Yuriy Pachkovskyy
Ivan Franko National University of Lviv

Anna Maksymenko
Institute of Regional Development named after M. I. Dolishniy
of the NAS of Ukraine

The Young Consumer in the Ukrainian e-Commerce Market

Summary

Main trends in the development of e-commerce in Ukraine based on the results of the year 2015 were reviewed. Despite the crisis and annual decrease by 20%, the Ukrainian e-commerce has predispositions for growth. It is mainly caused by the factors of legislative (passing of the national law concerning e-commerce), economic (devaluation of Ukrainian hryvnia motivating the consumers to purchase goods on-line as an alternative to traditional retail, and give their preference to national producers), and technologic character (spread of the Internet, introduction of the third generation mobile telephony). Moreover, the focus upon the improvement of the Internet service, spread of the network of logistics companies, and development of on-line payment systems – these are the tasks for the Ukrainian e-commerce in the nearest future. Attention was drawn in the article to the target e-commerce audience which is mainly represented by youth. The presented results of sociological research (conducted by the authors in 2015 among young people of 18-35 years in the Lviv region) show that the consumer preferences vary significantly depending on age groups, as well as on the location of their residence (urban or rural areas).

Key words: e-commerce, consumer preferences, young consumer, Ukraine.

JEL codes: A14, D12

Introduction

Current global trends allow the assumption about deep changes in the organization and transformation of the traditional retail, which in the environment of informational society keeps gaining the characteristics of extensiveness and mobility. On the other hand, we are witnessing quality changes in tastes and preferences of a potential customer, who wishes to be informed and aware, knows his/her rights and is competent enough in the purchasing choices. This course of events is also typical for the Ukrainian society, which has went through the deficit stage on the commodity market during late 80s and early 90s of the 20th century and since then has reached its proper organization and balance. The development of trade relations assumes the features of competitiveness and gradual "liberation" from various institutional impacts at the level of state regulation monopolies. Yet there are a number of unresolved issues related to consumption culture and consumer protection, equality of their access to technological advantages during online purchases of goods and services.

One of the important elements of the modern trade relations in Ukraine is the swift development of electronic commerce (e-commerce), which is almost devoid of boundaries and has unlimited resources for its development due to the possibility of purchasing of goods and services via the Internet. Shopping online is expanding trade's spatial limits, transforming this market into a global one. Ukraine has made significant progress in e-commerce development in recent years. Thus, the average annual turnover growth of e-commerce in Ukraine in 2009-2013 amounted to ca. 60% (Н. Савицька, К. Полевич, 2014). According to GfK Ukraine, in 2013 Ukraine's e-commerce market was one of three most rapidly developing e-commerce markets in Europe. Though even given this development rate, its backlog behind the European e-commerce markets averages around 5-10 years. In the global ranking of electronic commerce by the UNCTAD (2015), Ukraine placed only 58th among 130 countries surveyed, although having great development potential.

The article aims at assessing the state of e-commerce in Ukraine at year-end of 2015, taking recent military, political and economic events into account. To achieve this goal we have systematized a number of factors that will have positive effect upon the electronic commerce's further development and have summarized the results of own empirical (sociological) research, conducted in Lviv region, as the one allowing to deepen the knowledge of consumer behavior in this area.

