

## E-COMMERCE MARKET DURING THE WAR

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**Abstract.** The business has undergone significant changes thanks to a combination of computer technology, big data analysis, and machine learning tools. This has helped to better understand the needs of consumers and interact with them in a more efficient way. Companies are increasingly focusing on process automation, analysis, forecasting, and personalization.

In recent years, e-commerce has become a fast-growing sector in Ukraine. With the increasing use of the Internet and the growth of the digital economy, more and more consumers are turning to online shopping.

Despite all the difficulties for the Ukrainian economy and the world at large, 2023 was a year of technological breakthroughs. Especially for retail and e-commerce.

Until February 24, the Ukrainian e-commerce market was growing rapidly. According to Prom.ua, the total volume of the e-commerce market in Ukraine amounted to UAH 151 billion, which is the total amount of sales of goods and services via the Internet, which is 17% more than in 2021. The report also emphasizes that the number of online shoppers in Ukraine decreased by 23% in 2022, and the average order value increased to UAH 1,190 [1].

Currently, the share of e-commerce is 11%, and this figure is growing. The report by Prom.ua also emphasizes that the average check for online purchases in 2023 is UAH 1172, which is a 38% increase, but these values vary depending on the platform.

Several factors have contributed to the growth of e-commerce in Ukraine. One of the key factors is the growing internet penetration, which has increased the number of potential online shoppers. The proliferation of mobile devices has also made it easier for consumers to make online purchases, as they can now do so from anywhere and at any time. Another factor that has contributed to the growth of e-

commerce in Ukraine is the change in consumer behavior. Consumers now feel more comfortable shopping online, and they are increasingly using the Internet to research products before making a purchase. The COVID-19 pandemic has also accelerated the growth of e-commerce in Ukraine, as consumers have been forced to shop online due to lockdowns and travel restrictions [5].

According to a study by Promodo, e-commerce in Ukraine suffered heavy losses after the events of February 24, 2022. On the day of the Russian invasion, all online stores lost an average of 82.7% of sessions, and the revenue of Ukrainian online retailers decreased by 92% in the first week. Since mid-March, the trend has changed to a positive one and retailers' revenues have started to grow.

If Ukraine maintains the positive trend of e-commerce market growth, it can reach the level of Sweden, Finland and Canada. Compared to countries where e-commerce is more developed, the share of e-commerce in China is 46%, in the UK - 36%, and in South Korea - 32.3%. [4].

One challenge facing the e-commerce industry in Ukraine is the lack of infrastructure. Logistics and delivery infrastructure in Ukraine is underdeveloped, making it difficult for online retailers to deliver goods quickly and efficiently. The lack of infrastructure is particularly problematic in rural areas, where delivery can take several days or even weeks. Lack of trust in online transactions is another significant issue that hinders the growth of e-commerce in Ukraine. Many Ukrainian consumers are still hesitant to make online purchases due to concerns about fraud and security issues.

Thanks to digital transformation, e-commerce is playing an increasingly important role in the development of retail. The following e-commerce trends are expected in 2023:

- The growth of personalization, thanks to the use of artificial intelligence and machine learning. Retailers will be able to provide individualized and relevant recommendations to customers based on their purchase history and online behavior.

- Mobile optimization, which will be a key factor in the growth of e-commerce as consumers increasingly use mobile devices to make online purchases.

- The growth of social commerce, with social media platforms becoming key players in the e-commerce space.

- Greater focus on sustainability, with e-commerce businesses paying more attention to environmental issues and manufacturing practices.

- Using augmented reality (AR) to provide customers with an immersive and interactive shopping experience [2].

E-commerce in 2023 is poised for further transformation, with new trends and technologies driving innovation and growth. Companies that want to succeed in e-commerce must keep a close eye on trends and adapt their strategies accordingly. Companies that want to remain competitive in the e-commerce environment must keep up with these trends and be ready to adapt to new technologies and strategies. As customer expectations change and new technologies emerge, companies need to remain flexible and nimble to stay competitive.

**Keywords:** business; e-commerce; technology; transformation.

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