

E-COMMERCE IN SLOVAKIA

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Abstract

We can observe quite a big development in the present global view on the purchase of goods and services. We are living in a very fast time and e-commerce offers us very effectively solutions how to shop and at the same time to save our time. Nowadays, e-commerce is used very much all around the world as well as in Slovakia and we can see the significant growth of the share of enterprises with electronic sale on the market and the turnover from this type of sale. In Slovakia, e-commerce has become for many people the priority and it has opened the opportunity for this type of business to entrepreneurs. Internet shopping is gaining the popularity in Slovakia and people feel more and more comfortable when shopping online. It is expected that the number of users on e-commerce market in Slovakia is going to grow constantly from 2023 to 2027, every year by 10,27 percent.

Key words: e-commerce, market share, Slovakia, development.

1. Introduction

We can state that e-commerce has become in the modern world the part of our everyday life. In the last 10 years, e-commerce became the irreplaceable part of global retail framework. Just like many other sectors, the retail sector transferred itself significantly after the arrival of the Internet and thanks to the ongoing digitalization of modern life consumers from practically every country make profit from the advantages of online transactions, now. As the access to the Internet and its admission is increasing worldwide, the number of digital buyers increases every year. A well-organized e-commerce chain management mainly depends on sales strategies, available customer service and benefits such as fast purchases and cheap shipping (Dihoviční & Škrbić, 2020).

E-commerce represents purchase, sale, payments for goods or services in the Internet environment. It is necessary to recognize two important types of virtual shopping malls and shops when trading:

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a) enterprise – a seller is considered a direct producer of goods, while the Internet represents the medium which tries to address the customer and offer him/her its services and products.

b) mediatory – this way, we can talk about a seller not as a producer but only as a distributor, mediator of the business while this person often need not be in the contact with the product at all (Dorčák & Pollák, 2010).

Nowadays, e-commerce prevails in the whole world as well as in Slovakia, mainly by means of online business. In the last years, Slovakia registered significant increase of the share of companies with the electronic sale and with the turnover from this type of sale.

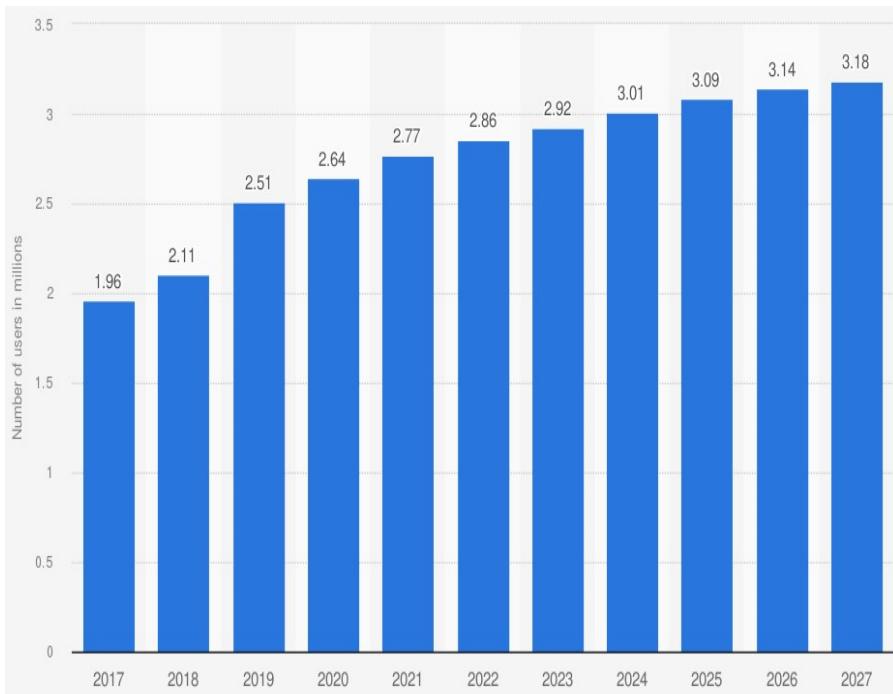


Figure 1: Number of users of e-commerce in Slovakia 2017-2027 (in millions)

The e-commerce market in Slovakia was predicted to grow continuously by a total of 0.3 million users (+10.27 percent) between 2023 and 2027. After a tenth consecutive year of growth, the indicator is estimated to reach 3.18 million users, a new peak in 2027. The number of users in the e-commerce market has been steadily increasing in recent years (Statista 2024).

