

Секция 2

МЕНЕДЖМЕНТ В XXI ВЕКЕ: НОВЫЕ ВЫЗОВЫ И ТЕНДЕНЦИИ РАЗВИТИЯ

A. I. Andreichykova, A. S. Trushkina,
3 st year students of School of Business BSU
Scientific supervisor:
Senior lecturer, master of management
N. S. Danilova

PROSPECTS FOR THE DEVELOPMENT OF THE BELARUSIAN E-COMMERCE SECTOR UNDER THE SANCTIONS REGIME

E-commerce (electronic commerce or online trading) is the process of buying and selling goods and services online using various electronic devices such as computers, mobile phones, and tablets.

E-commerce plays a pivotal role in both the global economy and the economies of individual countries. It revolutionizes traditional retail by providing convenience, accessibility, and a vast array of goods and services to consumers worldwide. In terms of the global economy, e-commerce giants like Amazon, eBay, and Alibaba have not only transformed consumer behavior but also influenced supply chain dynamics and international trade patterns.

On a national level, e-commerce contributes significantly to economic growth, job creation, and innovation. In Russia and Belarus, for instance, companies like Wildberries and Ozon have emerged as key players, stimulating domestic consumption and fostering entrepreneurial opportunities. These platforms not only serve as marketplaces but also enable small and medium-sized enterprises to reach a broader customer base, driving competitiveness and productivity in the local economy.

In Belarus, the e-Commerce market is thriving, with revenue projected to reach US\$1303.00 million in 2024 and expected to grow at an annual rate of 10.41 % (CAGR 2024-2029), reaching US\$2138.00 million by 2029. The number of users is anticipated to reach 4 451000.0 by 2029, with a user penetration rate of 42.4 % in 2024, expected to increase to 49.1 % by 2029. The average revenue per user is forecasted to be US\$365.10 [1]. Hobbies and leisure are the largest market, accounting for 26.4 % of e-commerce revenue in Belarus. It is followed by electronics (20.5 %), fashion (16.8 %), furniture and household goods (11.7 %), care products (9.4 %), DIY household goods (9.0 %) and groceries (the remaining 6.1 %) [2].

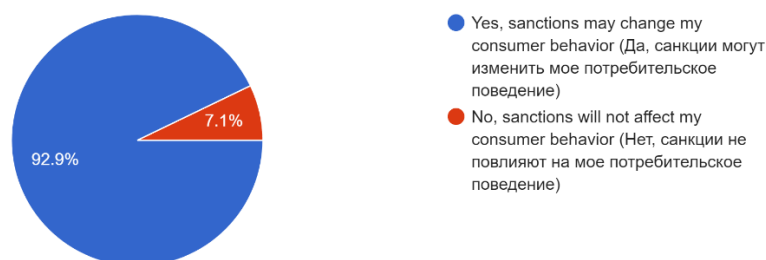
The highest growth was recorded in 2020, driven by the COVID-19 pandemic and consequent implementation of restrictions. According to the German company Statista, which specializes in market and consumer data, for four years, from 2019 to 2022 inclusive, the influx of online customers in the world amounted to about 1 billion. The shift in consumer behavior among Belarusians, induced by the pandemic several years ago, has not reverted to pre-COVID levels. However, geopolitical conflict over the past year has significantly influenced the situation. The military conflict between neighboring states, coupled with sanctions imposed on Belarus has altered the direction of external trade.

Following the escalation of global tensions, Belarus encountered challenges in logistics and payments. European suppliers are ready to work with Belarusian businesses, but there are nuances. Products must be self-exported, and customs declarations are made through European agents. Delivery times increase by 2-3 times due to contractor searches and coordination with EU regulatory

bodies, and entrepreneurs may wait up to six months for export permits. Belarusian banks have been subjected to sanctions by the US, Canada, EU, UK, and Japan, with nearly half affected in 2021 and more a year later. Businesses have opened accounts in other countries to settle with foreign partners and transfer money to Belarus. However, this practice has already attracted the attention of EU and US financial regulators[3]. Thus far, Belarusian retail and consumers have not confronted significant difficulties. The entire assortment of seasonal products remains stocked in warehouses. Thanks to seasonal sales, the volume remains balanced. When considering the entirety of e-commerce offerings, the number of product listings has decreased. Consumers are compelled to adapt to the situation and alter their preferences [6].

In order to clarify the topic of the impact of sanctions on e-commerce field the survey has been conducted by the authors of this scientific work. It was held on Google Forms and was completed by 14 participants. Questions of difficulties in e-commerce after the introduction of sanctions and changes in consumer behavior were discussed. Based on the responses, it's evident that the introduction of sanctions has brought about several challenges in e-commerce. Most of the takers have remarked restrictions in import/export of goods and increased prices of goods. The rest of the challenges include lack of access to certain markets and deterioration of logistics and delivery conditions. While some respondents haven't experienced significant changes in their shopping habits or faced delivery issues due to sanctions, others have altered their choices of goods/services and encountered delays in delivery (fig. 1).

