

THE COMPARATIVE ANALYSIS OF ELECTRONIC TRADE BETWEEN: EU – BOSNIA AND HERZEGOVINA

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Stručni članak

Abstract: *Globalization makes cross-border flows of products and capital faster, thanks to the modern information and technological processes. E-commerce brings the new form of shopping for a customer and by means of this new form of shopping, a participant of electronic commerce can buy different products or services. The main function of e-commerce is the way of selling and purchasing goods and services, that uses modern technology and electronic systems for its need. Nowadays, electronic commerce is used very much in EU as well as all around the world. In the last years, EU and Bosnia and Herzegovina register a significant increase in the market share of companies with electronic selling as well as in the turnover from this type of selling. The number of users that purchase through the internet in EU and in Bosnia and Herzegovina is growing every day. The trend of growing e-commerce will continue also in the future and will have a big influence on purchasing and entrepreneurship.*

Keywords: *e-commerce, market share, users, EU, Bosnia and Herzegovina.*

INTRODUCTION

Globalization makes cross-border flows of products and capital faster thanks to the modern technological processes and thus information and communication technologies. E-commerce starts to be every year more and more preferable way of trading thanks to its advantages as it is the possibility of purchasing or selling whenever and from the home comfort. E-commerce brings the new way of shopping for a customer and by means of this new way, a participant of e-commerce can get various products or services. E-commerce is dealt by companies whose subject of activity is mainly the sale of products and services by means of online shops, so-called e-shops, creation of web-pages on the Internet, provision of advisory services for example in the field of finance etc (Chaffey D. 2007). The main function of E-commerce is the way of selling and purchasing goods and services, which uses for its needs modern technology and electronic systems.

The e-commerce structure consists of eight different markets:

- The Beauty, Health, Personal & Household Care market includes the sale of products related to personal care, beauty, and household essentials through digital channels which covers a wide range of products, such as haircare, makeup, vitamins and supplements, and household cleaning products.
- The Beverages market contains the sale of various types of beverages through digital channels which covers a wide range of products, such as beverages, including alcoholic and non-alcoholic drinks, tea, coffee, and energy drinks.
- The Electronics market comprises the sale of electronic devices, gadgets, and accessories through digital channels which includes products, such as smartphones, laptops, cameras, and smart home devices.
- The Fashion market includes the sale of clothing, shoes, and accessories through digital channels from a wide range of brands, designers, and retailers.
- The Food market contains the sale of food-related products through digital channels with the purpose of providing consumers with a convenient and accessible way to purchase groceries and specialty food items.
- The Furniture market comprises the sale of furniture and home decor products through digital channels which covers a wide range of furniture products, including sofas, beds, chairs, and tables.
- The Media market includes the sale of media-related products through digital channels which covers products, such as books, music, movies, and video games.

- The Toys, Hobby & DIY market contains the sale of products related to toys, hobbies, and do-it-yourself (DIY) projects through digital channels including toys, games, puzzles, model kits, and crafting supplies (Statista 2024).

2. REVENUE OF THE E-COMMERCE MARKET IN EUROPE

More than 507 million of inhabitants on the area of 4 382 217 km² live in the whole European Union. Nowadays, E-commerce market in Europe companies play the main role in the boom of electronic commerce where customers have received big discounts for shopping and have been provided with online services free of charge. Companies get their products on the market faster with the minimum costs and they adapt faster to the demand of customers. E-commerce has a potential of strong growth in connection with modernization, development of information-communication technologies (Mulačová 2013).



