjnego dla rozwoju handlu internetowego w Ukrainie na warunkach zgodności z uczciwą konkurencją. Przed polskim i ukraińskim rynkiem e-commerce stoi szereg wyzwań i zadań, realizacja których umożliwi osiągnięcie wyższych światowych standardów.

Słowa kluczowe: cyfryzacja, e-commerce, rynek e-commerce, Polska, Ukraina

Introduction

Digitisation is set to be one of the main factors in the growth of the world economy over the next 5-10 years. In addition to the direct productivity gains that companies get from digital technologies,

digitalization is a chain of indirect benefits, such as: saving time, creating new demand for both new goods and services, new quality and consumer value, etc. Modern Internet trade performs its

functions, which have become the tools of its innovative development. Electronic commerce is dynamically developing in the world. In 2020, it accounted for 18% of the total global retail sales and it is predicted to have more than 1% of an annual growth rate, reaching close to 22% of the total global retail sales by 2024. Global retail e-commerce sales worldwide from 2017 to 2024 (in billion USD) are as follows: 2017 – 2,382; 2018 – 2,982; 2019 – 3,354; 2020 – 4,280; 2021 – 4,891; 2022 – 5,424; 2023 – 5,908; 2024 – 6,388 (eCommerce Sales & Size Forecast). Western Europe remains the leader in terms of the share in B2C e-commerce turnover in Europe with 63% of total turnover. Southern Europe recorded 16% of turnover, Central Europe (including Poland) – 10%, Northern Europe – 9% and Eastern Europe (including Ukraine) – 2% (European e-commerce report 2022, p. 8).

Poland is marked by the biggest digital economy in the region of Central and Eastern Europe amounting to 44 billion euro in 2022. A key driver boosting the digital economy in the recent years has been the e-commerce market, which recorded growth rates of 22% year on year; in 2021 it was worth 27 billion euro and it accounted for 60% of the digital economy. McKinsey & Company estimates that the digital economy may be as high as 123 billion euro till 2030 and represent approximately 9% of GDP. Digital commerce market in Poland is characterised by the presence of strong domestic entities, as well as a developed offer of local and international players (Poland as a Digital Challenger and leader on digital trade). Poland has experienced a significant increase in the number of new digital retailers within the last five years.

The e-commerce market, both in Ukraine and in other countries, is the most successful commodity and financial market. At the same time, the main indicators of the Ukrainian electronic market significantly lag behind the indicators of Western Europe countries in terms of scale and infrastructure development. Digitization has become the main tool for achieving the strategic goal of Ukraine — increasing the GDP by 8 times, up to 1 trillion dollars in 2030, ensuring well-being, comfort and quality of lifestyle for Ukrainians at a level not lower than the average in Europe. According to the estimates given in Chapter 1 of the Strategy, the digital economy share in the GDP of the largest countries in the world by 2030 will reach 50–60%. In Ukraine, this indicator may not be lower than 65% of GDP (under the implementation of the forced scenario conditions of the digital economy development in Ukraine) (Industry 4.0 strategy, 2022). Wide Internet trade

possibilities will determine the need for taxation reform, consumer protection, and instruments for the harmonious “entry” of such trade activity into the sphere of market relations at the state level, since Internet trade is a completely separate direction in the traditional trade activity field.

Literature review

The definition, as well as an analysis of the changes which have taken place in e-commerce, can be found, for example, in the publications of the following entities: WTO, OECD/UNCTAD, Eurostat, Statistics Poland (CSO), State Statistics Service of Ukraine. The measurement of electronic commerce is a precondition for understanding its economic role and contribution to GDP, employment and development as highlighted in the UNCTAD study from 2023 – “Measuring the value of E-commerce”. Remarkable Eurostat postings show a growth in online shopping in the EU. In 2020, for example, 91% of people at the age of 16-74 were using the Internet in the EU, 75% of whom were buying or ordering food or services for private use. The percentage of people making purchases online has increased from 55% in 2012 to 75% in 2022, which represents an increase of 20% (E-commerce continues to grow in the EU). The European digital commerce association, Ecommerce Europe, presented a report *European E-commerce Report 2022*, reviewing electronic commerce in 37 European countries, both EU countries and neighbouring economies. The report includes information relating to Poland and Ukraine. Whereas GS1 emphasises that almost all the biggest online retailers in Western Europe and in the USA currently operate as marketplace platforms; or they plan to undergo such a transformation soon. A trend to strengthen the position of sales platforms is noticeable in Poland (Electronic Sales Platforms in Poland, p. 3).

