

# ONGOING CHALLENGES OF INTERNATIONAL E-COMMERCE MARKET.

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Electronic commerce is a relatively new phenomenon for the global economy that quickly gained interest. The main task of e-commerce is not so much the replacement of the traditional mechanism of trade between economic agents, as the increase in its efficiency in the form of complementing the traditional ways of interaction between participants in business processes: reducing transaction costs or speeding up information exchange. The article analyzes the main global trends in the global e-commerce market. This analysis was carried out on the basis of general and statistical information provided by international organizations such as the WTO and UNCTAD.

**Key words:** e-commerce, digitalization, e-commerce trends, international e-commerce market, mobile e-commerce.

It is impossible to deny the enormous influence of the digitalization of the international market on today's world economy. The e-commerce sector is attracting more and more people, money and turnover are constantly increasing, new companies and projects are emerging, and thanks to e-commerce, the competitiveness of enterprises is growing. Earlier, e-commerce was considered solely as an additional channel for the promotion and sale of goods, today it is already considered to be a full-fledged retail segment.

The rapid penetration of information technologies (the Internet in particular) into the economic sphere of society is a natural consequence of the development of technological progress. For the period 2013 - 2015 total turnover of online trading has increased from 16 trillion. up to 22 trillion dollars [1]. In 104 countries of the world, more than 80% of young people have access to the Internet, in developed countries this figure reaches 94%. For 42% of the population surveyed by the Center for International Management Innovation, it is easier and more convenient for people to shop online than in physical stores [2].

The international e-commerce market is in the process of globalization, manifested in the ubiquitous use of digital technologies. The international e-commerce market is changing every year – as it is a dynamically developing industry. Due to the fact that e-commerce at this stage is developing faster than the scientific base, the related issues retain their relevance, because it is necessary to assess the changing realities of this area.

The term “e-commerce” for the last decade remained one of the most important for the world economy. WTO defines electronic commerce as “pro-

duction, distribution, marketing, sale or delivery of goods and services by electronic means” [3]. The perks of going digital are close to endless, since it can give a global presence effect to small and medium-sized enterprises, reduce transaction costs, accelerate information exchange and so on.

In order to understand the international e-commerce market, it is essential to analyze most prominent trends.

First, major players on the market. According to the statistical information provided by UNCTAD, among ten leaders are Germany, United Kingdom, France, Canada, Spain and Australia, headed by USA, Japan, China and South Korea. Here I would also like to mention, that at present, global production of goods and services in the ICT sector accounts for about 6.5% of global GDP, and 100 million people are employed in the ICT services sector alone. In 2015, the share of sales in the global e-commerce reached 25.3 trillion. USD, 90% of which belonged to the business sector, and 10% - in the form of B2C transactions [1].

All of the most active players on the e-commerce market are coming from developed countries, and there is a solid reason to that. As a matter of fact, digitalization changes economic activity in all corners of the globe, but these changes occur at different speeds, depending on the country's willingness to participate in the international digital economy.

There is still a prominent gap between developed and least developed countries. The existence of this gap, of course, is one of the pressing problems of the modern digital economy. Lagging countries simply do not have access to all the benefits that e-commerce can bring; they cannot be considered active participants. While access to mobile broadband in developed economies exceeds 90% of the population, in developing countries it is only 40%, and in LDCs it does not exceed 20% [1].

In addition to the absence of the Internet we should also take into account such factors as the slow speed of loading pages, images, the high cost of Internet connection. They, in turn, affect the desire of buyers in these countries to make purchases over the Internet or use the Internet in business purposes.

Another trend of today's e-commerce is the spread of mobile communications, and, accordingly, sales made using mobile phones. The growth rate of mobile e-commerce B2C in the past two years has exceeded the growth rate of e-commerce B2C in general, and therefore to be adapted to these conditions is a vital need for modern companies.

It is predicted that by 2019 the share of commercial sales made using mobile phones will be about 67.20% of retail sales in e-commerce worldwide. At the same time, Asia accounts for almost half of the mobile commerce market. China, the United Arab Emirates and Turkey have the largest number of mobile buyers - 68%, 57% and 53%, respectively, of the total population. In ad-

dition, the emerging markets with the highest growth rates are India, Taiwan and Malaysia. So, for example, in India since 2016, the company Jio, which is a mobile and Internet provider, has been actively working. In just one month, they acquired 16 million customers. As of October 2017, more than 130 million people in India use the services of Jio, and the company itself is considered the mobile operator with the highest growth rates in the world [6]. In developed countries, there is also an increase in sales made using mobile phones: the highest rates are recorded in Japan, the United Kingdom and the Republic of Korea.

E-commerce, as previously mentioned, is a relatively new concept for the market. The situation is such that the current unified international legislation in this area has not yet been developed. According to the OECD, a favorable legal and regulatory framework has a direct impact on the promotion of consumer confidence in the digital market, and it is important to establish policies that simultaneously promote trust and do not interfere with trade. However, in the legislative area there is also a significant gap between developed and developing countries. While 98% of developed countries have relatively clear and transparent rules regarding electronic transactions in legal systems, in Africa only 54% have implemented laws on electronic transactions.

Why knowing all those trends is vital in today's world? The answer is simple: accumulating information about changes in market conditions allows you to track seasonal fluctuations in product prices, changes in consumer preferences, the volatility of the supply of goods and adequately respond to these changes.

For companies and corporations it is a valuable and essential tool that they use to survive on the highly competitive international market. For economists it is a fascinating thing to study, because e-commerce is a new phenomena that develops right in front of our eyes.

As a conclusion: to date, several global trends have taken shape. First, main players on the market are USA, China, Canada, Korea and Japan. This leads to the second trend, which is a prominent gap between developed countries and least developed countries, which results in an inability of the latter to participate on the market. Then, it's a growing role of mobile phones in making purchases, especially in B2C segment. And obviously an increased focus on the regulation of electronic commerce at the national and international levels.

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