2. Revenue of the e-commerce industry in Slovakia

E-commerce represents the sale and purchase of goods or services by means of the Internet. E-commerce markets can create rich user profiles that enable to adapt offered products and to design other products. The costs for creation,

processing, distribution, storage, and reception of information where paper form was used have decreased thanks to the e-commerce (Delina & Vajda, 2008).

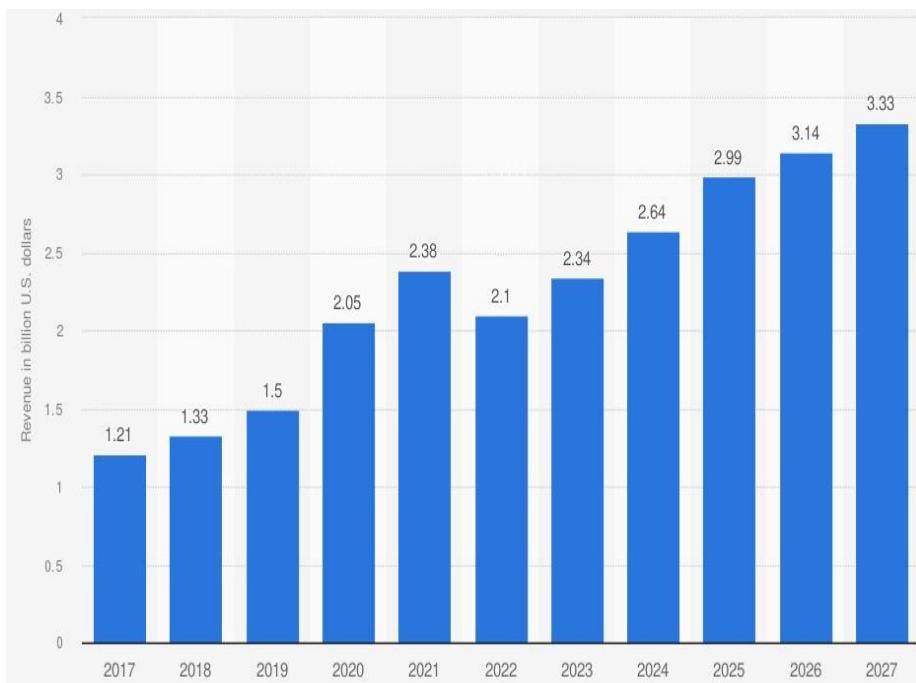


Figure 2: Revenue of the e-commerce industry in Slovakia 2017-2027 (in billion U.S. dollars)

The revenue in the E-commerce market in Slovakia was forecast to continuously increase between 2023 and 2027 by in total one billion U.S. dollars (+42.74 percent). After the fifth consecutive increasing year, the indicator is estimated to reach 3.33 billion U.S. dollars and therefore a new peak in 2027 (Statista 2024).

3. Leading online stores in Slovakia

E-commerce has increased its market share on the expense of brick-and-mortar stores. E-commerce sector has the potential of strong growth regarding modernization, development of information-communication technologies. (Mulačová et al., 2013). In Slovakia, e-commerce has become for many people the priority and it has entered doors for entrepreneurs. It has provided them with possibilities how to keep improving and enforcing the prevailing position of their products or services on market. On the graph, we can see the chart of 10 most popular online stores in Slovakia.