E-commerce development in Ukraine at year-end 2015

E-commerce in Ukraine remains an important factor for sales stimulation in the retail market. However, there have been significant changes in this area since the beginning of 2014. They were influenced by objective factors of economic and primarily geopolitical character. Among the most important are the undergoing wars (at Donbass region) and Crimea annexation, which deprived Ukraine of 20% of all online sales (5% – Crimea, 15% – Donetsk and Luhansk regions combined). On the other hand, the financial crisis and large Ukrainian national currency fluctuations along with drastic devaluation caused the narrowing of the market by additional 20% and the reduction of e-commerce in U.S. dollar terms. The e-commerce volume (B2C) in 2014 in Ukraine amounted ca. $1.6 billion (in 2013 this figure was near $2.0 billion), while at the end of 2015 this figure should be around $1.1 billion, as projected by the Ukrainian Association of Direct Marketing (UDMA) (*Украинская ассоциация директ маркетинга…* 2015). In general, according to PGK Groupe, narrowing of the e-commerce market amounted to 40% in 2014 (Романюк 2015). The sharp drop in profitability gives reasons to say that 2015 was the most difficult year for e-commerce development among all the previous years. At year-end 2015 experts expect the market to drop in U.S. dollar terms by 45% and to grow in UAH by 25%. It is predicted that Ukrainian e-commerce market in case of stabilization should regain its position and reach the level of year 2013 only in mid-2018 (*Объем рынка электронной коммерции в Украине сократился на 20%*). The average conversion of e-stores at present is within 2%, which means that only two out of a hundred visitors made purchases (*За счет чего рос оборот интернет-магазинов*

в 2015 году 2015). At the same time the e-commerce's share is only 2.1% of total Ukrainian retail sales (*Как изменился рынок электронной коммерции в Украине в 2015 году* 2015).

Home appliances and electronics were among the leaders of Ukrainian e-commerce in 2014, according to GfK Ukraine. The segment volume according to the results for 2014 amounted to $750 million. Its fall constituted 25% in the U.S. dollars and 11.3% in UAH compared to 2013. Buying clothes was second best, like in 2013, the segment volume at year end 2014 totaled $131 million. The drop in 2014 compared to 2013 in USD equaled 13%, with growth in national currency by 9.6%. In 2014, 50% of online shoppers purchased clothes via the Internet at least once. Cosmetics and perfumes remained on the third place by popularity (37%). Generally promising for online sales are segments of goods for children (in UAH the segment increased significantly, in U.S. dollars – remained at the level of 2013), "motor vehicle products" and "perfumery and cosmetics" (segments increased both in the U.S. dollar equivalent and in UAH compared to 2013) (Дубровик-Рохова 2015).

In 2015, according to the statistical assessment of the largest non-governmental operator of shipping orders in Ukraine – "Nova Poshta" ("New Mail"), which serves ca. 94% (more than 6000) of e-commerce companies, among which are online stores selling electronics (55%), clothing (29%), and cosmetics and perfumes (10%), the quickest growth dynamics is being demonstrated by the clothing segment, because the majority of online stores have introduced the option of free returns of the goods that did not satisfy the buyer. According to experts, the goods sold online today account for 23.5% of all express shipments. In addition, in 2015 more than 80 million parcels will be sent on the e-commerce market, which is by 30-40% more than the previous year (*Обзор рынка e-commerce* 2015). This data suggests some activization on the e-commerce market at year-end of 2015, which led to some optimism regarding the recovery of the market under economy's stabilization. According to representatives of Prom.ua website, which is considered the largest trading platform in Ukraine (Павлиенко 2015), representing and uniting 50.6 thousand stores on its website, the number of online orders has grown on average by 30% as compared to the previous year, while the turnover increased by 3 times. In addition, experts predict that the turnover in UAH will increase by 30% in Ukraine in 2016, while the share of e-commerce will grow by 2.5-3% of the entire retail suggesting the trend towards further growth.

It is important to pay attention to several factors capable of turning situation in this segment for the better in order to understand the processes occurring on e-commerce market in Ukraine. It should be noted that we have tried to select the most essential factors among the vast number of objective and subjective ones, i.e. such that are aimed at changing the face of Ukrainian e-commerce for the better.

Factors of Ukrainian e-commerce's growth

Among the important factors influencing the growth and development of e-commerce in Ukraine is, above all, the adoption of Law of Ukraine "On electronic commerce" (No. 675) by the Verkhovna Rada of Ukraine, which entered into force on 30.09.2015. The activities of online stores were legitimized, which brought them out of the gray zone. This law regulates