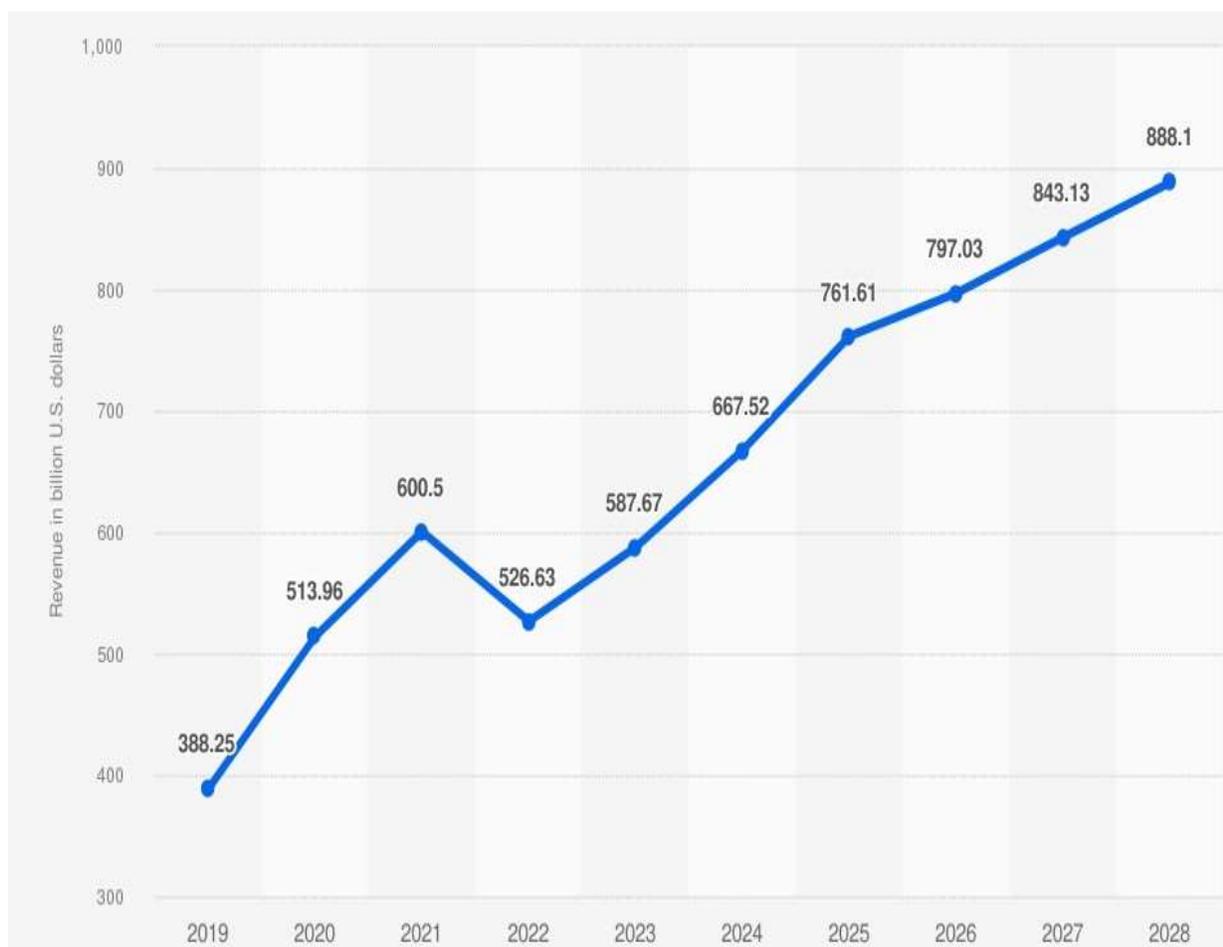


Figure 1: Revenue of the e-commerce market in Europe from 2019 to 2028 (in billion U.S. dollars). (Source: In Statista. Retrieved January 30, 2024, from <https://www.statista.com/forecasts/715663/e-commerce-revenue-forecast-in-europe>)

The revenue in the E-commerce market in Europe was forecast to continuously increase between 2024 and 2028 by in total 220.6 billion U.S. dollars (+33.05 percent). After the sixth consecutive increasing year, the indicator is estimated to reach 888.1 billion U.S. dollars and therefore a new peak in 2028 (Statista 2024).

