Chapter 9
E–Commerce in the EU:
The Role of Common Standards and Regulations

Marta Orviska
Faculty of Economics, Matej Bel University in Banska Bystrica, Slovakia

Jan Hunady
Faculty of Economics, Matej Bel University in Banska Bystrica, Slovakia

ABSTRACT

E-commerce has several advantages for customers and improves firm productivity. The research aims to examine factors determining the usage of e-commerce within the EU with the focus on problems related to standards. This includes especially a lack of interoperability and labelling problems. Firstly, the authors found rising popularity of online purchases in recent years. Despite the increase, Visegrad countries are still lagging behind the EU average. A similar increase is also evident in e-commerce engagement as well as in turnover from e-commerce. Furthermore, they also estimated logit regressions to find factors affecting the probability of firm engagement in e-commerce. Interoperability problems, when selling online, are more frequently reported by wholesale firms as well as those in the information and communication sector. The majority of firms in our sample stated that common rules of e-commerce within the EU could be beneficial. This is particularly important for those reporting problems with interoperability and different labelling.

INTRODUCTION

The Internet represents a very important means of achieving greater competitiveness of individual businesses as well as for the economy as a whole. Adoption of e-commerce by enterprises became popular during the recent decade and its importance will grow further in the future. Companies seek to exploit their potential and extend their capability via the Web by using it for selling or buying. For many of them, e-commerce could be an effective tool for reducing operational costs and enhancing their target market. Furthermore, we can say that online business could significantly facilitate cross border trade within the EU and globally. It is evident that more and more customers get used to shopping abroad online without actually going anywhere. On the other hand, there are of course some potential problems that could represent a barrier to online trade between countries. The lack of standards or differences in local standards could be considered one of these barriers.

Our research aim is to identify the problems associated with online international trade which are related to standards. The paper is focused exclusively on standards and legislation in the EU context. The literature has suggested and evaluated many important reasons for e-commerce intensity, adoption and diffusion, including physical vs. digital products, delivery cost and infrastructure, position in a supply chain, number and size of partners and suppliers, and cultural distance (Jennex et al., 2004; Lawrence and Tar, 2010). In our research we focus on the impact of standards related issues on e-commerce. According to the available data from Eurobarometer we narrow our focus specifically on interoperability problems and problems with different labelling. These two issues could represent significant barriers for international online trade within the EU, and both are related to the existence of common standards. Furthermore, certain common standards for product labelling in the EU could reduce the costs of product adoption for another market. Based on empirical data, we examine the incidence of selected problems in EU countries and identify the characteristic of those firms which are most exposed to each of the problems. We particularly focus our attention on problems with interoperability and problems with different labelling. We analyse both business-to-business (B2B) and business-to-customer (B2C) types of e-commerce. Furthermore, we also want to find out whether common rules for e-commerce would be beneficial for online business in the EU, although we must acknowledge that standardization and rules are not always the same concept and one does not imply the other (Blind et al., 2017). In the next section we review the literature regarding this topic. Next we describe our methodology and the dataset used in the analysis and summarize and discuss the most important results. The final conclusions and potential policy implications are made at the end. This research builds on our previous publications and represents

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