E-Commerce Practice in Lithuania

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Abstract

E-commerce - term that have recently entered into market. More and more companies are trying to use the Internet in their business, as it offers many opportunities for the organization and the consumer, and this topic is becoming more and more relevant throughout the world. Although in Lithuania e- commerce has not yet come to an end, however, it is gradually developing and gaining momentum. More and more firms with their own Internet pages are appearing in which they promote their products, thus allowing them to order it and deliver it to their homes. However, in the world, many organizations no longer realize their activities without the Internet, as it offers the opportunity to reduce costs in advertising and document management, accelerate the entry of goods and services into the market, more flexible regulation of prices, taking into account environmental conditions, and many other things that the manufacturer wins.

Keywords: E-commerce; Internet; E-commerce strategy

Introduction

In Lithuania, with intensive e-commerce, a large proportion of people purchasing online bought at least one purchase from their own country's online store at least once. Tthree quarters of Lithuanians have bought foreign online stores. Lithuania is a small country, so the population sometimes lacks a variety of goods. Our purchasing power is lower, therefore the search for goods leads Lithuanians abroad, and compatriots are increasingly using electronic technologies, and virtual purchases no longer give rise to fear; in addition, successful purchasing experience encourages them to do so even more. Although, of course, only a part of these buyers are permanent.

E-Commerce Definition

E-commerce is a fairly popular and increasingly popular way of acquiring the desired goods or services. E-commerce has many advantages - when buying online, the buyer takes less time, can choose from several suppliers and save money, can read about product characteristics and get the desired product directly to the home. Nowadays e-commerce has been gaining popularity in Lithuania for several years. There is an increasing number of online stores in Lithuania, as well as increasing opportunities for shopping in foreign e-shops - the variety of goods, more affordable prices, convenient shopping encourages consumers to buy more and more often. It should be noted that aspects such as a convenient way of payment, a smooth return process, the ability to choose a delivery method, prompt and enjoyable customer service creates a good experience that plays far not the last role in the decision to buy-not to buy in the process. E-shops are not only useful for business-they are becoming more friendly and convenient for shoppers: after all, shopping online can be done without leaving home. This saves time, transport costs, you can read more information about products.

In addition, the latest models in the Internet appear faster than in traditional stores, and the supply of goods on the Internet is much larger than in traditional stores. On the other hand, there are some disadvanatges shopping online. When ordering a product online, it often takes a long time before it is delivered, and shipping charges sometimes exceed the price of the item, especially if the product is ordered from abroad. Repaying your online purchase may be more difficult than buying a traditional store. Often money will not be refunded for shipping, and in some cases it will even have to cover the cost of returning the product itself. In addition, when shopping online, it's important to make sure the website is trusted and your credit card or online banking data will be protected. Finally, shopping online will not be able to see the goods (like clothes, shoes) and some time you could not taste goods (like food).

E-commerce has virtually matched the new needs and the latest technology, and these factors have created new business challenges. Electronic commerce, as an integral part of business, is described as a form of commercial relations in which

interlinked parties interact electronically with the use of information technology. E-Business is facilitating e-procurement, sales and collaboration based on enterprise applications (Table 1).

Table 1: E-commerce definition.

Author	Definition
Wigand RT [12]	E-commerce involves any ongoing economic activity through electronic communications. The «e-commerce» bandwidth includes electronic markets in electronic hierarchies and also include electronically supported Entrepreneurship Networks and Collaborative Agreements (Electronic Networks). The co-ordination mechanism is a common feature of them. Tourism services, financial or insurance industry, also product distribution and customer service are typical application areas.
Nanehkaran YA [10]	Interaction of communication systems, data management systems and security that they are changing commercial information related to sales of products; or services will be available, so the definition of the core e-commerce components are: communication systems, data management systems and security.
Khan AG [9]	„Electronic commerce, or e-commerce, is the buying and selling of goods and services on the Internet. Other than buying and selling, many people use Internet as a ource of information to compare prices or look at the latest products on offer before aking a purchase online or at a traditional store."
Robin M [11]	Definitions of electronic commerce vary considerably depending upon whether the focus is on Internet-based commerce or transactions involving computer networks more generally.3
Kini A, Choobineh J [8]	Electronic commerce is being developed on the Internet first of all because of phenomenal growthWWW. Web allows users to access network information using a visual interface that can includes images and movements of multimedia, such as sound pictures. Most of the companies have admitted a huge deal Internet potential as a means of achieving enormous audiences around the world
Fichter K [7]	The OECD provides both a narrow and wide range definition of e-commerce: Narrow definition. Internet transaction is the purchase or sale of goods or services,whether between enterprises, households, individuals, governments and other societies or „private organizations internet Goods and services are ordered via internet, but payment and the final delivery of goods or the service can be done on-line or off-line". Wide definition. Electronic transaction is the purchase or sale of „goods or services, whether between enterprises, households, individuals, governments and other societies or private organizations computer controlled networks." Goods and the services are ordered through those networks, but payment and final the delivery of a good or service may be carried out on-or off-line

E-Commerce Advantages and Disadvantages

It's convenient for small businesses to go online because they can easily compete with bigger ones. When it comes to online shopping, it also saves you money-you do not need to rent a room for a store, and warehousing is not always necessary. By trading online it is much easier to reach foreign markets, it is not necessary to limit itself to Lithuania. It should be noted that online trading also has the other side. The biggest shortcoming of the online store is that it is not possible to see the product before it is purchased. People are making money look elsewhere, and buy online. People are increasingly looking at the stores in their usual stores, and then they are quietly shopping in the online store because it's cheaper (Table 2).

