

MODERN BUSINESS TECHNOLOGIES: E-COMMERCE AND VIRTUAL TRADE

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CORONAVIRUS IMPACT ON TOP RETAIL E-COMMERCE WEBSITE TRAFFIC IN UKRAINE

Coronavirus has affected all areas of human activity. The 2020 year has set new challenges for the retail sector as well. Therefore, each retailer was preparing a new improvised strategy for the introduction of e-commerce technologies. These new challenges have caught retailers in various states. Some were completely online resellers, some were offline, others focused on multichannel or omnichannel strategies. For example, Rozetka in 2019 was a record holder in terms of traffic. In turn, Fozzy Group was only exploring new opportunities for online commerce, so through the quarantine «Silpo» went online earlier than planned.

The purpose of the research is to analyze how anti-epidemiological measures have affected the traffic of the largest retailers in Ukraine. The list of enterprises was formed on the basis of the Forbes Ukraine rating [1]. We also filtered companies whose organic traffic in 2019 did not exceed 1 million (*traffic data was collected using the semrush service and grouped by the author*). You can find the rating in table 1. The filtering was done to weed out representatives who did not have the IT infrastructure ready to respond quickly to legal restrictions through the

coronavirus. It should be added that the level of organic traffic among the selected enterprises did not have a high dynamics. On average, traffic increased by 13% from the beginning to the end of 2019. Only «Metro Cash & Carry» increased its traffic by 50%, for other online retailers this figure ranged from 0% to 13%.

Table 1

The largest retailers in Ukraine with traffic above 1 million

Retail Name	Forbes ranked	Revenue growth in 2020, %	Profit (loss) in 2020, UAH million	Organic traffic in 2019*
Fozzy Group	5	3	N/A	3,022 m
Epicenter K	9	10	3 171	2,839 m
Metro Cash & Carry	29	20	-1 726	1,818 m
Rozetka	33	48	110	50,140 m
Comfy	38	19	81	8,265 m
Foxtrot	40	9	70	8,161 m
Eva	44	5	540	1,165 m
Eldorado	56	18	-344	4,606 m

* Organic traffic was collected by service semrush.com

Source: [1]

The analysis was conducted based on two indicators for measuring the traffic, which were collected using the service semrush.com. We collected historical monthly data about the next few measures:

- **Organic traffic.** It is the number of visitors that land websites from unpaid sources (*ex. Google, Yahoo, Link, etc.*);

- **Paid traffic.** It is opposite to organic traffic. It represents visits from paid sources (*ex. Google Ads, Facebook Ads, YouTube Ads, etc.*).

It should be understood that the collected indicators do not show the whole picture. For example, information about paid

traffic may not include users who came from SMS, chatbots, blogging, etc.

Changes in the schedule of traffic levels were made taking into account the quarantine restrictions introduced by the Cabinet of Ministers of Ukraine [2–4]. You can see dates of anti-epidemiological measures in figure 1. The green vertical line is the first resolution of the Cabinet of Ministers [2], black – second one [3] and red is the last one [4].



Figure 1. Organic traffic for selected retailers

After the first quarantine restriction, all retailers have activated e-commerce resources, which we can see from Figure 1. From March (*first wave of quarantine*) to June (*second wave of quarantine*), traffic increased by an average of 188%.

Compared to the end of 2019, monthly organic traffic at the end of 2020 increased by an average of 494%. Growth rates range from 116% to 1735%. Epicenter K is a relative record holder in the growth of organic traffic – 1735% of growth. In turn, the absolute record was set by Rozetka – organic traffic exceeded 10 million after May and did not fall below this figure. In an interview with Forbes Ukraine, the top management of Rozetka considers the epicenter to be its first competitor [5].

Paid traffic is more dynamic and there are no clear patterns as organic traffic. In Figure 2, we can track several strategies for paid user engagement. Some online sellers have set up a process of using paid traffic, among them Rozeta, Comfy, Foxtrot, and Eldorado. Other online retailers have once invested in online advertising to show users about their arrival online – it's «Silpo», Epicenter K, Metro Cash & Carry. The quality of the chosen strategy depends on the type of enterprise. Because some players only sell online, for others it's a new unexplored channel.



Figure 2. Paid traffic for selected retailers

As of 2021, the largest retailers that used e-commerce not only maintained their pre-quarantine positions but were also able to increase revenues (Table 1). E-commerce has played a key role in the adaptability and competitiveness of retailers and analysts clearly show it.

In the future, it is also worth exploring how retailers have adapted to COVID-19 changes without available IT resources and how it has affected their financial performance. Also, one more important exploring is how multichannel and omnichannel strategies affect the competitiveness of retailers.

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