3. E-COMMERCE REVENUE: EU – BOSNIA AND HERZEGOVINA

E-commerce is nowadays used very much all around the world, as well as in EU and in Bosnia and Herzegovina. Recently, EU a Bosnia and Herzegovina have registered the significant growth of the share of companies with electronic sale and also with the turnover from this type of sale. Companies use e-commerce in order to sell their products or services and generate as much profit as possible.

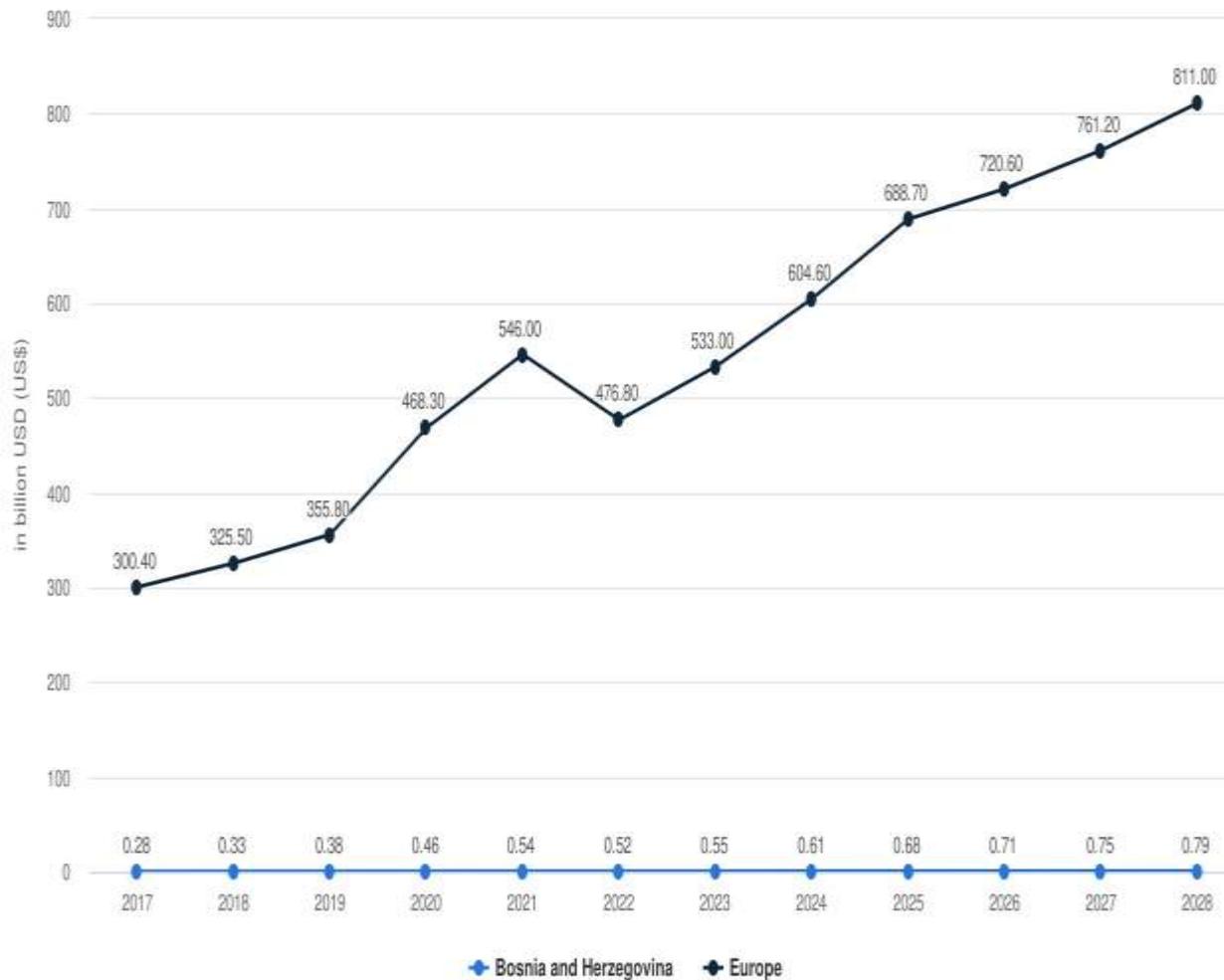


Figure 2: E-commerce – Revenue (Total): EU - Bosnia and Herzegovina (billion USD). (Source: <https://www.statista.com/outlook/emo/ecommerce/custom>)