Do you think sanctions may change your consumer behavior in the future? (Как вы считаете, могут ли санкции изменить ваше потребительское поведение в будущем?)
14 responses



Resulting diagram

Specific examples mentioned by respondents include well-known brands like Adidas, Nike and Bosch, as well as popular online platforms like AliExpress. Products and services such as electronics, household appliances, food products and makeup brands have been highlighted. Moreover, there's a consensus among participants that sanctions might influence their consumer behavior in the future. To navigate these challenges, suggestions such as utilizing alternative suppliers and markets, developing strategies to reduce dependence on affected regions, and improving logistics and delivery conditions have been proposed. As e-commerce continues to evolve, adapting to the sanctions environment will be crucial for sustaining growth and meeting consumer demands.

In light of recent geopolitical developments and sanctions imposed on Belarus, it becomes imperative for businesses to strategize effectively to navigate through these challenging times.

Consumer-to-consumer (C2C) buying and selling platforms have remained popular among consumers for many years and continue to be relevant today. These platforms facilitate trading on electronic marketplaces for ordinary individuals offering items for reuse, although some have expanded to include sections for new products. Against the backdrop of an unstable economic situa-

tion and high inflation levels, Belarusians will continue to sell and purchase goods, leading to an increase in online sales. The most popular platforms in Belarus include EDC.SALE, KUFAR, Onliner, 21vek GDE, SLANET, CENOTAVR, and «From Hand to Hand». These services offer not only sales but also service ordering, job searches, etc. Additionally, some provide delivery of goods, promotion of ads to top positions, sales statistics, payment guarantees, and refunds [5].

Marketplaces are increasingly dominating the electronic sales market. They become the backbone of Russia's online retail sector, commanding nearly 80 % of online orders in 2023, primarily driven by Wildberries, Ozon, and Yandex. Market according to the Russian research agency Data Insight. Active seller numbers increased from 430 thousand to 546 thousand on Wildberries and Ozon combined between September and early December. Additionally, around 42 thousand new sellers appeared on these platforms in early December. Product categories like «Clothing, footwear, and accessories» dominate on Wildberries, while «Home goods» lead on Ozon [4].

Experts suggest that over time, marketplaces will squeeze out small-scale internet shops that have a limited consumer base and cannot compete with larger platforms, where buyers can purchase almost everything with a single click. It is more advantageous for internet shops to integrate into marketplaces and carve out their niche there. Additionally, marketplaces offer courier delivery and an ample number of pick-up points.

An emerging trend gaining traction in e-commerce is the integration of **Augmented Reality (AR)** technologies, allowing for the fusion of real-world and virtual elements. AR applications enable consumers to visualize products in their physical environment before making a purchase decision, enhancing the online shopping experience. For instance, popular retail chain IKEA offers a feature through its application that allows users to virtually place furniture items within their living spaces prior to purchase. This innovative approach bridges the gap between offline try-on experiences and online purchasing, contributing to its increasing popularity. Statistical projections suggest a significant annual growth rate exceeding 15 % for purchases facilitated by AR technologies globally. Moreover, recent data indicates a remarkable conversion rate of approximately 94 % from AR-assisted product visualization to actual sales.

In addition to AR, the prevalence of **mobile applications** in e-commerce remains pronounced. With mobile devices becoming ubiquitous in daily life, they serve as primary access points for online shopping. Over 70 % of global internet traffic is attributed to mobile applications, with smartphones accounting for more than 63 % of online orders. Consequently, the development of robust mobile applications has become imperative for retailers to ensure sustained consumer engagement and operational viability.

Furthermore, contemporary consumer preferences emphasize **audio-visual content** consumption over textual information. As such, leveraging video content within e-commerce platforms has emerged as a pivotal strategy. Research indicates that incorporating videos alongside textual descriptions on product pages significantly enhances user engagement, with over 70 % of users favoring video-based content for information retrieval.

Although economic restrictions and geopolitical instability, Belarus has a lot of potential to expand and adapt in the e-commerce industry. The continued success of marketplaces like Wildberries and Ozon suggests that Belarusian customers have a high need for online purchasing platforms. Using technology such as Augmented Reality (AR) opens up new ways to improve online shopping and increase revenue. Furthermore, the widespread use of mobile applications emphasizes how crucial it is for sellers to adopt mobile-first strategies in order to effectively interact with customers. As buyer preferences shift toward the consumption of audio-visual content, using video content in e-commerce platforms can increase user engagement and boost revenue. Despite geopolitical obstacles, Belarus's e-commerce industry offers plenty of chances for companies to innovate, broaden their customer base, and profit from the developing online market.

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