the organizational and legal framework of e-commerce in Ukraine, defines the legal status of the buyer and the seller of goods and services, establishes the obligation for the seller, who distributes information about the product, work, or service to disclose and provide direct, simple, stable access to full information on its name and location, licensing information (in case it is obligatory in the particular area of economic activity), information on inclusion of taxes and shipping fees into the cost of goods, works, and services. The most positive aspect in the adopted law is that electronic contract is made equivalent to a written/oral contract. This is a great advantage for the market for a number of reasons. On one hand, it is easier for market operators to interact with tax inspections, courts, and other authorities. On the other hand, it increases consumer confidence in online retailers, since fraudsters and irresponsible stores violating consumer rights will be held accountable by legal means. In addition, online stores finally will be able to legally obtain consent for the buyer's personal data use through registering on the store's website. Earlier, the market agents had to invent ways to bypass this restriction. The law will also facilitate the resolution of disputes between buyers and sellers. Previously there were precedents, when the court refused to open a case concerning electronic contracts. With the adoption of this law, the documents in electronic format could be used as evidence in a court. The new law shall also bring Ukrainian legislation up to European standards in the field of innovative technologies and e-commerce.

Another factor in e-commerce development was the influence of tastes' change of Ukrainian consumers amid growing patriotism and boycott of the Russian goods. On the other hand, the preferences of Ukrainian consumers, in addition to patriotic sentiment, were influenced by the difficult financial situation and poverty processes related to Ukrainian hryvnia devaluation. Experts point out that now consumers pay more attention to the country of origin of goods, preferring Ukrainian brands. Thus, many online stores are actively cooperating with the Ukrainian producers, whose products win «price competition» compared to the foreign analogues. Growth by 2 times in demand for the goods of Ukrainian origin has been outlined, though their share in the e-commerce market does not exceed 10%. Focusing on Ukrainian producers, in particular, made it possible to significantly increase sales in 2015 on Prom.ua online platform, where every fifth purchased commodity was of Ukrainian origin (Некрасов 2016).

One of the major indicators of e-commerce development is the Internet penetration. According to Factum Group Ukraine, this rate amounted to 58% of the population aged over 15 years old (excluding Crimea) in September 2015, and 62% in February 2016. For comparison, this figure was 51% in the end of 2013. It has been stated that ca. 47% of the population uses Internet in Ukrainian rural areas. The largest share of users is in the age group from 15 to 29 years old – up to 92%, the lowest in the age group of 65 years and older – 11%. Thus 25% of users utilize the advantages of mobile phones and 10% of tablets to access the Internet (Мінченко 2016). Significant Internet penetration is an important component in sales stimulation through its mediation. According to *TNS Ukraine*, in September 2014, approximately 3.5 millions of Ukrainians made purchases online, and this figure grew to 3.9 million in April 2015, despite the difficult economic situation (Власенко 2015). At the end of 2015 about 17% of active Internet users (according to *GfK Ukraine*) made purchases online, meaning they were active e-consumers (Носаченко 2015).

The motivating factor for the e-commerce development in 2015 was the launch of wireless high-speed 3G mobile data transfer in February. At the beginning of 2016 its spread rate was near 40%, which greatly extended the potential of mobile commerce, or m-commerce. Both the share of mobile visitors on the Ukrainian websites, and the volume of orders and purchases from mobile devices are constantly growing. The percentage of users visiting websites from mobile phones increased from 29.6% in January 2015 to 34.6% in October 2015. In Ukraine, the share of orders and purchases from mobile devices (smartphones, tablets) in 2013 was just 4%, but the figure increased to 14% in 2015. The share of purchases via mobile devices is growing rapidly. Today every fifth item purchased online is being bought via a mobile device. The analysts predict that this figure may reach 20% in 2016. Although information on products is being read by much more people via mobile devices – about 30% (Дубенская 2015). Our research (Pachkovskyy, Maksymenko 2015) shows that the main barrier to widespread use of mobile devices for commercial purposes in Ukraine are disadvantages in conduction of orders or purchases, uncertainty over the product quality, personal data security.

