

The Role of The Digital Economy in Electronic Commerce

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Abstract

This article will tell you about e-commerce. That is, information is given about what e-commerce is, how e-commerce works, about types of e-commerce, about mobile electron Commerce and about the advantages and disadvantages of e-commerce.

Keywords: e-commerce, e-trade, internet, mobile e-commerce, business.

Introduction

Due to the rise of our country to a new economic stage, large-scale works were carried out in all areas. As a result of the development of information technologies, the electronic commerce system has reached a new level. President of the Republic of Uzbekistan Sh.M. Mirziyoyev's Decree No. PF-6079 dated October 5, 2020 "On approval of the Digital Uzbekistan - 2030" strategy and measures for its effective implementation" states that "the following measures will be implemented in order to develop the system of electronic commerce and electronic payments : development of remote banking services by introducing information and communication technologies, including remote customer identification systems; to improve and update the legal basis of e-commerce development, as well as existing standards and e-commerce rules, in order to comply with international e-commerce standards and modern information security requirements; development of digital infrastructure, increasing the scope and scope of connecting to e-commerce platforms from personal digital equipment by further increasing the coverage and speed of the global information network of the mobile and wired Internet, etc. [4].

It is necessary to distinguish digital innovation activities that end with the implementation of new digital products (or services) and are carried out on a larger scale. Currently, there are several approaches to understanding the process of creating new knowledge and information (or digital innovation activity). Based on the entrepreneurial approach, digital innovation activity is understood as a process from the creation of an idea about a new product to its acquisition, production, sale and commercialization. Based on the creative-functional approach, digital innovative activity is an effective creative activity, which is understood as the achievement of existing or completely new goals using new tools. Based on the philosophical approach, digital innovative activity is understood as a process by which science, technology,



economy, entrepreneurship and management can be combined and a positive synergistic effect can be achieved. The economic essence of digital innovative activity can be understood through the interrelated stages of the process of creating innovations (knowledge, technologies, innovations) expressed in the following diagram:

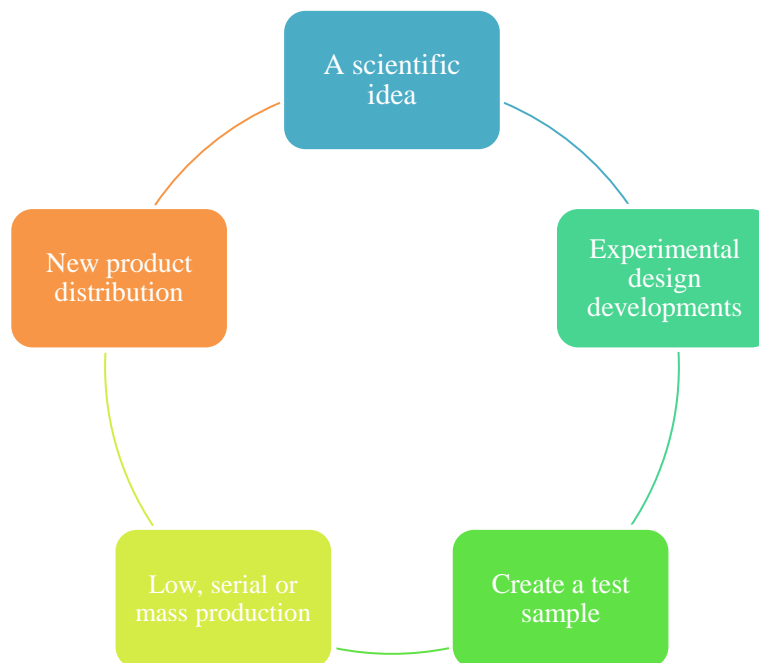


Figure 1. Content of digital innovation activity¹

Creating digital innovations is a process that includes all activities related to the creation and mastering of a new digital product, such as scientific research, experimental design work, and the implementation of their results. The life cycle of innovations (digital innovations) does not end with implementation, but also includes the processes of serial and mass production, sale, distribution and use of digital products. But in some cases, a digital innovative product may not be intended for mass production, exchange and consumption. Examples include space, aviation, atomic industry products, or exclusive (one-of-a-kind) digital products produced for medicine, nuclear physics, and other high-tech industries. It should also be said that any series and mass production cannot be called innovative, of course.

The digital economy includes e-government, e-business, e-commerce, digital economic relations, digital banks, digital archives, virtual enterprises, cryptocurrencies - electronic money, use of marketing services in social networks, introduction of blockchain technology, digital "pockets" of enterprises, digital dividends. and others included.

The directions of the digital economy include big data, artificial intelligence, blockchain, quantum technologies, production technologies, industrial Internet, robotics, wireless communication, virtual reality [1].

E-commerce is a field of economy that includes all financial and commercial transactions and business processes related to such transactions carried out using computer networks.