On the following graph, we can see the electronic sale and turnover from electronic sale in EU and Bosnia and Herzegovina. As statistics show, internet sale is more dominant in EU. In 2021, there was a sharp increase, where the value of E – commerce doubled. It is assumed that electronic sale is going to grow every year in EU, as well as in Bosnia and Herzegovina.

4. E-COMMERCE REVENUE PER USER EU – BOSNIA AND HERZEGOVINA

Nowadays, there is a significant benefit for customers to purchase easily on the web pages of a e-shop because markets of e-commerce create wide user profiles that are very interesting. The trend of growing e-commerce is going to continue also in the future and is going to have a big influence on purchasing and average revenue per user in EU and as well as in Bosnia and Herzegovina.

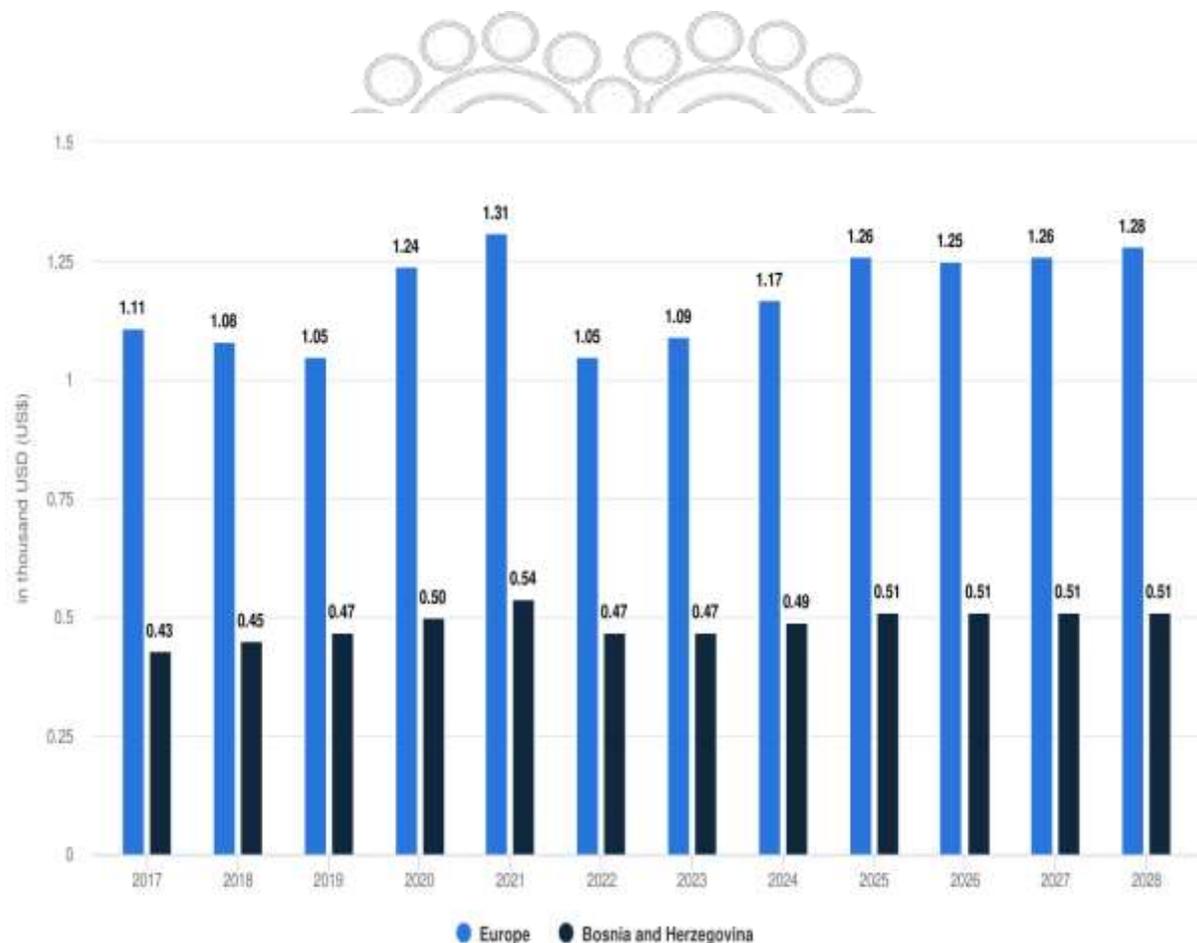


