

Prospects for the Development of e-Commerce in Georgia

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Abstract : E-commerce opens a new horizon for business development, which is why the presence of e-commerce is a necessary condition for the formation, growth, and development of the country's economy. Worldwide, e-commerce turnover is growing at a high rate every year, as the electronic environment provides great opportunities for product promotion. E-commerce in Georgia is developing at a fast pace, but it is still a relatively young direction in the country's economy. Movement restrictions and other public health measures caused by the COVID-19 pandemic have reduced economic activity in most economic sectors and countries, significantly affecting production, distribution, and consumption. The pandemic has accelerated digital transformation. Digital solutions enable people and businesses to continue part of their economic and social activities remotely. This has also led to the growth of e-commerce. According to the data of the National Statistics Service of Georgia, the share of online trade is higher in cities (27.4%) than in rural areas (9.1%). The COVID-19 pandemic has forced local businesses to expand their digital offerings. The size of the local market increased 3.2 times in 2020 to 138 million GEL. And in 2018-2020, the share of local e-commerce increased from 11% to 23%. In Georgia, the state is actively engaged in the promotion of activities based on information technologies. Many measures have been taken for this purpose, but compared to other countries, this process is slow in Georgia. The purpose of the study is to determine development prospects for the economy of Georgia based on the analysis of electronic commerce. Research was conducted around the issues using Georgian and foreign scientists' articles, works, reports of international organizations, collections of scientific conferences, and scientific electronic databases. The empirical base of the research is the data and annual reports of the National Statistical Service of Georgia, internet resources of world statistical materials, and others. While working on the article, a questionnaire was developed, based on which an electronic survey of certain types of respondents was conducted. The conducted research was related to determining how intensively Georgian citizens use online shopping, including which age category uses electronic commerce, for what purposes, and how satisfied they are. Various theoretical and methodological research tools, as well as analysis, synthesis, comparison, and other types of methods, are used to achieve the set goal in the research process. The research results and recommendations will contribute to the development of e-commerce in Georgia and economic growth based on it.

Keywords : e-commerce, information technology, pandemic, digital transformation

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