

Ministry of Education and Science of Ukraine
Sumy State University
Academic and Research Institute
of Business, Economics and Management

SOCIO-ECONOMIC CHALLENGES

Proceedings
of the International Scientific and Practical Conference

(Sumy, March 22-23, 2021)



Sumy
Sumy State University
2021

330.3:005(063)

S62

Editor-in-Chief

Prof., Dr. **Vasilyeva Tetyana**, Director of Academic and Research Institute of Business, Economics and Management, Sumy State University

*Approved by the Academic Council of Sumy State University
(protocol № 5, 26 June 2021)*

S62 Socio-Economic Challenges : Proceedings of the International Scientific and Practical Conference, Sumy, March 22–23, 2021 / edited by Prof., Dr. Vasilyeva Tetyana. – Sumy : Sumy State University, 2021. – 302 p.

Proceedings of the International Scientific and Practical Conference "Socio-Economic Challenges" are devoted to finding a systemic solution to multidisciplinary problems in the field of modern development, management, administration of various systems, corporate social responsibility, innovation management in various fields of environmental management.

For scientists, scientists, students, graduate students, representatives of business and public organizations and higher education institutions and a wide range of readers.

330.3:005(063)

© Sumy State University, 2021

E-COMMERCE AS AN ELEMENT OF THE GLOBAL TRADING SYSTEM

*Yelyzaveta Denysenko, student
Inessa Yarova, PhD, As. Prof.
Sumy State University, Ukraine*

Nowadays, e-commerce is the fastest and most convenient way to trade for both sellers and buyers. More and more people are choosing simple and time-saving ways to buy or sell a product. E-commerce is spreading to different areas of the world market every day. Practicality is achieved by reducing staff costs, rent and other factors (E-commerce, 2021; Lesidrenska, S., & Dicke, P., 2012).

Recent research clearly shows that e-commerce is now shaping the way people shop. The e-commerce market has gained great popularity among Western countries, including Europe and the United States. The current trend of e-commerce is encouraging companies to shift the traditional business model, which focuses on "standardized products, a homogeneous market and long product life cycle", to a new business model, which focuses on "diverse and individual products". E-commerce requires a company to be able to meet the needs of different customers and provide them with a wider range of products (Yudina, 2017; Cosmulese et al., 2019; Semenova & Tarasova, 2017; Hammou et al., 2020; Arora, 2019; Kandel & Acharya, J., 2018).

E-commerce acts as a specific form of market organization. Defining e-commerce in this way, it should be borne in mind that the market as a system of interaction between counterparties (seller and buyer), aimed at determining the price of goods and its quantity, requires detailed consideration of the specifics of interaction between e-commerce market counterparts and business modeling on a new technological basis (E-business, 2021; Retailers, 2021; Khan & Hossain, A., 2018; Vargas-Hernández et al., 2018; Rakotoarisoa et al., 2019). The organization of interaction in the e-commerce market involves the use of models of information presentation, transmission, organization of information flows, which allow to optimize the implementation of various economic processes. In addition, one of the conditions for the effective functioning and development of e-business is the definition and implementation of requirements for the environment of information interaction of all participants. Thus, the most relevant study of the organization of the e-commerce market at the structural-functional, technological and logical-linguistic levels, including the disclosure of the social and informational essence of e-commerce, its institutional organization (E-business, 2021; Mishenin, et al, 2018; Mishenin & Yarova, 2019). The organization of business on a new technological basis provides the processes of using information as a factor of social production. Such a business organization creates new forms of competition, a specific competitive environment in which, first of all, the information resource competes

(Mishenin et al., 2018). Based on the model of information interaction of e-commerce market counterparties, it is important to (Hammou et al., 2020; Arora, 2019):

- correspondence of the resource to the direction of the firm's activity;
- availability of necessary and sufficient information about the offered goods and services;
- convenience of communication with the "client", including the possibility of feedback, establishing further contact;
- the ability to study the target audience, consumer preferences, etc. ;

A feature of e-commerce is the individualization of relations between participants in commercial transactions, which is the basis for the implementation of new approaches to the organization of advertising products and services via the Internet, as well as allows detailed study of the market (Ярова, 2018; International Logistics, 2020).