Other e-commerce drivers in Ukraine are the introduction of new marketing strategies to ensure that the new Internet technologies have established credibility and been attractive to an average consumer. The concept of omni-channel retail or shopping changed format from "sales point" to "showroom" and active use of social networks, which are gaining more popularity on the Ukrainian retail market. Topics related to ensuring next-day delivery and use of drones, which would reduce the returns rate by 20-30%, are being actively discussed. A new trend in the Ukrainian e-commerce is online loans, which is estimated at approximately 5%, while the traditional form of crediting is near 25-30%. Loans can add many benefits to an online store. In particular, sales growth by 5-10% and increase of an average receipt by 20-25%. Thus, the highest-rated online store *Rozetka* (http://rozetka.com.ua) in cooperation with banking institutions, offers loans for UAH 500-25000 for the period of up to 24 months with the possibility of "zero" first installment. The loan can be arranged by any buyer aged over 18 years. The upper age limit is 70 years old (*Онлайн-кредитование становится новым трендом украинского e-commerce* 2015).

As e-commerce growth factors in the short term prospects are improving the quality of online stores servicing, expanding the logistics companies' network, and developing the payment systems. As to the latter, more than 80% of purchases made online in Ukraine are paid by cash, bank cards payments accounted for only 4%, being the second to payments with the use of terminals. Such situation in the market is conditioned by the low confidence level in e-commerce due to the large number of frauds and crimes conducted online. However, payment by bank cards and p2p services (transfer from card to card) is gaining momentum and popularity.

A young e-commerce consumer in the scope: results of empirical research in the Lviv region

To assess the level of Ukrainian e-commerce development in its deepest crisis period (first half of 2015) we held an opinion poll in Lviv city and Lviv region during April-June

2015, aimed at studying the intensity of global Internet network use by young people (aged 18-35) to purchase online. The choice of the respondents' age group was associated with the fact that the average age of Ukrainian e-consumer is ca. 32 years. It is basically youth, who has a sufficient experience in the use of the Internet, usually has a higher education and lives in a big city.

According to a set target quota 370 people were interviewed; with the survey error being at 5.2%. Quotas were established by gender, age, and place of residence. Socio-demographic characteristics of the sampling are the following: 51.4% – male, 48.6% – female; 24.9% – aged 18-22 years, 29.2% – 23-27 years old, 24.6% – 28-31 years old, 21.4% – 32-35 years old; 62.7% – being city residents, 37.3% – rural areas residents (villages, urban-type villages). Statistical processing of digital data was performed using SPSS and Excel software. The assessment of the research results and their reliability has been studied using the Student's t-test, chi-square (c^2), coefficients of association and contingency.

It has been stated following the research results that nearly half of the respondents (46.6%) use the Internet for 5 to 10 years, 21.1% of respondents are the global network users between 3 to 5 years, and 26.6% of the respondents use the Internet for over 10 years. In 91.6% cases youth of Lviv region has Internet access at home, 44.9% use the Internet at work, 14.3% – do it in cafes, bars, and 13.8% does it at school. It has turned out that computer clubs lost their popularity today – only 1.6% of the respondents use their services. The most popular device to access the Internet was a laptop (70.5%), followed by mobile phone or smartphone – 59.2%, and the third rank goes to desktop computer (50.5%). 26.5% of the respondents use a tablet for the Internet access.

It has been revealed during the research that young people, who have at least once purchased products online, are mostly residents of cities (83.6%), whereas the index among rural residents is only 60.9% (Q=0.53[1], C=0.25[2], $p<0.05$) (Table 1). Thus, 30.9% of urban residents purchase several times a quarter, and half as many for rural residents – 16.8%.

Table 1

Purchases via the Internet according to a place of residence (in %)

Specification		Place of residence		Total
		city	village	
Have you ever purchased any goods/ services via the Internet?	yes	83.6	60.9	75.1
	no	16.4	39.1	24.9
Total		100.0	100.0	100.0

Source: Authors' own research, 2015.

[1] contingency coefficient.
[2] contingency coefficient

In terms of gender no statistically significant differences in the purchasing of goods or services online have been found out. The majority of males (74.7%) and females (75.6%) had such experience. In addition, 51.6% of the respondents do this 1-2 times a year, 17.4% – several times a month, and 4.2% – several times a week. The application of chi-square test demonstrated (c^2=9.780, df = 3, $p<0.05$) a relation between online purchase and age of the respondents, yet the younger age group (18-22 years) is more active in purchasing goods online.