The scale of growth in the e-commerce market has been visible especially in logistics, where the number of completed shipments has grown commensurate with the increase in the number of online transactions. The development of the e-commerce market has brought about the expansion of the distribution network, which has seen an increase in the flow of goods between different points in the supply chain. As emphasised by A. Maciąg and D. Stangierksa, the growing importance of warehouse and logistics industry in Poland in 2020 should be considered in an increasing number of transactions carried out by the e-commerce industry, which has responded to the consumption needs of customers (Maciąg, Stangierska, 2021, p. 66). Logistics problems and challenges for e-commerce have been raised,

among others, in the publication written by K. Huk, A. Goń, J. Piękańska (Huk, Goń, Piękańska, p. 37). The report *Last Mile for E-commerce* presents an important issue for e-commerce, which is *out-of-home delivery* in Poland: it discusses the significance of PUDO points (pick up/drop off points) and the growing role of parcel lockers.

Many researchers have made significant scholarly contributions to the study of Internet trade and traditional trade development. The problems of the modern state of Internet trade within a market-infrastructure context have been investigated by Belozertsev V.S. (Belozertsev, 2018, p. 97), who has noted that the presence of a favourable investment climate, and the increased government attention to intellectual and scientific potentialities, should contribute to the development of Internet trade. The most common methods of wholesale and retail trade in consumer goods, their advantages and disadvantages, are considered by Pylnova V.P., Havrysh O.M., Kapelyushna T.V., Loban O.O. (Pylnova, Havrysh, Kapelyushna, Loban, 2020, p. 71). At the same time, the authors noted that the innovative approaches that are used in the organisation of trade in the Internet space do not exclude a high-risk degree for participants in electronic trade relations. Andronik O.L., and Voronin A.V. conducted a current-state analysis of electronic commerce development in the world and in Ukraine, which has made it possible to identify the main trends in the industry (Andronik, Voronin, p. 118). The key problem of online stores is high prices directly for delivery paid for by the buyer. The impact of a decrease in business activity decrease in Ukraine due to the COVID pandemic is emphasised. This decrease led to a noticeable change in brand management strategies over the course of a fairly short time period. Based on the statistical data analysis describing the e-commerce market development in Ukraine, Synyavska O. revealed the main trends that had been developing in the country, identifying the strengths and weaknesses of this field, as well as prospects for its development (Zahreba, Nikolaiev, 2020, p. 248).

Despite the considerable work done by researchers and the peculiarities of modern commercial business development, there is a need to reveal the development the specificities of online trade, highlighting the characteristic interaction between subjects (the state, business, producer and consumer). Consideration also needs to be given to compliance with needs of the sustainable national economy.

Materials and methods

The purpose of this article is to identify the term and the essence of e-commerce; to determine its features, and to analyse and assess the development of e-commerce in Poland and Ukraine, taking into account the impact of the war in Ukraine on this sector. The article also presents the main challenges for the development of e-commerce in neighbouring countries and justifies alternatives for the further development on the effective integration basis into the socio-economic market infrastructure. The main research methods were analysis and synthesis. Analysis was used in order to present statistical trends, to summarise the results, and to identify the problems and challenges of the e-commerce sector in Poland and Ukraine, while the synthesis allows for the generalisation of certain issues. The article was undertaken mainly on the basis of a review of domestic and foreign source literature, as well as Polish and Ukrainian internet resources.

