

Modern Business Models and Features of E-Commerce in The Republic of Uzbekistan

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Abstract

Developing modern e-commerce in the Republic of Uzbekistan and strengthening its place in the economy is intended to take advantage of the experience of developed countries in the field of e-commerce in the technical and technological capabilities of modern e-commerce and the further upgrade of business models.

Keywords: eCommerce, model, business, consumer, product, organization, website, government, service, market, telecommunications, sales.

INTRODUCTION

In recent years, a significant increase in the development of information technology and the global Internet has led to the emergence of new directions in various areas of human life. (Matthew 24:14; 28:19, 20) Today, e-commerce has entered society's daily life at a high speed and is becoming an integral part of it¹. The term eCommerce is a very broad concept that has been given many definitions.

Most of the descriptions cited say that any transaction or transaction made over the Internet is e-commerce. E-commerce is understood to be an economic sector that includes all financial and commercial transactions performed using computer networks and business processes related to such operations.

In today's developing era, e-commerce in the Republic of Uzbekistan can be seen as one of the most promising areas of business activity. Industry experts believe that the republic has all the necessary frameworks and resources for the development of e-commerce: the growth of computer literacy of the population, the spread of high-quality Internet throughout the country with low traffic prices, and so on. The global development of information technology has become a program for changes in the economy and society. One of the main components of these processes is the entry of the Internet into all sectors of the economy.

In recent times, the scope of commercial communications over the Internet has greatly expanded, it includes the following components:

- the sale and purchase of goods over the Internet;
- transfer of funds through the use of electronic networks;
- electronic trading of information and others.

¹ Address to the Supreme Court by President of the Republic of Uzbekistan Shavkat Mirziyoyev, "People's Word", January 25, 2020, No. 19



eCommerce is one of the areas that is developing at a very high pace in the modern economy. It is treated as a profitable activity by a company based on digital technology and the privileges they grant. Buyers who are attracted to a new commercial environment will receive certain opportunities and benefits.

ECommerce's business models allow businesses and consumers to shop online or sell products and services. There are six main eCommerce business models²:

From business to consumer (B2C), as the name implies, from business to consumer (B2C) is a model in which a company sells its products or services directly to customers. This is the most common form of sales. B2C eCommerce is very simple. B2C transaction is performed every time a customer buys food from a grocery store, eats dinner at a restaurant, watches a movie in a movie theater.

Table 1 e-commerce, which is widely used in The World, business models

No.	Modellar names	Note
1.	B2C	Biznesdan -iste'molchiga
2.	B2B	Biznesdan - biznesga
3.	B2G	Biznesdan - hukumatga
4.	C2B	Iste'molchidan - business
5.	C2C	Iste'molchidan - iste'molchiga
6.	C2G	Iste'molchidan - hukumatga
7.	G2B	Hukumatdan - biznesga
8.	B2B2C	From business to business and to the consumer

B2C eCommerce brands (Amazon, Meta, Walmart, etc.) engage their audience online in dozens of ways. As the model is highly adaptable to the digital marketplaces, many B2C brands are the foremost in eCommerce technologies and trends. They are attracting and increasing the scope of sales on social networks through sales, personalized e-commerce experience, mobile apps that connect digital and physical spaces, and more³.

Business to Business (B2B) is a model in which businesses sell products and services to other companies, such as Alibaba.com leading global B2B market, which helps instantly connect customers with manufacturers and wholesalers around the world. A customer is an employee (or the whole department) who purchases a product or service on behalf of his company. B2B businesses strive to foster relationships through marketing and sales processes that are more complex than many B2Cs. The B2B model typically involves steps of awareness, interest, assessment, engagement and acquisition.

Business to Government (B2G) is a business model of complex e-commerce where the government buys products, services or data from companies. This may seem like a telecom company or engineering business that offers its services to a government agency. The process

² German M.V., Habakkukshev Sh.Q., Usmanova D.Q., Khalikova L.N. E-commerce foundations. Tutorial. Samarkand: SamDU edition, 2021

³ ECHIMLARI, R. UZBEKISTON ELECTRON TIZHOROTNI RIVOZHLANTIRISHDAGI MUAMMOLAR VA ULARNING ECHIMLARI Zulfiya Khudaibergan kizi Nosirova.



works a little differently than other business models – in most cases, the government doesn't go directly to an eCommerce website for purchases. Instead, a government agency searching for a product or service sends a request for information (RFI) and an offer request (RFP) so that they know the products or services offered by the relevant businesses. Then a government agency decides which company to work with. B2G comes with numerous laws, regulations and documentation regulating transactions and business relationships⁴.

However, B2G eCommerce transactions are sometimes carried out on websites with a market model where businesses display their products or services and government organizations can choose the right option.

From consumer to business (C2B), consumers create value in this model, and businesses use this value. In the C2B eCommerce business model, individuals offer goods and services directly to companies. This can be observed on websites that allow individuals (freelancers) to exchange jobs or services with their skills. (Matthew 24:14; 28:19, 20) Jehovah's Witnesses would be pleased to answers with you.

One of the best known examples of C2B is Upwork, a freelancer platform that directly connects organizations with freelancers. It provides businesses with the ability to find candidates for financial tasks, from software development and content creation to UX design and even filing accounting or tax returns⁵. One of the main advantages of this business model is that it gives consumers the opportunity to set their values themselves.

From consumer to consumer (C2C) – this business model allows you to shop between two consumers. Consumers massively share goods and services for sale. Other consumers can then browse listings or ads, decide what they want to buy and contact the retailer⁶.

Examples of C2C eCommerce include auction platforms such as eBay, commodity exchange platforms such as Etsy, PayPal payment platforms.