Table 2: E-commerce advantges and disadvanatges.

Advantages	Disadvantages
The e-shop is open 24 hours a day, 7 days a week	When ordering a product online, it often takes a long time before it is delivered, and shipping charges sometimes exceed the price of the item, especially if the product is ordered from abroad.
Do not need to stand in the queues of stores	Repaying your online purchase may be more difficult than buying a traditional store
Larger product selection	Online shopping will not be able to measure goods (such as clothing).
Possibility to shop from anywhere	The ability to be cheated. Your money security depends on your own vigilance. So before submitting your personal information, check that the online store is trusted. When you buy online, you risk not getting or getting the same as the one shown in the photo.
Saved fuel	Lack of privacy. Some online stores even unsolicited send you emails about various stocks and new items. On the one hand, this may seem useful, but on the other hand, it's a way to get you more money.
Shares, discounts and promotions are often promoted in online stores, which saves money	

E-Commerce Strategy

In modern age, local stores are increasingly replacing electronic ones. By offering purchasing services even without leaving home, quick withdrawal e-commerce attracts a lot of customer interest and leads sales. Demand is growing, but what you need to know to create an efficient, profitable online store what e-commerce strategy you should used? There is some tools for effective e-commerce strategy: Page adaptation opens up wider options. One of the key factors that e-shops make effective is to adapt the store's page to various platforms. In other words, it's not enough just to create an electronic version, it needs to be adapted to the mobile environment. The steadily growing use of mobile devices creates broad opportunities for traders who understand the trend in technology upgrades. Personalization of the page encourages sales. It is very important for every customer to feel that a trader points to his wishes and needs. Do you think it's impossible in cyberspace? The e-shop has the ability to personalize the page. This is to apply a system that takes into account what goods the buyer has already reviewed. At the bottom or at the top of the page, offering a range of products from the reviewed category, there is a sales opportunity, as this way the client feels "heard".

Vision needs to "grab" the customer's eye. Another factor that will improve e-commerce sales is the attractive design of the page. A modern people attache great importance to page layout and design. The more comfortable, the more detailed and the more colorful it will be, the greater the chance that the customer will remain in this space. In addition, one needs to pay attention to the fact that a person of "Y generation" chooses video material while saving time. Visual material creates an opportunity not only to hear the usefulness of this product but also to see it.

Active communication in social media. It's not a secret that social media is a great place for advertising and marketing. Extremely large customer flow on Facebook, Twitter and Instagram platforms is ready to buy the products you offer. Through targeted social media communication, constant updates of the profile to various product photos and video materials will result in a greater flow of customers.

As stated Račkaukas [1] electronic shops are gaining momentum in trading. How to stand out from others, to be noticed, to offer your product in a competitive manner? Of course, the site design and convenience are of great importance. It is very important to communicate with the right tune in order to reach the client. You should refuse the way you submit an affiliate or over-advertising content. The best tone is talking to a customer as if he were your friend or acquaintance. It starts with a call to him in promotional letters or in an online store environment, and ends with a general writing style in any offer. Linking your offers with current events, news, afraid to joke suggestions in texts is also effective. All this brings business closer to the customer. Customers who choose an online store and customers who go to a regular store are no different than the place where they are buying. Neil [2] stated that customers are looking for other people's feedback, potential problems, trying to analyze product needs, collecting information and comparing the product with other alternative products from competitors before making a purchase decision, and assessing the product after purchase. This means that customers take into account price, location, convenience, awareness and reliability before shopping, but the most important indicator is credibility. Through social networks, more and more people publicly share good and bad purchasing experiences, which also determines the choice of other consumers. E- commerce offers the greatest benefits to businesses as it provides opportunities for growth and expansion, more flexibility, increased market coverage, lower costs, and a wider range of products. All of these benefits not only encourage existing customers to use the store, they help to attract more and more new customers. And e-commerce also benefits customers because the virtual space is cheaper, information is readily available, detailed product descriptions, photos, comments from other users, regardless of location and time, goods can be ordered very easily and wait until they are delivered.

E-Commerce Practice in Lithuania

E-commerce is gaining momentum in Lithuania - about one third of the population of Lithuania is shopping online (data of the Department of Statistics of the Republic of Lithuania). 2017 even two thirds of all Internet users of the European Union (EU) bought the goods online, while in Lithuania such buyers - 44%, the EU statistical agency Eurostat. With the growing demand for e-commerce, the demand for qualified e-commerce professionals in the country is growing.