Characteristics of the e-commerce

Today, we can observe the terminological modification of the realisation/sale of goods, works, services/processes by way of the use of online technologies. The most common terms are online commerce, e-commerce, Internet trade, e-retail. Often these terms appear interchangeably in the literature. E-commerce is a field of the digital economy that includes all financial and trade transactions that are conducted using computer networks and business processes related to these transactions (the broadest concept). Based on the WTO terminology, electronic commerce (e-commerce) is defined as the "production, distribution, marketing, sale or delivery of goods and services by electronic means. An e-commerce transaction can be between enterprises, households, individuals, governments and other public or private organisations" (Electronic commerce, WTO). The OECD notes: "the sale or purchase of goods or services, conducted over computer networks by methods specifically designed for the purpose of receiving or placing of orders. Payment and delivery do not have to be conducted online. Orders made by telephone calls, fax or manually typed e-mail excluded" (E-commerce measurement @ UNCTAD, Measuring the value of E-commerce). According to organizational and managerial approaches, Internet trade allows for the implementation of the "customer-oriented service" policy of (Tab. 1).

Table 1. Peculiarities of both traditional trade and Internet trade management

Characteristic features	Traditional trade	Internet trade
Marketing and advertising	<ul style="list-style-type: none"> • based on both traditional research and promotion mechanisms; • high costs of obtaining and processing data and associated costs due to the high data acquisition labor intensity; • temporal information relevance (in most cases) 	<ul style="list-style-type: none"> • based on the online marketing mechanisms use; • obtaining information about consumers in real time thanks to information technologies (in the Big Data field)
Sales strategy	The emphasis is on goods.	Attention is focused on buyer intentions/desires
Forms of communication	<ul style="list-style-type: none"> • it is face to face, most often; • communication with the help of intermediaries, or with the help of documents sent by mail, telephone, fax, etc 	<ul style="list-style-type: none"> • using the screen of the computer, most often; • communication via the Internet: e-mail, website, mobile applications
Payment methods	Cash, payment card, checks, certificate	Payment upon delivery (order conditions), payment card, electronic payments, etc.
Accessibility	Certain days and operation hours, the order is placed in a certain place	The possibility of ordering goods from anywhere 24/7
Delivery options	The goods are collected immediately, or for a separate fee they are delivered to the specified place	The product can be delivered in electronic form (for example, an e-book), by mail or courier to any convenient place for the buyer
Market participants	Manufacturers, intermediaries, buyers	Manufacturers, brokers, Internet users
Connection with the buyer	<ul style="list-style-type: none"> • physical, verbal, visual; • formalised and expanded information flow between the company and the client 	<ul style="list-style-type: none"> • multimedia; • interactive and quick tips; • information flow automation
Relationships	Interpersonal	Virtual

Source: compiled by authors based on Danko, Yavorska, 2021.

In terms of its activity, Internet trade differs from ordinary retail trade. It is characterised by certain functions and features, among which the main ones are: virtuality, interactivity, globality, dynamism, efficiency. Today there are more than 10 types of business models for Internet trade, but the main and most popular models are considered to be: B2C – company–consumer; B2B – company–company; C2B – consumer–company; C2C – consumer–consumer (Danko, Yavorska, 2021). Also, due to the Covid-19 pandemic, the D2C (direct to consumer) model is currently gaining another type of online trade. D2C is a single window for a consumer to interact with a brand, and it is also the main tool for communication with end buyers, which allows to improve the customer experience, and to retain and attract new customers.

Growth of e-commerce in Poland and Ukraine

Poland is one of the fastest growing e-commerce markets in Europe and it remains one of the fastest growing markets in Central and Eastern Europe, but the rate of growth in e-commerce caused by

pandemic in the recent two years has slowed down (The role of e-commerce in retail trade is declining. Technology and ESG pay off). Moreover, a runaway inflation coupled with a weakening of customer demand have impacted on forecasted growth. That said, Poland is expected to return to a growth of B2C volume supported by a dynamic growth of C2C volume, generated mainly by re-commerce (Last mile for e-commerce). One of the factors influencing Polish e-trade were the regulations prohibiting trade on Sundays when most traditional retail points are closed. According to CSO data, online sales in 2022 accounted for a share in total retail sales between 8.4% and 11.9% over the course of months (E-commerce market and retail media). The value of e-commerce sale increased in Poland during 2014–2022 (Fig. 1). The value of the e-commerce market in Poland reached 115 billion zloty in 2022.

Polish people have developed a taste for online shopping, customers' expectations have changed and they are higher and higher. The number of Internet users shopping online has grown. According to European e-commerce report 2022,

the percentage of Internet users in the country that bought goods or services online was as follows: 58% in 2017, 60% in 2018, 66% in 2019, 72% in 2020, 70% in 2021. In 2022, 77% of Internet users have made an online purchase someday (European e-commerce report 2022, p. 69-70; E-commerce in Poland 2022, Gemius).