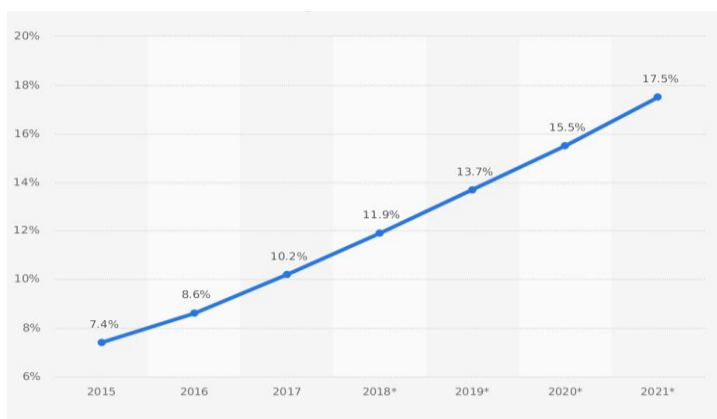


Fig. 1. Share of e-commerce in total global retail sales from 2015 to 2021, %.

Source: E-commerce, 2021

Today we can talk about the following most common areas of e-business (Semenova & Tarasova, 2017; Hammou et al., 2020; Arora, 2019):

- e-commerce (e-commerce in the consumer and corporate sector according to the models of business business – B2B, business – consumer – B2C, consumer – consumer – C2C, consumer for business C2B, etc.) (E-business, 2021);
- Internet services (Internet trading, Internet banking, Internet insurance; information services – access to search engines, electronic catalogs, e-mail and

Internet telephony; medical, transport, tourism, educational and consulting services);

- thematic Internet services (online media, electronic offices of newspapers, magazines, radio and television stations);
- activities of electronic companies (software development for offshore programming technologies, system integration, site promotion and maintenance, hosting and domain registration).

Online stores pay great attention to the aspect of customer trust, trust is another way to manage customer behavior in the digital environment, which may depend on the attitude and expectations of the customer (Ana Njegovanović, 2018; Kibaroglu, 2020). Indeed, product design or company ideas cannot meet customer expectations. The meaning of a customer's purchases is based on rational expectations and additionally affects emotional trust.

One of the key conditions for success for retailers will be their ability not only to track users through a growing number of devices and touch points, but also to figure out how to effectively determine which ones are most effective for driving sales. This will mean an increasing level of complexity in how sales relate to different points of marketing (Mishenin et al., 2021; International Trade, 2020; Mishenin, et al, 2018; Mishenin & Yarova, 2019; Ярова, 2020). The sharing economy should remain, but with a mixed impact on retail. The trend towards shared consumption, which is emerging today as technology is used to facilitate borrowing, sharing, lending, renting and exchanging goods and services, will soon become more apparent. The common economy also forms a way of thinking that is much more adapted to environmental problems and the need to maximize existing resources (Мішенін & Ярова, 2019; Goncharenko, 2020; Abeysekera, 2020; He, Shuquan, 2019). Although shared consumption will have a strong impact on hospitality, we expect its impact on retail to be mixed. The popularity of the Airbnb model means that it will be followed by others, and over time this can have a negative impact on traditional hotel chains and tours (Jaswal, I. & Narayanan, B. 2017; Ana Njegovanović, 2018).

According to the forecasts of the research company, in the world by 2024 the volume of e-commerce will almost double and will grow from \$ 3.4 trillion (2019) to \$ 6.5 trillion. This growth was made possible by the pandemic - 43% of online shoppers, according to Activate, made their first online purchases during this period (Retailers, 2021).

At the same time, there is reason to believe that the coronavirus pandemic will serve as an additional impetus for the development of online commerce. Indeed, in this situation, more and more people around the world are forced to buy on the Internet what they used to go to the store for. And, accustomed to making purchases in one click, they are unlikely to spend more time on it in the future (Khan & Hossain, A., 2018; Vargas-Hernández et al., 2018; Rakotoarisoa et al., 2019). Another advantage of "online" over traditional trade is that many stores are now

simply closed. This problem bypasses online business, because if there is no physical store, you cannot close it (Kibaroglu, 2020).

Thus, the development of e-commerce in general and e-commerce in particular in foreign countries is accelerating. Every year online strengthens its position as a modern and promising method of doing business (Obeid et al., 2021). Foreign sellers and consumers are willing to interact with each other by concluding agreements on the purchase – sale of goods and provision of services on Internet trading platforms.

References

E-commerce share [Electronic resource]. URL: <https://www.protocol.gr/blog/e-commerce-share-of-total-global-retail-sales-from-2015-to-2021> (Available at 15.03.2021).