With increase of time using Internet the share of those who at least once purchased online increases (c^2=36.602, df=5, $p<0.01$). 50.2% of those using the Internet for 5 to 10 years, and almost a third (29.6%) of those using the Internet for more than 10 years, are experienced in goods' purchases. While only 17.7% of the respondents, who use the global network from 3 to 5 years, had such experience (Table 2).

Table 2

Online purchases according to the length of Internet use (in %)

Specification	Have you ever purchased any goods/services via the Internet?	
	yes	no
Started using only recently, less than 1 month	-	1.1
Up to 1 year	-	4.3
From 1 to 3 years	2.5	9.8
From 3 to 5 years	17.7	31.5
From 5 to 10 years	50.2	35.9
More than 10 years	29.6	17.4

Source: like in Table 1.

Urban youth uses the Internet more intensely to search for information on goods and services (instructions, models, trademarks, reviews, prices, etc.) than rural (c^2=18.112, df=5, $p<0.01$). The majority of the respondents use the Internet to search for goods' prices, their comparison (79.2%). In addition, young people are interested in feedback and recommendations on the use of certain products (65.8%), as well as models, types and brands (54.3%), sales points (stores addresses, online stores, auctions, etc.) (48.1%). Only 5.8% of the respondents have not been looking for information about goods/services on the Internet (Table 3).

Among the most important reasons that prompted people under consideration to purchase online were pricing benefits (71.4%), wide choice of goods (50.4%), time saving process (40.2%) (Table 4). One third of the respondents noted the purchase convenience (access to online stores at any time and day). 23.9% stated that the goods they need can be purchased and available only via the Internet. Less important motivating factors for respondents are: ease of payment options (19.2%), the ability to find goods of better quality (13.8%), the

prevalence of online shopping among the friends and acquaintances (5.4%). It is worth noting that among young adults 5.8% marked their "dislike" for traditional shopping.

Table 3

What information about goods/services are you looking for on the Internet?* (in %)

Information type	%
Instructions and operating procedures	33.9
Models, types, and brands	54.2
Prices	79.2
Reviews and recommendations for use	65.8
Sales points (stores' addresses, online stores, auctions, etc.)	48.1
I do not look for information about goods/services online	5.8
Other (please, elaborate)	1.1

*Note: the total of the responses is not 100% because respondents were allowed to choose more than one option.
Source: like in Table 1.

Table 4

Reasons for purchase goods/services online* (in %)

Advantages	%
Wide choice of products	50.4
Possibility to find better quality goods	13.8
Goods I want to buy can be ordered only via the Internet.	23.9
Price benefit: goods are cheaper than at traditional stores	71.4
Easily comparable prices for all types of goods	36.6
Ease of selecting a payment method	19.2
The prevalence of online shopping among my friends and acquaintances	5.4
Saving time	40.2
Purchase convenience (access to online stores at any time and day)	34.8
Convenient delivery	16.7
I dislike traditional shopping	5.8
Other	0.4

* Note: the total of the responses is not 100% because respondents were allowed to choose more than one option.
Source: like in Table 1.

Almost half of the respondents pointed out the problems with the goods' return, if it was defective (42.3%), and lack of sufficient information about the goods (44.5%) as the main barriers to online purchase. According to the research results, only a third of the respondents (30.3%) did not experience any barriers when purchasing online. On the other hand, people

who have never purchased goods via the Internet (Table 5), among the reasons hindering them from such practice, indicated greater confidence in traditional stores (33.7%) and the desire to visit the sales point in order to select and inspect the goods closely before purchasing (31.4%). The danger associated with the return of goods if it was defective is of equal significance here (31.4%). Young people who have purchased online stated the top 3 barriers to purchasing goods online: problems with the goods' exchange (45.7%), lack of information on goods (45.4%), and lack of legal framework regulating e-commerce (20.4%).

