



EVOLUTION OF E-COMMERCE IN EUROPEAN UNION

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Abstract: *In this paper we analyzed the evolution of the sales concept. This concept has evolved over the last fifty years, and has undergone radical changes in recent decades. If before sales include selling space, where was a seller, merchandise and a buyer, today consumer can buy through internet and in this way he can buy faster and is no longer necessary the presence of a seller. European Commission proposed to create a free digital market where the buyers can shop online out of borders and companies can sell online wherever in EU. Proposed in 2015, the strategy regarding unique online market has become the base of a European digital society united and sustainable. Internet penetration growth in Europe is increasing at a steady pace and in this condition many more consumers are buying online and many more retailers are selling online. After implementing the strategy, the number of companies selling online started to grow, almost every year with 1% more than year before, so in 2018, 17% of companies sell the merchandise online, but there are big differences between countries: countries like Denmark, Ireland and Sweden have more than 30% of companies which sell online and in the same time Italy, Romania and Bulgaria have less than 10%.*

Key words: *sales, e-commerce, European Union, strategy, consumer, internet.*

1. INTRODUCTION

The concept of sales has evolved over the last half century. If before sales include selling space, where was a seller, merchandise and a buyer, today seller's presence is no longer necessary. Sales can be done through catalogs, vending machines, sales door-to-door, or via the internet. If door-to-door catalog sales came in the middle of the last century, with easy access to the Internet, a new type of sales, sales through the Internet, has developed. The first company to use this method was Amazon in 1995, and after nearly twenty-five years, Amazon.com is the largest online retailer.

2. A MARKETING ORIENTATION

The decision to buy is influenced by several variables: forecasting the wants and needs of consumers, the ways how vendors present the products, the price. [1]

A retailer's success is directly dependent on consumer satisfaction, so it is mandatory to be careful to the wishes and needs of consumers. In recent years, the way how retailers conduct business has developed and become more consumer-oriented. Retailers have to build a strategy to distinguish themselves from competition and their merchandise to meet the consumer needs but, in



same time, retailers must go beyond strategies to gain: they have to build an image in the eyes of consumer. In this condition, retailer has to change, to adapt to the new challenges and to try to predict what consumer desire.

Companies, wanting to meet the consumer, have tried to communicate directly with him. Direct marketing is the way through both companies and consumers get the immediate response to their wishes. For many companies direct marketing is the only format that business is conducted. [1]

Direct marketing benefits consumer because is convenient, save time-consumer do not have to go to stores, it's easy to compare merchandise and is open 24 hours a day. For the retailer benefits are divers too: the relationship with consumer can be stronger, because the retailer can personalize the offer to the special needs and wants of consumer and to promote those offers through individualized communications.

3. E-COMMERCE IN EU

a. Legislative Premises for the unique European market

After the economic crisis from 2008, European Commission proposed a strategy to help European country to progress: smart growth-an economy based on knowledge and innovation-means strengthening knowledge and innovation as drivers of future growth.

The global demand for information and communication technologies is a market worth € 2 000 billion, but only one quarter of this comes from European firms. The quality of high-speed internet was weak and affects its ability to innovate, as well as on the on-line dissemination of knowledge and online distribution of goods and services. [2]

European Commission proposed to create a free digital market where the buyers can shop online out of borders and companies can sale online wherever in EU.

Propose in 2015, the strategy regarding unique online market has become the base an a european digital society unite and sustainable.

In the spirit of this strategy of the unique European market, in next period, between 2016 and 2017 have been achieved a few important steps:

- eliminating roaming charges,
- upgrading data protection,
- cross-border portability of online contracts,
- agreement on providing free internet in public places. [3]

b. Evolution of e-commerce in UE

E-commerce is the sale or purchase of goods or services conducted over computer networks by methods specifically designed for the purpose of receiving or placing of orders. The payment and the delivery of the goods or services do not have to be conducted online. [4]

Table 1: Evolution of e-commerce in UE 28 (%)

Year	Companies selling online in UE
2014	15
2015	16
2016	17
2017	18
2018	17

Source: made by the author according to the Eurostat



Online retailing start to grow in Europe after implementing this strategy. In Table 1: Evolution of e-commerce in UE 28 we present the evolution of ecommerce in last five years in EU.

After implementing the strategy, the number of companies selling online start to grow, almost every year whit 1% more than year before, so in 2018, 17% of companies sale the merchandise online.

In Table 2: E-commerce sales in EU in 2018, we present present the situation of each Member State regarding e-commerce.

Table 2: E-commerce sales in EU in 2018

Country	Companies selling online (%)	Country	Companies selling online (%)
Austria	14	Italy	10
Belgium	29	Latvia	11
Bulgaria	6	Lithuania	22
Croatia	18	Luxembourg	12
Cyprus	12	Malta	21
Czech Republic	24	Netherlands	17
Denmark	32	Poland	13
Estonia	16	Portugal	19
Finland	21	Romania	9
France	16	Slovakia	13
Germany	20	Slovenia	18
Greece	11	Spain	19
Hungary	13	Sweden	30
Ireland	31	United Kingdom	20

Source: made by the author according to the Eurostat[5]

According to Eurostat database the states whit the highest number of companies wich sell online are: Denmark (32%), Ireland (31%), and Sweden (30%). In the bottom of this list are: Bulgaria (6%), Romania (9%) and Italy (10%).

We consider that these data are influenced by access to the Internet: Internet penetration growth in Europe (83% in 2018), but if in Northern European countries, Internet access is 95%, in the countries of SE Europe internet access is limited. [6]

4. EVOLUTION OF E-COMMERCE IN ROMANIA

In the previous chapter we found that Romania is the bottom of the list in terms of online e-commerce. In Table 3: Evolution of e-commerce in Romania, we will present the evolution of e-commerce in Romania in last five years.

Table 3: Evolution of e-commerce in Romania (%)

Year	Companies selling online in Romania
2014	7
2015	7
2016	7
2017	8
2018	9

Source: made by the author according to the Eurostat[5]



From the data presented in the table above, we can see that e-commerce is growing in Romania year after year. If in 2010 just 5% from the companies sell online, in 2018, 9% from companies sell online. [5] According to the European Ecommerce Report 2018, Romania has seen the largest e-commerce growth, with a significant growth rate of 37%. [6] We consider that e-commerce in Romania will continue to grow provided investment growth and government support for developing digital skills among the population combined with the digital infrastructure.

5. CONCLUSIONS

European e-commerce is growing. After implementing e-commerce strategy proposed by the European Commission in 2015, was an increase in every year. Western European countries continue to lead the way, as the largest market for e-commerce, but these countries have mature e-commerce consumer-bases and are accustomed to ordering goods/services over the internet. Reasons for this include the advanced infrastructure, high internet penetration and high level of consumer trust and familiarity with online shopping.

In Central and Eastern European Countries achieved the highest e-commerce sales growth in 2016. [6] In Romania sales increased by 38% in 2017 and 37% in 2018 and will continue to grow, because e-commerce is more popular with the younger generation and government have to provide access to internet to a larger population and to continue to implement the strategy for unique online market.

E-commerce, combined with the EU Single Market, is an opportunity to sell and shop across border without travelling or setting up shop in another country.

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