E-business [Electronic resource]. URL: <https://www.temok.com/blog/what-is-e-business/>

Retailers [Electronic resource]. URL: <https://retailers.ua/news/menedjment/11087-mirovoy-ryinok-e-commerce-vo-vremya-pandemii-vyiros-bolee-chem-vdvoe--na-32-spisok-osnovnyih-igrokov>

Lesidrenska, S., & Dicke, P. (2012). Social-media platforms and its effect on digital marketing activities. *Marketing and Management of Innovations*, (1), 44-52.

Yudina, N. V. (2017). Methods of the startup-project developing based on ‘the four-dimensional thinking in information society. *Marketing and Management of Innovations*, (3), 245-256. <http://doi.org/10.21272/mmi.2017.3-23>

Cosmulese, C.G., Grosu, V, Hlaciuc, E., Zhavoronok, A. (2019). The Influences of the Digital Revolution on the Educational System of the EU Countries. *Marketing and Management of Innovations*, 3, 242-254. <http://doi.org/10.21272/mmi.2019.3-18>

Semenova, K. D., & Tarasova, K. I. (2017). Establishment of the new digital world and issues of cyber-risks management. *Marketing and Management of Innovations*, 3, 236-244. <http://doi.org/10.21272/mmi.2017.3-22>

Hammou, I., Aboudou, S., & Makloul, Y. (2020). Social Media and Intangible Cultural Heritage for Digital Marketing Communication: Case of Marrakech Crafts. *Marketing and Management of Innovations*, 1, 121- 127. <http://doi.org/10.21272/mmi.2020.1-09>

Arora, S. (2019). Customer Behaviour-Online Travel Industry in India. *SocioEconomic Challenges*, 3(1), 90-98. [http://doi.org/10.21272/sec.3\(1\).90-98.2019](http://doi.org/10.21272/sec.3(1).90-98.2019)

Kandel, B.K., Acharya, J. (2018). Impact Of It Factors In Nepali Small Family Business Turnover. *SocioEconomic Challenges*, 4(2), 87-100. DOI: [http://doi.org/10.21272/sec.2\(4\).87-100.2018](http://doi.org/10.21272/sec.2(4).87-100.2018)

Khan, M. Y. H., Hossain, A. (2018). The Effect Of Ict Application On The Tourism And Hospitality Industries In London. *SocioEconomic Challenges*, 4(2), 60-68. DOI: [http://doi.org/10.21272/sec.2\(4\).60-68.2018](http://doi.org/10.21272/sec.2(4).60-68.2018)

Vargas-Hernández, J. G., Orozco-Quijano, E. P., Virchez, J. (2018). Critical Analysis On Institutional Capital On Trade And Environmentally Sustainable Development Under NAFTA. *SocioEconomic Challenges*, 4(2), 21-31. DOI: [http://doi.org/10.21272/sec.2\(4\).21-31.2018](http://doi.org/10.21272/sec.2(4).21-31.2018)

Rakotoarisoa, M.A., Khorana, S., Narayanan, B.G. (2019). Trade Liberalization – Labor Productivity Nexus: The Case of Sub Saharan Africa. *SocioEconomic Challenges*, 3(1), 5-26. [http://doi.org/10.21272/sec.3\(1\).5-26.2019](http://doi.org/10.21272/sec.3(1).5-26.2019)

Mishenin, Ye., Koblianska, I., Medvid, V. (2018). Study of the knowledge needs as the basis for the improvement of local government officials training in Ukraine/ Human Capital Management: innovative aspects of transformational economies: monograph / edited by Dr. of Economics, Prof. Prokopenko O., Dr. of Technology and Social Change Holmberg R., PhD in Economics Kotenko O. – Ruda Śląska: Drukarnia i Studio Graficzne Omnidium, 128 p. (90–99). <http://essuir.sumdu.edu.ua/handle/123456789/68962>

Ярова І.Є. Організаційно-правові форми підприємництва, торгівлі та біржової діяльності. Підприємництво, торгівля та біржова діяльність: підручник / за заг. ред. д.е.н., проф. І. М. Сотник, д.е.н., проф. Л.М. Таранюка. Суми: ВТД «Університетська книга», 2018. С. 53–75.

