

СЕКЦІЯ 5. ПРОБЛЕМИ ОБЛІКУ ТА ОПОДАТКУВАННЯ ДІЯЛЬНОСТІ СУБ'ЄКТІВ ПІДПРИЄМНИЦТВА В КОНТЕКСТІ ІМПЛЕМЕНТАЦІЇ ЄВРОПЕЙСЬКИХ ПРАКТИК

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WAYS TO FINANCE ONLINE BUSINESS: ADVANTAGES AND DISADVANTAGES

Before the start of the full-scale military invasion of Ukraine, its population was 43.33 million. In 2021, 65% of the population were confident Internet users, and 44% made online purchases. The most popular categories of goods purchased by Ukrainians in online stores were electronics, clothing and footwear, and furniture. The total amount of money spent by Ukrainians on online shopping in 2021 was over USD 1 billion. Since the outbreak of the war in Ukraine, events have taken place that have had a negative impact on the development of online commerce. But, in 2023, online commerce in Ukraine began to recover and, according to some forecasts, online sales in 2024 will reach the level of 2021 [1].

It is worth noting that online commerce in Ukraine is developing not only through cooperation with foreign online stores but also through the opening of a significant number of domestic online stores. This trend should be noted as positive, as the creation of Ukrainian online stores allows not only to meet the needs of the population for certain goods but also provides jobs within the country. It is worth noting that the majority of Ukrainian producers of beauty products and certain food products are engaged in online trading. However, any business in Ukraine, including online retailers, is currently operating under resource constraints. Therefore, it is important for them to find alternative sources of financing. There are several ways to finance an online business: 1) revenue-based financing; 2) bank loans; 3) credit lines secured by inventory; and 4) invoice financing. Each of these financing methods has its advantages and disadvantages. Revenue-based financing has numerous advantages. They include flexible repayment schedules; no need to have property as collateral; lenders are not involved in management decision-making; easy and quick procedures for obtaining funds; and relatively low cost of capital. The disadvantage of this method of financing is that not all online businesses meet the criteria required to receive funding. Bank loans are the most common and widespread way to raise capital for businesses in Ukraine. The advantages of bank loans are clear credit terms; banking institutions are not involved in management. The disadvantages of bank loans are collateral; targeted provision of funds; rather complicated loan application procedure; strict repayment schedule; and the need for insurance, which increases the cost of the loan. Inventory-based credit lines and invoice financing are not common in Ukraine. This is due to insufficient regulation of these types of business transactions. At the same time, the advantages of these methods of financing online businesses are driven by the need to promote them among business entities. Such transactions are pledged only as collateral; obtaining financing is easier than obtaining bank loans; lenders do not participate in management decision-making.

Summing up the above methods of financing online business enterprises, it is worth noting that not all methods of financing business activities used by international business entities are widespread in Ukraine. Studying foreign experience and implementing its best practices in the Ukrainian economy can accelerate the development of Ukrainian e-business enterprises.

References

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