Table 5

Opinions on barriers in purchase of goods/services via the Internet depending on whether a person did or did not purchase anything*(in %)

Barriers	Have you ever purchased any goods/services via the Internet?	
	yes	no
Complicated purchase procedure	9.3	10.5
Impossibility to use payment system that is convenient for the purchaser	12.3	10.5
Problems of the goods' return in case they are defective	45.7	31.4
Enjoying real-time shopping (the process of selecting, viewing, sensing the goods "by hands", comparing)	17.8	31.4
Inconvenient delivery	8.2	5.8
Low security of payments (possibility of personal data theft, spam)	17.1	18.6
Insufficient information on the goods, impossibility of close inspection before the purchase	45.4	41.9
Lack of legal framework regulating e-commerce	20.4	15.1
Language barrier with purchases from foreign online stores	6.3	9.3
It is so nice to go shopping in the company (of friends, relatives)	4.1	8.1
More confidence in traditional shops	12.3	33.7
Lack of Internet access	8.9	4.7
Other	2.6	2.3

Note: The total of the responses is not 100% because respondents were allowed to choose more than one option.
Source: like in Table 1.

The majority of young people look for information about the goods in a search engine before purchasing it online (63.4%). In addition, 58.7% of the respondents pay attention to the reviews of other users (Table 6). Applying Student t-test showed no statistical differences between confidence estimation as to online reviews on products by gender and place of residence. Instead, there is statistically significant difference between estimates of

younger and older age groups. Thus, people aged 28-35 years are more perceptive for the reviews on the Internet than those aged 18-27. Another important source of information on goods and services available online is the closest social circle (43.1%). Friends (72.7%) and relatives (20.5%) were the largest share of those to whom the respondent referred. A third of the respondents (32.1%) of 18-22 years' age group referred to others to see how to purchase online. In their turn, 16.3% of the respondents aged 23-27 years and 15.3% aged 28-31 years approached strangers during transactions via the Internet (c^2=8.850, df=3, $p<0.05$). Respondents of the younger age group sought advice from relatives or friends when making an online purchase more often than youth in older age category. About a third of the respondents visits online stores, auctions, vendor website or contacts the manufacturer among other options. Online advertising, advertising on radio, television, in print media, and social networks were unpopular sources of information on goods.

Table 6

Search for information on goods before purchasing online*(in %)

Information source	%
I visit online stores, auctions, seller's website	33.3
I look for information in a search system (Google, Bing, Yahoo)	63.4
I follow goods' users reviews on the Internet	58.7
I visit websites of the goods' manufacturers	28.6
I personally visit a sales point (traditional shop)	14.1
I get information from friends, colleagues, relatives	43.1
I read/look through online advertising	5.4
I read/hear/watch advertisements on television, radio and in print media	1.8
I visit social networks (Facebook, MySpace, etc.)	8.3
I read reviews, recommendations by independent organizations (those involved in consumer protection)	18.5
Other	0.4

* Note: the total of the responses is not 100% because respondents were allowed to choose more than one option.
Source: like in Table 1.

Among those purchasing goods online, 66.5% placed their orders through the seller/outlet, which is registered in Ukraine. 15.2% made purchases in retail outlets registered primarily in China and the U.S.A. 14.9% ordered goods from EU countries, mainly at online stores of Poland, Germany, and France. 20.4% of the respondents were not interested in what country the online store or seller was registered. As for the cost of purchases in the last year, only 67.3% of the respondents answered this question. City youth spent annual average of UAH 7,332.91 (the equivalent of $342 with average U.S. dollar exchange rate for 6 months in the period from January to June 2015 equaling to 21.4 UAH) for online purchases, and the rural youth – UAH 3,123.6 ($146). On average $244 were spent by each person in

the respondents' group during a year. Males spent more on online purchases, on average UAH 6,953.22 ($325) a year, and females – UAH 5,155.2. ($241). Young people in older age groups (32-35 years – UAH 6,984 or $326) spent more if compared with youth aged 18-22 years (UAH 4,196.1 or $196). The minimum amount spent during the year equaled UAH 80 ($3.7 U.S.), while the maximum was 100 thousand UAH ($4,673 U.S.).