Figure 3: E-commerce revenue per user EU a Bosnia and Herzegovina 2017-2028. (Source: <https://www.statista.com/outlook/emo/ecommerce/custom>)

The previous graph illustrates the e-commerce revenue per user in EU and Bosnia and Herzegovina for the period from 2017 to 2028. It is assumed that the average revenue is going to increase every year also in EU and Bosnia and Herzegovina.

5. INTERNET SHOPPING: EU – BOSNIA AND HERZEGOVINA

E-commerce is divided into several types that work differently. However, each type of e-commerce works using the global Internet network and using devices such as: computer and mobile. Online shopping provides more information to compare prices and products. The use of mobile devices is growing very fast also in EU a Bosnia and Herzegovina.

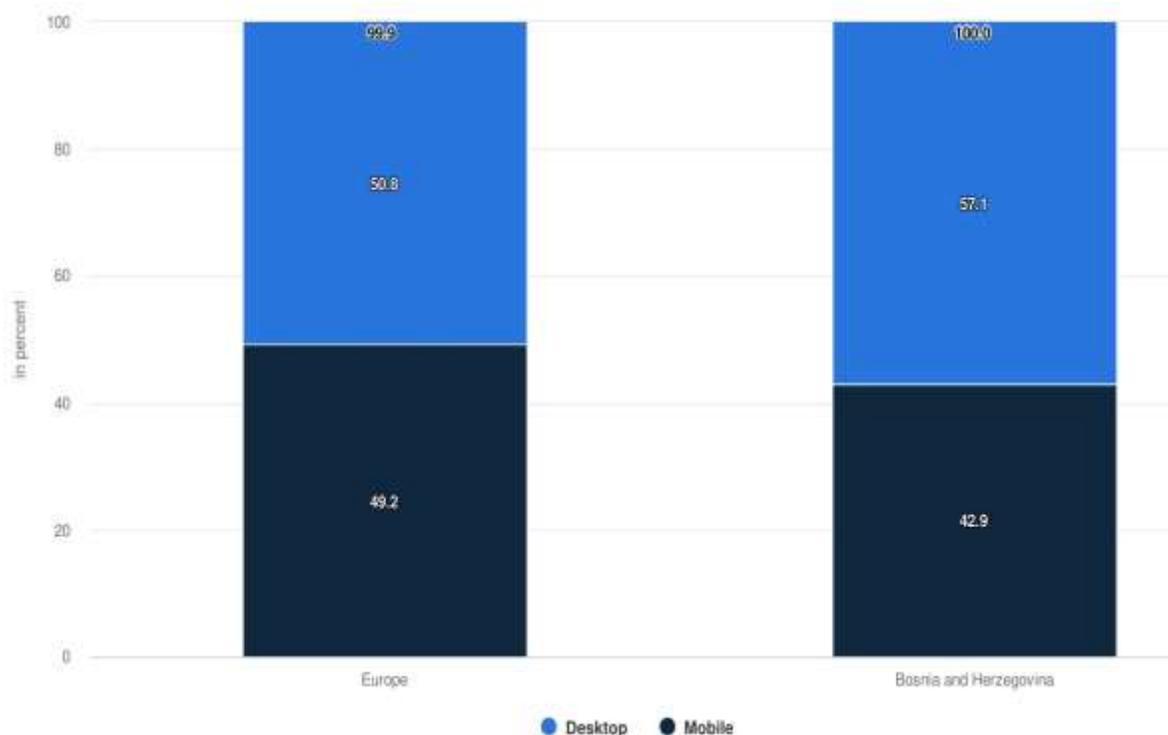


Figure 4: E-commerce, mobile/desktop: Europe - Bosna and Herzegovina (2025). (Source: <https://www.statista.com/outlook/emo/ecommerce/custom>)