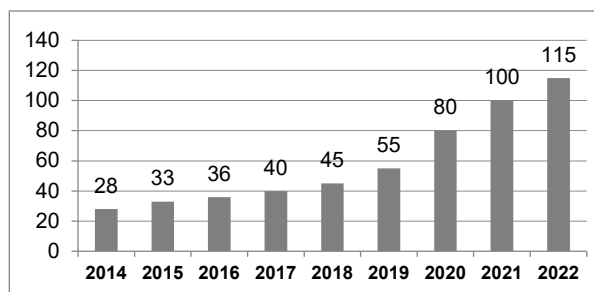


Figure 1. Value of e-commerce market in Poland from 2014-2022 in billion zloty

Source: Report on the condition of postal market in 2021, UKE, p. 24.

Certainly shopping channels preferred by Polish people buying things online are marketplaces – 32%, online shops of famous chain stores – 22%, shopping with mobile apps – 19%, specialised online stores – 10%, shopping on Facebook and Instagram – 2%. Among Polish marketplaces, the leader for years has been Allegro, which has gained about 35% share of Polish e-commerce (Marketplaces 2022: leaders in e-commerce, p. 8-9). According to the report *E-commerce in Poland 2022*, the best spontaneously recognised brands of online services for shopping are: Allegro – 85% of respondents, OLX – 36%, Zalando – 19%, Amazon – 17%, Aliexpress – 15%, Shoppee – 11%, Vinted – 8%, Ceneo – 7% (E-commerce in Poland 2022, Gemius, p. 25).

According to estimates and calculations made by Dun & Bradstreet, the number of registered online stores in Poland accounted for 57.9 thousand in 2022. The number of online stores (in thousands) was as follows: 29,1 in 2017; 28,9 in 2018; 36,6 in 2019; 44,5 in 2020; 52,3 in 2021 (Mazurkiewicz, 2023). The actual scale is bigger, with many companies selling online through sales platforms. The number of online stores in Poland has been growing for a decade according to calculations provided by the Chamber of Digital Economy. In recent years, this growth rate has reached 14% annually. About 150 thousand companies sell through their own website or Allegro, which puts Poland at the forefront of the fastest growing e-commerce markets in Europe (E-commerce in Poland). The most popular devices used by Polish online shoppers in the

purchase process are smartphones (75%) and laptops (73%). Among varied means of payment, Internet users most often choose the possibility of paying by fast transfer through payment service (option declared by 70% of buyers) and the use of mobile payment BLIK (58%), the popularity of which is growing dynamically. Deferred payment is also gaining in importance (12%). Shopping in e-shops is declared by 75% of Internet users and 32% of people buy in foreign online stores. The most frequently chosen form of delivery in Poland is to a parcel locker, of which 81% of buyers use the InPost parcel locker (it is also the most frequently chosen form of returns, 46%). The network of parcel lockers in the country is dense. At the end of 2022, InPost had 27,939 parcel lockers, including 19,306 in Poland (InPost). Courier delivery to work or home is chosen by 43% of online shoppers and 17% prefers delivery to PUDO points. The most frequently used courier companies while shopping online is InPost (36%), DPD (32%), DHL (20%) (E-commerce in Poland 2022, Gemius). Knowledge about sustainable development and Corporate Social Responsibility increases in Poland (13% of consumers are aware of this fact). This aspect is taken into account by 35% of e-consumers. Internet users are paying more attention to ecological packaging. "(...) E-buyers—surveyed for the purposes of the "Responsible e-commerce 2022" report—assess the Polish e-commerce market as better socially responsible than the EU market (4.08 vs. 3.84 on a scale from 1 to 6). The worst market in terms of ecology is the intercontinental market (3.58)" (E-commerce in Poland).