Young people in the last 12 months were most active purchasing clothing and footwear (52.9%), household appliances (38%), mobile phones, smartphones, and computers (33.3%) online. The less popular purchased items were cutlery and kitchen utensils, crockery (4.3%), games for mobile phone/smartphone/tablet (3.6%), and furniture (2.9%) (see Table 7). Mentioned in "Other" category there are construction materials, repair tools, tourist goods, pet products, motor vehicle products, garden tools, accessories for smartphones/phones, and handmade products.

Table 7

Goods purchased online in the last year*(in %)

Goods	%
Mobile phone/smartphone/tablet/laptop/desktop computer	33.3
Household appliances	38.0
Furniture	2.9
Clothing/footwear	52.9
Cutlery and kitchen utensils, crockery	4.3
Books/magazines, stationery	16.7
Cosmetics/perfumes	18.8
Sporting goods	13.4
Toys	8.7
Computer games	1.1
Games for a mobile phone/smartphone/tablet	3.6
Software	7.2
Food	8.7
Other	6.5
I did not purchase any goods online for the last year	5.4

* Note: the total of the responses is not 100% because respondents were allowed to choose more than one option.
Source: like in Table 1.

The respondents preferred payment cards of Visa and MasterCard, when paying for online shopping (71.4%). Almost half of the respondents pay in cash after delivery (47.8%). The third place by popularity goes to bank, mail, and money transfer (17.4%). Payment methods through WebMoney (7.2%) and PayPal (6.5%) are currently unpopular among Ukrainian consumers. The share of payment via mobile phone (PayMo) was only 2.5%.

Conclusions

Development of e-commerce in Ukraine is now regarded as a strategic area of retail trade development. Despite the economic crisis and a number of geopolitical factors, favorable conditions for e-commerce recovery were created at the end of 2015 (decline in this sector amounted up to 40% for the last two years, with average annual decline of ca. 20%). Partial recovery was largely due to the devaluation processes and traditional customers' reorientation on the e-commerce domestic market. It is proved by growth of turnover and the orders' quantity at the leading sellers of the Ukrainian e-commerce at the end of 2015. Among the main trends of e-commerce for the last year are the growing number of Internet shoppers (up to 4 million) even during economic crisis, commitment to domestic producers (patriotism increase in the choice of the producer), change of tastes and preferences of e-consumers, since clothing segment demonstrates the most dynamic development today. It is expected that in 2016 turnover in Ukrainian hryvnia will increase by 30% and the share of e-commerce will increase by up to 5-6% in the entire retail structure.

Legislative regulation of legal relations in the sector, as evidenced by the adoption of the Law of Ukraine "On electronic commerce" (September 2015) by the Verkhovna Rada, which will certainly lead to the civilized business environment and its responsibility to the consumer, should be regarded as the main e-commerce factors. On the other hand, the rapid growth of the Internet availability over the past six months (+ 4%) and the introduction of wireless high-speed 3G mobile data transfer paved the way for active involvement of smartphones and tablets into e-commerce, making this segment more portable and attractive to potential customers. In addition, improving and expanding service logistics companies' network and payment systems are the urgent tasks the Ukrainian e-commerce is facing.

The target audience of the Ukrainian e-commerce is mainly active young people aware of the innovations in the area of information and communication. In the course of sociological research of real consumer practices of youth (aged 18-35), as exemplified in Lviv and Lviv region, we have found out that:

- urban youth, unlike the rural, has twice as much experience with online purchases. One-third of urban residents are engaged in this practice on a regular basis; and this number was half as many among rural residents. It has been found out that young people aged 18 to 22 show greater activity when purchasing online;
- with the increase of experience with the Internet use, the share of those who purchased online at least once increases as well. This is especially true for those already using the Internet from 5 to 10 years or longer.
- consumer choices are significantly influenced by information search through search engines and other users' feedbacks (especially for persons aged 28-35), as well as people from inner circle. Online advertising, advertising in the media and social networks proved to be unpopular sources of information on products.
- among the most important reasons that prompted the people under consideration to purchase online were pricing benefits, wide choice of goods, time saving, and convenience of purchasing. Main barriers to online purchase referred to by the half of the respondents are the problems of faulty goods' return and lack of sufficient information about the goods;