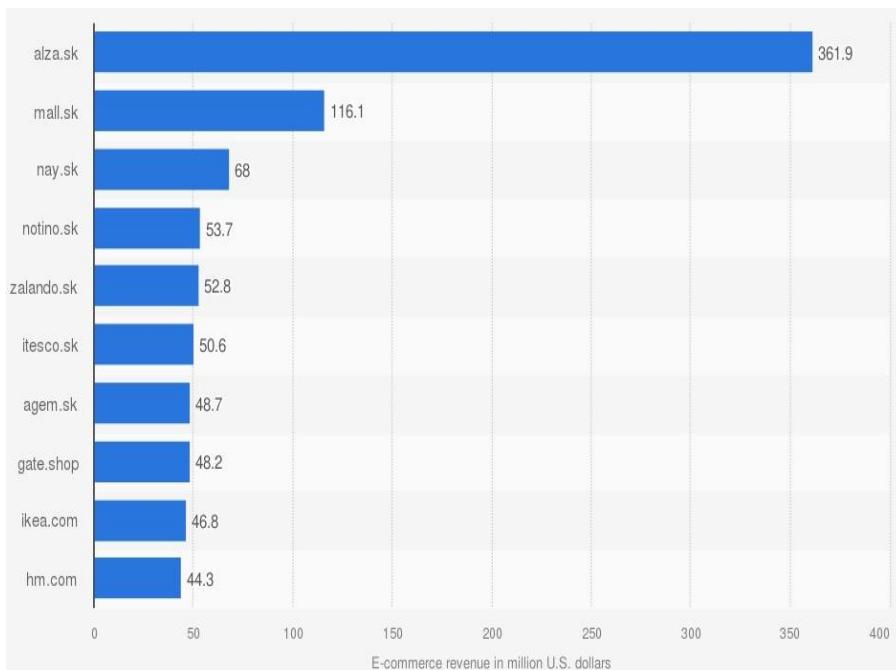


Figure 3: Leading online stores in Slovakia in 2022, by e-commerce net sales revenue

Resulting from the graph, the brand alza.sk is the biggest player in the Slovak e-commerce market. Alza.sk on the Slovak e-commerce market in 2022 had net sales of USD 362 million. Following is the store Mall.sk with revenues of 116 million € and nay.sk with revenues of 68 million €.

4. Internet purchases by individuals in Slovakia

E-commerce provides customers and companies: purchase, sale, payments for goods or services in the environment of the Internet. The positive experience of customers in Slovakia is that they usually shop in online shops electronics, food, clothes, furniture, drinks, etc. These purchases are very popular mainly among the young generation who are directly connected to internet explosion (Aziz & Wahid, 2018). On the following graph we can see online purchases of individuals in Slovakia. The tracked period is the range of years 2010 till 2023.