C2C platforms are convenient for both buyers and sellers, and the platforms earn their profit by levying a small percentage per transaction, such as the seller's fee for the goods list.

Consumer to Government (C2G) is a model in which consumers conduct transactions with the government, such as a taxpayer citizen. These operations may also be related to education or social security. The C2G business model strengthens the connection between consumers and the government. This gives consumers a direct route to share feedback or information with the public sectors, making it easier for citizens to use government-sponsored services.

While the top six business models are common in eCommerce, other business models are also moving into eCommerce spaces.

Business to Business and Consumer (B2B2C) – In the B2B2C business model, companies work with other companies to attract new customers to themselves. For example, if a company is creating a new product, it will combine forces with other businesses to leverage on a service

⁴ Analysis of the economic activity of the enterprise: 5th edition / G.V. Savitskaya. - Minsk: "New Knowledge" LLC, 2001

⁵ E-commerce, student edition 1st edition. McGraw-Hill Education February 7, 2005. 363 pages

⁶ Khudayberganovna, N. Z. (2023). CREATIVE APPROACH TO THE PROCESS OF HIGHER EDUCATION AND TECHNOLOGIES USING PEDAGOGICAL METHODS. *European International Journal of Multidisciplinary Research and Management Studies*, 3(01), 99-105.



such as an eCommerce website. Both a shared product developer and a company that offers an eCommerce site increase their customer base. For example, you can get the Grape Market, which took its place in Uzbekistan for a short time. In the B2B2C model, the middle company sells the services and products of businesses to consumers. For example, an online platform such as Grape Market, which took its place in the U.S. market in a short time, sells its e-commerce space to other businesses and provides products purchased through fast delivery services, shipping points, to customers. B2B2C eCommerce, just like the B2C business, uses marketing campaigns on various digital platforms to reach its audience. This model is considered flexible.

From government to business (G2B) - as an example of this model, one can see government agencies serving businesses. These may be business licenses, electronic forms, or services such as startup online registration. Businesses act as customers during the G2B procurement cycles. At the same time, it is the government's responsibility to provide convenient digital services and information. Typically, digital government portals are used to implement this eCommerce business model. The government provides useful public services that companies can use online. From allowing businesses to government contracts, government agencies are keen to make processes available online to their business audience⁷.

From Government to Consumer (G2C) – In this business model of e-commerce, the government serves consumers. This concept describes the relationship between public administration and residents. For example, the consumer may need official documents or simple information from the government. Other examples include educational services, supply assistance. Whatever the case, the G2C model represents that residents it represents are served from a government agency. With the G2C eCommerce model, all communications and transactions are made online. Similar to G2B models, the government provides public or regional websites and electronic platforms where consumers can make payments, access useful information, and find resources. A clear example of the G2C model in the Republic of Uzbekistan is the service my.gov.uz a single interactive state services portal. The provision of interactive public services through a single portal is provided in the September 15, 2017, issue of the United Nations Declaration on the Elimination of All Forms of Discrimination against Women and the Elimination of All Forms of Discrimination against Women **It is carried out for users who have undergone registration and authorization processes in accordance with the Regulations on the Single interactive state services portal of the Republic of Uzbekistan.**

eCommerce delivery models

The eCommerce delivery model is a process by which goods and services are delivered to customers. Some delivery models are well suited to certain types of eCommerce business. For the eCommerce business model, it is important to choose the best type of delivery so that the process works smoothly as possible and customers are satisfied with the quality of service⁸.

⁷ E - Commerce: Strategy, Technologies and Applications. David Whiteley. McGraw Hill Education. 1 July 2017. 276 pages

⁸ Носирова, З. Х. (2023). «БОШҚАРУВ ТАМОЙИЛЛАРИ» ФАНИНИ ЎҚИТИШДА КЕЙС ТЕХНОЛОГИЯЛАРИДАН ФЙДАЛАНИШИНИНГ АҲАМИЯТИ. *Academic research in educational sciences*, 4(1), 222-230.



It does not use third-party services such as retailers or distributors in Direct Consumer Delivery (D2C). Instead, companies deliver their products directly to customers from their warehouses. For example, if an entity sells directly to consumers through its website, it is the D2C delivery model. Companies using the D2C model will be able to control the entire purchase account, and this will result in customers satisfied with the quality of the service and a higher level of revenue.

Wholesale sale occurs when an enterprise sends a large amount of its products to another company for resold. Large commercial orders can be sent by shipping or international wholesale shipping. Wholesale sales are a common delivery model among B2B brands. Individual customers can rarely order a larger quantity of products, and the customer cannot order wholesale from the business unless they meet the minimum order amount (NOC⁹).

Dropshipping is in the delivery model, the buyer orders the retailer, the retailer processes the order, and the retailer sends this order to the wholesaler, who then sends the product to the buyer. Dropshipping is exclusively for eCommerce. This does not work for brick and mortar stores, as these retailers do not keep inventory manually. The Dropshipping delivery model is often used by B2C businesses because it's an easy way for consumers to sell small quantities of products¹⁰.

In the subscription model, customers pay a regular, recurring fee and receive products according to a given schedule, such as once a month or once a week. Customers choose the products they want to receive and how long they want to receive their purchases, and they pay the specified amount based on the chosen frequency. Subscriptions work well for eCommerce models such as B2C, B2B, and C2B. For example, the Asahi Books project's "Subscribe to Asahi Books Books Books" subscription ensures that year-round books are delivered to the client without excessive cost, for which the client will have to pay the payment at one time or year by subscribing online.

This will not only enrich the content of structural changes in the economy but also create a space for the broad and comprehensive development of economic activity, networks and networks that are effective from a socio-economic point of view. Various monopolies will be eliminated in production and consumption, and the effective distribution and mobility of corporate assets and other resources will increase.

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