The war changed not only the location of many Ukrainians, but also their shopping behaviour. In a new place, people cannot always find the necessary goods, so they begin to order them online. The need to arrange life in a new place caused a temporary increase in certain goods purchases. According to a Deloitte survey, on the eve of the war, an important trend in Ukraine was observed for the second year in a row: a two-fold predominance of growth rates online over offline. As the Soul Partners study showed, the e-commerce market volume in 2020 increased by 41% and reached 4 billion USD (approximately 2.6% of Ukraine's GDP) which was 8.8% of the total volume of retail trade in Ukraine. In the first half of 2021, Ukrainians paid almost UAH 4 billion for purchases on the marketplace Prom.ua, which is twice the same amount in 2020. The biggest player in the Ukrainian eCommerce market is also olx.ua and rozetka.com.ua. Promodo experts analysed how key indicators in seven segments of Ukrainian e-commerce have changed since the

beginning of the war. Already on the invasion day, all online stores lost an average of 82.7% of sessions. In the first week, Ukrainian online retailers lost almost all their income – falling on average by 92%. But already in the middle of March, incomes began to grow along with a significant increase in the session number.

More than half of Ukraine's Internet buyers are people aged 14 to 34, among them, about 36% are residents of cities with a population of more than 500,000 people, 20.5% – live in rural areas. According to the results of last year, Ukraine was ahead of most European countries in such an indicator as the growth rate of sales on the Internet. This indicator was 35% for our country. A significant spread of Internet trade also took

place in rural areas. About 70% of people had access to online shopping as of the end of 2021 (Research, 2021). Active entry of Ukraine into the world system is hindered by a number of problems (Androschuk, 2022).

In full-scale war conditions, Ukrainians buy more promotional goods, stock up on groceries and drinking water (according to the data of the food delivery service Zakaz.ua) (Digital In Ukraine, 2022). We conducted a social survey of Ukrainians who use Internet trade services (Tab. 2). Survey period: January 2023, respondents: residents of western region cities of Ukraine, a total of 80 people. From the respondents number: 70% – employed; 25% – students; 5% – pensioners.

Table 2. Social survey results of Ukrainians opinions regarding Internet trade service

Question	Answer, %				Note
	Yes	No	Undecided		
1. Do you prefer online shopping?	50	40	10	–	
2. Have you had problems with orders using online resources?	20	65	5		among the reasons: lack of Internet connection; unclear terms of payment
3. Do you think that the delivery of online stores is carried out at an appropriate level?					in most cases respondents responded positively, as the supplier responded to comments quite promptly
3.1. low level of product delivery service	40	50	10	–	
3.2. actual qualities of the product do not always correspond to those advertised when ordering	20	60	20	–	
4. Are you satisfied with the regulatory	60	30	10		communication and resolution of disputed issues is carried out on the basis of management manager/owner decisions of the online store

Challenges for the development of e-commerce market in Poland and Ukraine

E-commerce entities are facing specific challenges depended on, among others, specific character of the market, condition of the economy, macroeconomic and investment policy, legal regulations, the importance of a country in international supply chains, reaction to megatrends, as well as the factors resulting from the resources of individual businesses. The war in Ukraine has had an impact on markets in Ukraine and Poland, e-commerce entities faced the challenge of running a business in an uncertain and rapidly changing environment. Adapting to changing regulations, implementing European Union Directives to Polish legal order (European e-commerce report 2022, p. 70) remains a challenge for e-commerce, affecting the costs and the way in which entities operate in this sector. Also the

improvement of VAT enforcement on consignments outside the EU is a serious challenge in Poland. While speaking about both specific challenges and tasks that faces Polish e-commerce market, it is also worth mentioning the following issues:

- growing competition and new players expanding their offers on the Polish e-commerce market; increase in the market share through Q-commerce platforms which have started to go beyond categories of foodstuff;
- adjustment of business models which are conducive to innovations, ensuring fair competition and a proper level of consumer protection;
- refine an offer of Polish leading players in e-commerce, e.g. Allegro;
- concern for the development of ICT components, well-developed infrastructure

and high-speed Internet, mobile broadband, high-performance computers, trained staff;

- support to digitalisation of SMEs and increase their share in e-commerce market;
- implementation of digital innovation, artificial intelligence, machine learning, virtual reality, big data analytics in e-commerce;
- meeting the growing expectations of e-clients, care for regular customers;
- ensuring the security of online transactions, the development of alternative methods of payment including micropayments;
- extension of online sales on foreign markets;
- profitability and viability of the business; optimisation of operating costs of an e-shop through, among others, work automation, IT outsourcing, logistics outsourcing (cooperation with fulfillment operator);
- improvement of logistic e-commerce customer, timeliness and reliability of delivery, a need for better performance in the supply chain, as well as the green last mile;
- sustainable transformation of the e-commerce sector, increase in ecological and prosocial awareness of e-customer, also in the field of packaging waste management;
- improving the process of handling returns and complaints;
- developing the skills of e-commerce employees and attracting new talents.