International Logistics: study guide / I. Ye. Yarova. – Sumy: Sumy State University, 2020. – 119 p. URL: <https://essuir.sumdu.edu.ua/handle/123456789/8003>

International Trade: study guide/ Yu.M. Petrusenko, I.Ye. Yarova. – Sumy: Sumy State University, 2020. – 174 p. URL: <https://essuir.sumdu.edu.ua/handle/123456789/80739>

Mishenin Ye., Yarova, I., Koblianska I. (2021) Ecologically Harmonized Agricultural Management for Global Food Security. In Jhariya, M. K., Meena, R. S., Banerjee, A. (Eds.) Ecological Intensification of Natural Resources for Sustainable Agriculture. Springer Nature Singapore Pte Ltd. ISBN 978-981-334-202-6. DOI: 10.1007/978-981-33-4203-3 URL: <https://essuir.sumdu.edu.ua/handle/123456789/82768>

Mishenin, Ye.V., Yarova, I.Ye. (2019). Methodology for defining sustainable spatial forestry. *Economic Innovations*. Vol. 21. №3 (72). pp. 71 – 78 DOI: [https://doi.org/10.31520/ei.2019.21.3\(72\)](https://doi.org/10.31520/ei.2019.21.3(72)). URL: <https://essuir.sumdu.edu.ua/handle/123456789/82488>.

Мишенін Є.В., Ярова І.Є. Системна оцінка результативності екологічного оподаткування у контексті соціально-еколого-економічної безпеки просторового розвитку. *Збалансоване природокористування*. 2019. №1. С.38 – 47. DOI: <https://doi.org/10.33730/2310-4678.1.2019.170589>

Ярова І.Є. Методологія оцінки національної безпеки у контексті принципів сталого просторового розвитку. *Збалансоване природокористування*. 2020. №3. 30 – 42. DOI: <https://doi.org/10.33730/2310-4678.3.2020.212599> URL: <https://essuir.sumdu.edu.ua/handle/123456789/82504>

Goncharenko, T. (2020). From Business Modelling to the Leadership and Innovation in Business: Bibliometric Analysis (Banking as a Case). *Business Ethics and Leadership*, 4(1), 113-125. [http://doi.org/10.21272/bel.4\(1\).113-125.2020](http://doi.org/10.21272/bel.4(1).113-125.2020)

Abeyssekera, R. (2020). Exploring Factors Affecting the Effectiveness of Business Training in the Microfinance Sector: Using the Industrial Marketing Purchasing (IMP) Approach. *Business Ethics and Leadership*, 4(3), 46-56. [https://doi.org/10.21272/bel.4\(3\).46-56.2020](https://doi.org/10.21272/bel.4(3).46-56.2020)

He, Shuquan (2019). The Impact of Trade on Environmental Quality: A Business Ethics Perspective and Evidence from China. *Business Ethics and Leadership*, 3(4), 43-48. [http://doi.org/10.21272/bel.3\(4\).43-48.2019](http://doi.org/10.21272/bel.3(4).43-48.2019)

Jaswal, I., Narayanan, B. (2017). Trade impact of SADC-India FTA on textiles and clothing sectors. *Business Ethics and Leadership*, 1(2), 20-30. Doi: 10.21272/bel.1(2).20-30.2017

Ana Njegovanović (2018) Digital Financial Decision With A View Of Neuroplasticity / Neurofinancy / Neural Networks. *Financial Markets, Institutions and Risks*, 2(4), 82-91. DOI: [http://doi.org/10.21272/fmir.2\(4\).82-91.2018](http://doi.org/10.21272/fmir.2(4).82-91.2018)

Njegovanović, An. (2019). Theoretical Insight in Financial Decision and Brain as Fractal Computer Architecture. *Financial Markets, Institutions and Risks*, 3(2), 91-101. [http://doi.org/10.21272/fmir.3\(2\).91-101.2019](http://doi.org/10.21272/fmir.3(2).91-101.2019).

Kibaroglu, O. (2020). Self Sovereign Digital Identity on the Blockchain: A Discourse Analysis. *Financial Markets, Institutions and Risks*, 4(2), 65-79. [https://doi.org/10.21272/fmir.4\(2\).65-79.2020](https://doi.org/10.21272/fmir.4(2).65-79.2020).

Obeid, H., Hillani, F, Fakih, R., Mozannar, K.(2020). Artificial Intelligence: Serving American Security and Chinese Ambitions. *Financial Markets, Institutions and Risks*, 4(3), 42-52. [https://doi.org/10.21272/fmir.4\(3\).42-52.2020](https://doi.org/10.21272/fmir.4(3).42-52.2020)