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DOI: <https://doi.org/10.30525/978-9934-26-447-4-8>

## **FEATURES OF THE DEVELOPMENT OF E-COMMERCE IN UKRAINE IN THE CONDITIONS OF MILITARY ACTIONS**

The development of modern society is closely linked to the rapid pace of digitalisation and computerisation, which have become an integral part of everyday life and an important factor in the growth of national economies in major countries. These changes are driven by global trends that cover all areas of activity, especially in business.

The outbreak of hostilities in Ukraine has led to significant changes in the business environment, especially in the e-commerce sector. The hostilities have had a significant impact on consumer behaviour and have led to a marked shift in the growing reliance on e-commerce platforms. This area of commerce has demonstrated remarkable adaptability and flexibility, ensuring business continuity in the face of conflict.

The transformation of the e-commerce sector in Ukraine during the war has had major social and economic implications. One of these impulses is the expansion of e-commerce, which can be linked to the spread of information technology and digitisation. Such changes have become a global trend, and Ukraine is not standing aside from these processes. Therefore, it is important to analyse the peculiarities of e-commerce development in the context of military operations in Ukraine.

In the narrow sense, e-commerce is trading via the Internet. In the broadest sense, it is work in global networks. As a business model, e-commerce covers commercial and financial transactions carried out via the global Internet, as well as business processes related to such transactions [1].

Until February 2022, the e-commerce market in Ukraine was growing and developing steadily. According to the European Business Association, the annual growth rate was 20-30% since 2018. However,

the outbreak of hostilities had a significant impact on the sector. Nevertheless, in the spring of 2023, the volume of e-commerce in Ukraine increased by 25% compared to 2022 and continued its positive trend [7; 8].

In 2023, a new law "On Consumer Protection" [2] was adopted, which will come into force after the end of martial law. This law introduces innovations in the field of e-commerce, in particular the term "automated system of verified sellers", which provides for the collection, accumulation and processing of information about e-commerce entities. A state information system is being created that will become part of the unified state web portal "E-buyer". This portal aims to introduce state control over compliance with consumer protection legislation through mandatory registration of all entities providing e-commerce services.

The legislation establishes the obligation to register on the E-buyer portal for persons who sell goods, perform work or provide services using information and communication systems. Contractors must register on the portal within 6 months from the date of its launch. The relevant obligation is also set out in the Law of Ukraine "On Digital Content and Digital Services" [3], which came into force on 2 March 2024. The law obliges performers providing digital content or services to register on the E-buyer web portal and provide consumers with information about themselves.

The new law increases liability for sellers by specifying the details of violations and sanctions for them. In addition to establishing fines based on the prices in force at the time of purchase, the law provides for a minimum threshold of fines equal to the tax-free minimum income.

The e-commerce market in Ukraine had shown steady growth in recent years prior to the full-scale invasion. Ukrainian e-commerce companies have implemented various strategic changes to support their operations. For example, many companies have relocated from conflict-affected regions to safer areas in western Ukraine. A survey conducted by the Ukrainian Internet Association (UIA) in 2023 found that 75% of e-commerce companies have switched to a remote work model, a critical step to ensure business continuity [10].

Ukrainian e-commerce businesses have significant potential to enter international markets. In 2023, 20% of these companies reported plans to enter European markets, taking advantage of favourable trade agreements and strong digital infrastructure [6]. Investment in digital infrastructure is crucial. There is also a growing demand for migration

and modernisation of cloud infrastructures, with 70% of workloads expected to be migrated from on-premises systems by 2028. Anton Skazochkin, Head of Cloud Services at SoftwareOne in Central and Eastern Europe, also noted the rapid development of the AI ecosystem: 40% of service projects already have AI components. However, 42% of organisations experience a shortage of qualified personnel for AI implementation. Cloud migration and AI implementation are becoming more common, but it is important to approach these processes in a balanced manner, taking into account the risks and the need to develop staff skills [9].

The growth of e-commerce has created significant employment opportunities. In addition, according to the National Bank of Ukraine, the contribution of e-commerce to GDP increased to around 3.5% in 2023, up from 2.1% in 2021. The competitive landscape has changed, with traditional retailers increasingly opening online. The Ukrainian Retail Association reported a 35% increase in the number of traditional retailers with online platforms in 2023. E-commerce platforms play a crucial role in supporting communities by providing access to basic goods and services. Initiatives such as free delivery of essential goods in conflict zones have helped to maintain social cohesion and support vulnerable populations.

Businesses cooperate with publishers and ad setup specialists on a CPA model, which involves paying for a targeted action. For example, an online store pays a commission for each confirmed order, rather than for banner placement or clicks that do not bring the desired result. According to Admitad, the majority of orders in 2022 were made through cashback services, as well as through traffic purchases and content placement on information platforms [5].

The adaptive strategies employed by Ukrainian e-commerce companies underline their resilience and ability to navigate an unpredictable environment. These measures not only ensured survival, but also prepared companies for post-conflict recovery and growth. E-commerce has become one of the most promising and important components of the economy, as companies must respond quickly to changing market conditions to meet consumer needs, increase economic efficiency and withstand competitors.

The conflict has changed consumer behaviour, highlighting the importance of trust and reliability in e-commerce. This shift presents opportunities for businesses to further strengthen customer relationships and adapt to changing consumer needs. The expansion of the

e-commerce sector during the war has not only contributed to economic growth, but also maintained social stability. This underlines the vital role of the sector in the broader socio-economic landscape of Ukraine.

Based on this analysis, it can be argued that the point of decline for e-commerce in Ukraine has already been passed. Even if the hostilities continue, we can expect to see an increase in both consumer and production capacity in the near future. The war has exposed the shortcomings of e-commerce development in Ukraine, including the imperfection of the legal framework. The issue of legislative changes, especially in the part related to the regulation of digital goods and services, needs to be addressed separately and systematically.

Thus, e-commerce demonstrates considerable adaptability and resilience, ensuring business continuity and economic development even in times of conflict.

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