The main actual problems and challenges for e-commerce in Ukraine are: the problem of insufficient economic potential; user mistrust of Internet resources; technological issues and the service provision level; the low development level of the infrastructure for goods delivery across Ukraine. The work of Ukrainian sites speed and ease of use mostly leave much to be desired. The reasons for this negative factor are both the obsolescence and low quality of the equipment used by the company in its work. Knowing about the high qualification recognition of Ukrainian specialists at the European level, it is necessary to optimise tax instruments for motivating such specialists in order to develop and introduce new Internet technologies.

As you know, for successful electronic trade, appropriate conditions are necessary, including: the potential buying public presence, i.e. a critical mass of Internet users (according to world practice – from 15 to 30% of country's population, which is an unattainable indicator for Ukraine in wartime conditions); citizens have electronic money in their bank accounts (payment cards); reducing the cost of delivering goods to customers. The government

needs to take comprehensive measures in order to achieve macroeconomic stabilisation, including:

- 1) relations optimization in the tax-budgetary sector and the transition implementation from fiscal to stimulating tax system functions; preparation of a tax benefits system for the development of Internet technologies and Internet commerce stimulation;
- 2) interactions activation between executive authorities, local self-government bodies and business entities with the aim of improving investment climate in Ukraine;
- 3) suitable conditions for the development of small and medium-sized businesses, simplification of procedures for obtaining permits/licenses.

The main tasks for the development of Internet technologies to ensure balanced development in Ukraine are:

- appropriate economic creation, legal and technical conditions in order to ensure wide public Internet access;
- objective information expansion on the national cultural and economic infrastructure on the Internet;
- the constitutional rights ensuring both a person and citizen may freely collect, store, use and distribute information on the Internet;
- conditions for healthy competition in the field of information systems;
- introduction of stable ICT infrastructure and modern ICT into the system of state administration: financial sphere, entrepreneurial activity, education, defense, and culture;
- legal regulation, improvement of protection for intellectual property rights.

Conclusions

Digital commerce is a very important part of the digital economy, the e-commerce sector has significant developmental potential both in Poland and Ukraine. It should be emphasised that the recent years have been difficult for the e-commerce sector in Poland and Ukraine, which was directly influenced by the war in Ukraine. There has been a slowdown in the growth of the e-commerce market, which has been observed in Poland. The omnichannel approach is getting more popular in Poland. The choice of a logistic model in which e-commerce entities want to work has become a real challenge, and logistical servicing of e-commerce customers is becoming increasingly important in terms of the overall buyer's experience. Despite being a dynamically

developed digital economy in Poland, there is still a lot to do in order to reach the level of competitive e-commerce markets in Western and Southern Europe.

Electronic commerce in Ukraine is growing despite the war, and digitisation should be a major priority for the further development of e-commerce and the economy as a whole, which may contribute to Ukraine's reconstruction potentialities after the war. It will be important to rebuild and develop ICT infrastructure, restore broken supply chains, develop logistic networks in order to allow orders fulfillment in the country, support the export of retail products through digital channel with the support of a proper financial policy, increase the accessibility of digital public services, a use international sources of financing and grants to financing (Digital Challengers on the next frontier,

p. 24-26). A valid alternative for regulatory framework improving regarding consumer rights protection in the field of online trade in Ukraine are norms operating in European Union countries: for example, banning of online trade to entities that do not disclose complete registration information; the right to block online stores websites that do not meet requirements regulated by law by court order; introduction of a mechanism for depositing funds by banking institutions; the creation of an official website of honest online stores on the website of the regulator, etc. These steps will make it possible to serve the customers of online stores more effectively, and to expand the network and assortment for online trade, thereby adapting Internet technologies to the needs of balanced socio-economic and ecological development of society.

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