On the graph, we can see that people in EU and Bosnia and Herzegovina use mobile devices when shopping more and more. The current trend in the framework of online shopping is shopping by means of mobile shopping applications.

4.1 USERS

Every year, shopping on the internet in EU and Bosnia and Herzegovina gains popularity because people feel more comfortable when shopping online. As we can see on the graph, the number of users of the internet shopping is going to grow in the future till 2028.

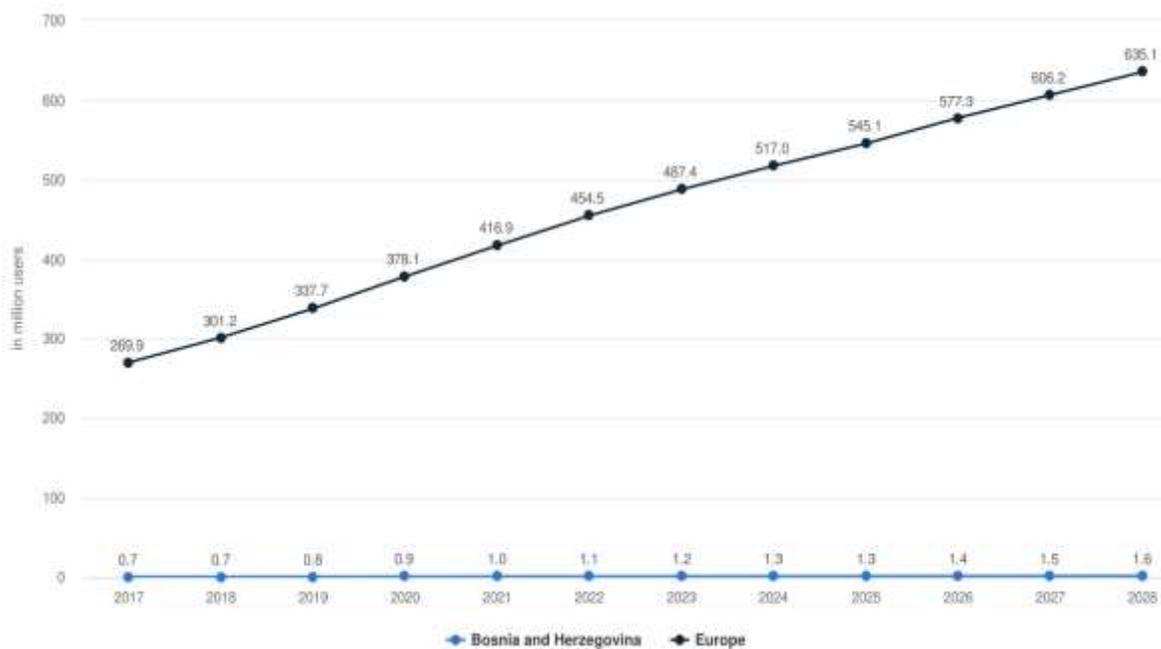


Figure 5: Users 2017-2028. (Source: <https://www.statista.com/outlook/emo/ecommerce/custom>)

CONCLUSION

E-commerce is a part of modern e-business and will keep creating many opportunities for companies as for consumers. Nowadays, online shopping represents a great potential for the development of this type of shopping. Advantages that e-commerce have, are becoming more and more popular and significant also from the point of view of economy of EU and Bosnia and Herzegovina. The future of E-commerce is going to keep growing.

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