¹ Author development.



E-commerce includes:

- Electronics Data Interchange, EDI;
- Electronic Funds Transfer, EFT;
- E-trade;
- E-cash;
- E-marketing;
- E-banking;
- E-insurance.

Electronic commerce forms.

Electronic commerce is divided into several categories according to the target group of consumers. We will consider their classification below.

E-commerce classification (Commercial organizations):

- B2B (Business-to-Business) – relations between commercial organizations;
- B2C (Business-to-Consumer) – relations between commercial organization and consumers;
- B2E (Business-to-Employee) – relations between commercial organizations and employees (workers);
- B2G (Business-to-Government) – relations between commercial organizations and the government;
- B2O (Business-to-Operator) – relations between commercial organizations and communication operators [3];

The development of e-commerce in the world has led to the development of this industry in all countries. E-commerce and e-business are an important factor of economic development and an important part of business strategy in the conditions of economic globalization.

The introduction of information and communication technologies (ICT) into business has created a unique revolution in the direct relations of enterprises with consumers [2]. An important issue of the current period is strategic positioning, identification of the available opportunities by companies, and in the conditions of the information age and the new economic environment, based on a simple, practical and viable e-business strategy, effectively using the opportunities to reach the highest level of profitability. It should be emphasized that e-commerce allows small businesses to compete with large business entities. For a long time, communication and information technologies have been developing independently of each other in Uzbekistan.

The field of communication was artificially divided into production and non-production forms depending on the signs of use of its 23 types of services, and the entire field of information creation was formed separately from the field of communication. Thus, as a result of the improvement and expansion of the field of information and telecommunication technologies, by the end of the 90s of the last century, the process of connecting the methods and tools used in these fields began.

Along with the development of the communication market, it indicates the need to develop other sectors of the economy, which are considered potential participants of this market. Otherwise, excessive acceleration of the communication market will cause the demand for communication services to lag behind the supply, cause a gap in the economic opportunities of



providers and consumers of these services, and lead to an unjustified increase in the amount of receivables and payables.

The communication sector is important for the entire economy. Competitive, efficient and cost-effective communications networks can lead to increased overall productivity, employment, export share and tax revenue, rather than monopolistic service delivery that holds back economic development. leads to the formation of radically different positive 25 trends.

The experience of developed countries shows that all this, in turn, requires more rapid development of the industry itself. For example, to ensure 1% economic growth in Russia today, it will be necessary to achieve 3% growth in the communications industry. This is one of the main conditions for communication networks not only to ensure the development of society and the security of the country, but also to be an important factor in the stable growth of the country's economy. In Uzbekistan, the state bodies follow the following principles, which are widely used in the world experience, in the development of electronic commerce:

- The corporate sector should play an active role in the development of electronic commerce;
- In relation to electronic commerce, it should not be allowed to impose various unjustified restrictions by state bodies;
- State authorities can intervene in the e-commerce process in order to support the subjects of this field and improve the legal base;
- When developing e-commerce management measures, the government should take into account the peculiarities of the Internet;
- The process of electronic commerce should take place on a global scale, regardless of administrative-territorial division and state borders. As a result of economic development, Uzbekistan is increasingly strengthening its position in the international economic system. This, in turn, creates the need to improve the e-commerce infrastructure and ensure its emergence as a strong competitor in the global 26 markets [5].

E-commerce has its own advantages and they can be grouped as follows:

For organizations, global scale, cost reduction, supply chain improvement, business always open (24/7/365), privacy, rapid product to market, low cost of digital product distribution.

For consumers, lack of choice of location, anonymity, wide selection of goods and services, individuality, relatively cheapness of products and services, fast delivery, electronic socialization.

A wide range of services for society (e.g. education, health, utilities), improving living standards, improving national security, reducing the digital divide, selling and ordering goods and services online will reduce car traffic and environmental pollution.

Disadvantages of e-commerce:

For organizations, the doubts of the parties about the connection of the project to the company (negative anonymity), the legalization of the enterprise's activity on the Internet and some difficulties in its operation. For consumers, consumer distrust of services sold over the Internet, the inability to "hold" goods by hand, waiting for the delivery of purchased goods, possible difficulties and costs of returning goods, additional costs for the delivery of goods.

An attractive platform for fraud to society (decreased network security), driving online businesses out of the market [6].



The "gray" system of accounting for the state consists in the incomplete receipt of tax payments to the state budget.

Conclusions

Thus, it should be emphasized that the opportunities for the development of e-commerce in Uzbekistan are growing year by year. Its development creates opportunities for our national producers to open new markets and find new customers. Following the chosen and current path of e-commerce development will make the economy of Uzbekistan one of the leading representatives of the world market in the future. Choosing the right way to solve the problems of electronic commerce in Uzbekistan is reflected in the well-being of the people, the progress of our society, and our economic development.

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