According to the data of the EU statistical agency Eurostat, the indicators related to e-commerce have rapidly risen in Lithuania:

a)   In Lithuania, online sales of companies (excluding financial firms) grew from 18% in 2015. up to 22% in 2017

b)   There is also a noticeable increase in the number of online purchases by businesses (in 2014, Internet purchases made up 25% and in 2017 it was already 28%).

c)   The largest growth in corporate turnover from e-commerce- in 2017 rose almost double compared with 2014. (In 2014, the turnover of e-commerce companies was 7%, and in 2017 it was already 13%).

d)   When analyzing the statistics important for the development of e-commerce in Lithuania, it is important to mention that:

e)   Between 2015 and 2017, the percentage of households with a personal computer increased. 2015 it was 67.6%, while in 2017 it grew to 73%.

f)   Major cities in 2017 it has grown to 82.4%.

g)   Internet access has also increased. 2015 it reached 68.3%, and in 2017 it has grown to 75%. Statistics show an increasing interest in the Internet.

h)   Analyzing the share of companies that have sold goods or services (received orders) by e-communications, it is evident that:

i)   Wholesale and retail e. networks in Lithuania grew from 25.2 percent. In 2014 to 32.4% - 2016

j)   Computer programming, consultancy and related activities; data processing, web server services (hosting) and related activities; Internet gateway service activities also increased from 23.9%. In 2014 to 40.8% 2016

k)   Sales and retail sales increased from 23.2%. In 2012, to 33.8 percent. - 2016

l)   Monitoring sales e. The change in the volume of networks, as compared to the total turnover in Lithuania, also increased. Total by business type of sales e. the volume of networks grew from 7.4% in comparison to total turnover. In 2012 to 12.6% 2016.

As stated Sagatauskas [3] internet sales in Lithuania account for a small share of retail sales, they are growing rapidly in recent years and are likely to close to 5% in the coming years. As the experience of foreign countries shows, when trade reaches this limit, physical retail space is shrinking. In the EU Member States, online trading in 2016 accounted for 9.4% of all retail sales. Compared to previous years, e. trade grew by about 11%, while trading areas shrank by about 1.5%. Still more significant changes are recorded in those countries where e. trade is already a relatively significant part of all retail sales. One such country is the United Kingdom. In this country's retail market, the share of online shopping is about 17% and is growing rapidly. At that time, the trade area here over the past year fell by more than 4%. In Lithuania, the share of online shopping is still a relatively small part of all retail trade-in 2016 it was about 3.5%. A Eurobarometer survey shows that every third person in the country has been online at least once in Lithuania, while at that time the EU has been doing it on average every second consumer. Thus, at present, a larger proportion of Lithuanians still enjoy visiting physical stores, and the volume of online sales is too small to have a real impact on the decline of traditional retail outlets. Vilnius is worth mentioning individually, with a trade area (679 sq. M) per capita now considerably lower than in Riga or Tallinn (998 sq. M and 817 sq. M respectively). Therefore, in the future, we should still hear about the projects of new shopping centers in the capital of Lithuania.

As stated Mrazauskaitė [4] regarding the most commonly purchased goods online, trends are unchanged. Lithuanians mostly buy electronic and household appliances, perfumes, tickets to events, trips or spa treatments on the Internet. The growing interest of Lithuanians in purchasing goods on the Internet was due to the fact that more and more commercials are being downloaded to the Internet and more and more goods are being offered online. Another reason is that it is not too long to deliver everyday goods in Lithuania, so ordered food or other goods may be available directly to your home the next morning [5-7].

Emphasizing the importance of developing e-commerce in the European Union, adopted by the European Commission in 2020 [8]. The European strategy has set 3 priorities, one of which is smart growth, based on knowledge and innovation. The implementation of this strategy confirmed the EU Digital Agenda, which aims to ensure that a digital single market based on high-speed and high-speed Internet and interoperable applications provides sustainable economic and social benefits for the development of an action plan to make the best use of ICT-based social and economic opportunities, in particular the Internet, as a very important tool for economic and social action [9,10].

E-business programs are being developed by several Lithuanian higher education institutions. Panevėžys College has an Electronic Business Technology Program, which

provides a Bachelor's Degree in Informatics. Mykolas Romeris University holds Master's degree program in Electronic Business Management in the Lithuanian and English languages, which gives the Master of Business Administration degree. Vytautas Magnus University holds a Master's program in Marketing and International Commerce and provides a Master's Degree in Business Administration [11,12].

Conclusion

E-commerce define as a business form where parties communicate electronically without physical contact. E-commerce is a generic term that includes business transactions managed electronically, using telecommunication networks - the Internet. In Lithuania, the goods and services offered in electronic stores can be purchased at any time of the day and from anywhere in the world. You can spend as much time as you need to get acquainted with the goods in the e-shop. Here are detailed descriptions of them with photos, recommendations, reviews from other buyers and relevant news. Not everyone, albeit heavily willing seller, can provide as much information as they can on the Internet in a real store.

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