- the youth in the research group have most frequently purchased clothing and footwear, household appliances, mobile phones, smartphones, and computers online. The cash payments' share constituted 50%. Vast majority of those purchasing goods online placed their orders through the seller/outlet, which is registered in Ukraine. Urban youth annually spent $342 for online purchases on average, while the rural one – $146.
- payment methods through WebMoney, PayPal, and via mobile phone are currently unpopular among Ukrainian consumers.

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Młody konsument na rynku ukraińskiego e-handlu

Streszczenie

W artykule dokonano przeglądu rynku *e-commerce* (e-handlu) na Ukrainie na bazie wyników z 2015 roku. Mimo kryzysu i rocznego spadku w przedziale od 20%, ukraiński e-handel ma wszelkie przesłanki do własnego wzrostu. Zależy to od wielu czynników: prawnych (przyjęcia ustawy o handlu elektronicznym), ekonomicznych (dewaluacja hrywny motywuje konsumentow do zakupu towarów w segmencie *on-line* jako alternatywa tradycyjnego handlu detalicznego, orientacja na krajowego producenta) oraz technologicznych (wzrost wskaźników poszerzenia sieci Internetu, rozwój szybkiego mobilnego Internetu trzeciej generacji). Ponadto, ważnym zadaniem dla ukraińskiego handlu elektronicznego są koncentracja na poprawie jakości usług *on-line*, rozbudowa sieci firm logistycznych oraz rozwój systemów płatności. Przedstawione wyniki badania socjologicznego (2015 rok) wśród młodych konsumentów w wieku 18-35 lat obwodu lwowskiego dają podstawy do stwierdzenia o znaczących różnicach w preferencjach e-konsumentów ze względu na różnice wiekowe oraz ze względu na miejsce zamieszkania (miasto, wieś).

Słowa kluczowe: *e-commerce*, preferencje konsumenckie, młodzi konsumenci, Ukraina.

Kody JEL: A14, D12

Молодой потребитель на рынке украинской э-коммерции

Резюме

В статье рассмотрены основные тенденции развития электронной коммерции в Украине по итогам 2015 года. Несмотря на кризисные явления и годовой спад в пределах 20%, украинская *e-commerce* имеет все предпосылки для роста. Во многом это предопределяется факторами правового (принятие национального закона об электронной коммерции), экономического (девальвация гривны мотивирует потребителя к покупке товаров в сегменте *on-line* как альтернатива традиционному ритейлу, ориентация на национального производителя) и технологического (рост проникновения интернета, внедрение мобильной связи третьего поколения) характера. Кроме того, ориентация на улучшение интернет-сервиса, расширение сети логистических компаний и развитие платежных систем – это задачи для украинской э- коммерции на ближайшую перспективу. Обращено внимание на целевую аудиторию *e-commerce*, которую в основном представляют молодые люди. Представ-

ленные результаты социологического исследования, проведенного авторами в 2015 году среди молодых людей в возврасте 18-35 лет во Львовском регионе, дают основания утверждать, что имеются существенные различия в их потребительских предпочтениях как по возрастным группам, так и по месту жительства (город, село).

Ключевые слова: электронная коммерция, потребительские предпочтения, молодой потребитель, Украина.

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Afiliacje:
prof. dr hab. Yuriy Pachkovskyy
Lwowski Uniwersytet Narodowy im. Iwana Franki
Wydział Ekonomiczny
Katedra Ekonomiki Przedsiębiorstwa
pr. Swobody, 18
79008, Lwow, Ukraina
tel. 032 2394025
e-mail: pachk@ukr.net

dr Maksymenko Anna
Instytut Badań Regionalnych NANU
Departament rozwoju społeczności lokalnych i współpracy transgranicznej
ul. Kozelnytska 4,
79026, Lwow, Ukraina
tel. 095 83 50 702
e-mail: annusja@gmail.com