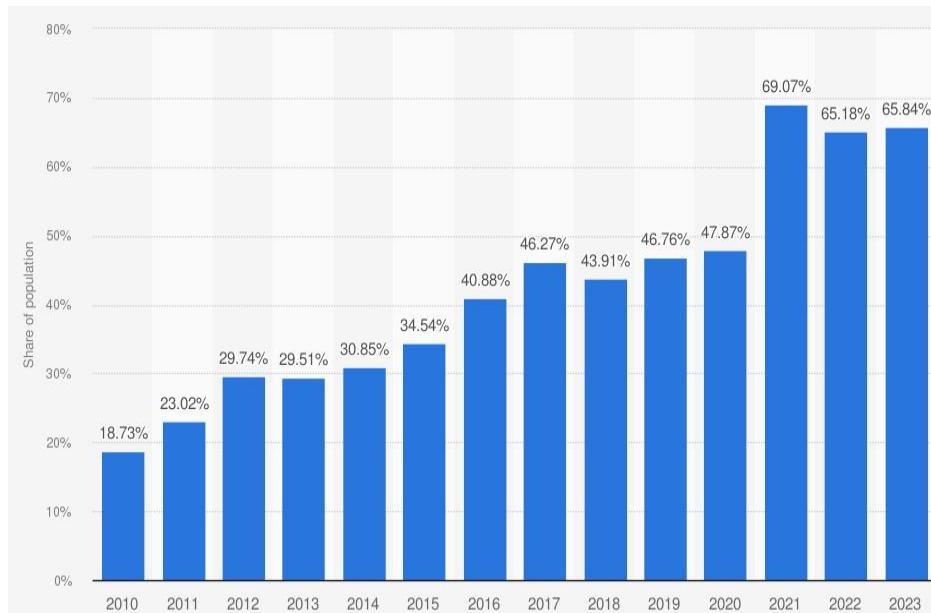


Figure 4: Internet purchases by individuals in Slovakia from 2010 to 2023 (Statista 2024).

In 2023, nearly 66 percent of the population in Slovakia purchased something on the internet in contrast, the figure for 2010 was just around 18,7 percent.

5. The way of shopping by means of the Internet in Slovakia

Online shopping in Slovakia has been gaining the popularity and people feel more and more comfortable when shopping online. Majority of people who have the Internet access at home shop online. When shopping online, customers use phones, computers, or notebook. The use of mobile devices has been progressing very fast, mainly in the regions where there is not any other digital structure. Shopping, mainly by means of mobile devices will keep raising in the future.

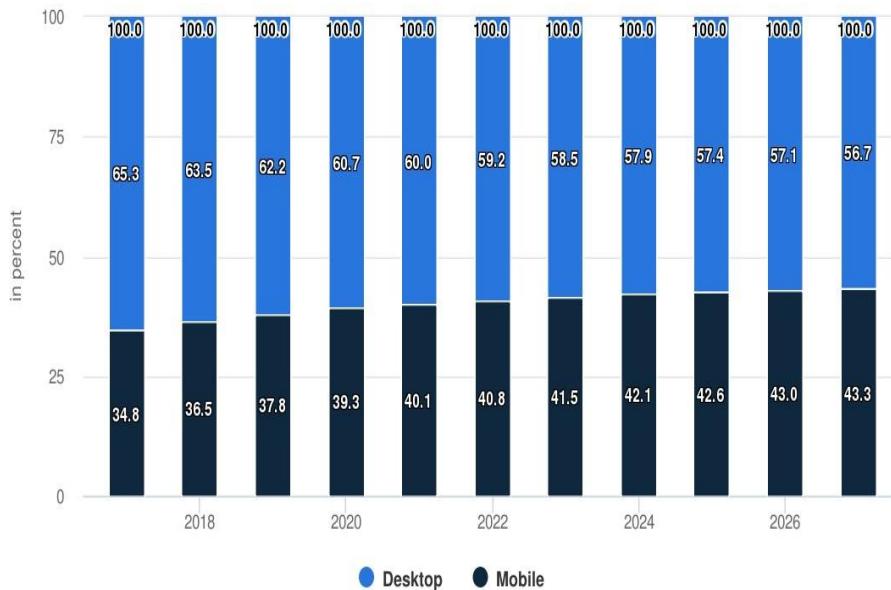


Figure 5: eCommerce - Slovakia (Statista 2024).

On the graph, we can see that people in Slovakia use mobile device more and more when shopping online. The current trend in e-commerce and online business is shopping by means of mobile shopping applications.

6. Conclusions

We can understand e-commerce as the entrepreneurship realized by means of information-communication technologies and this is the entrepreneurial performance in electronic form. The future of e-commerce as a field of entrepreneurship is going to grow henceforth. In Slovakia, every year, the amount of people who will prefer online shopping against shopping in brick-and-mortar stores is going to increase. Nowadays, shopping is much easier, faster, and comfortable by means of e-commerce, what brings the comfort to customers and entrepreneurs.

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