Organizational and Economic Foundations for the Formation and Development of Internet Trade

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Annotation.

The prospects for selling goods via the Internet in our country, which is distinguished by its vast territory and the presence of many small and remote settlements, are enormous. Online stores have many advantages: assortment comparable to the assortment of a large hypermarket; round-the-clock operation, huge potential audience; saving time and comfort of buying from the comfort of your home, from a mobile phone, and so on; no need for expensive retail space; limited staff; saving distribution costs, which makes it possible to maintain competitive prices and others.

Keywords: online store, assortment, need, sale of goods, purchase, organization, enterprises, business process, prices, competitors.

Relevance of the topic.

At present, all over the world, including Uzbekistan, the Internet is becoming one of the most promising and rapidly developing means of mass communication. The pace of development of this process is unprecedented. All this creates favorable preconditions for the active development of online commerce.

However, the organization of Internet commerce in our country is currently in its infancy. Its share in the retail trade turnover does not exceed 1%, which is significantly less than in such developed countries as Russia, USA, Germany, Great Britain and others. This requires the study of the accumulated vast foreign experience. At the same time, the uzbek realities and the mentality of the domestic consumer are making significant amendments to
the theory and practice of organizing online commerce in Uzbekistan, which must be taken into account when developing measures to improve it. This determines the relevance of the selected topic of the article.


The prospects for selling goods via the Internet in our country, which is characterized by a huge territory and the presence of many small and remote settlements, are enormous. Online stores have many advantages: an assortment comparable to that of a large hypermarket; round-the-clock operation, huge potential audience; saving time and comfort of buying from the comfort of your home, from a mobile phone, and so on; no need for expensive retail space; limited staff; saving distribution costs, which makes it possible to maintain competitive prices and others.

At the same time, only certain aspects of the problem of the formation and development of Internet commerce are considered in the published literature. At the same time, there are practically no works devoted to a comprehensive study of this problem, which is of great national economic importance. In particular, until now in scientific works there is no single point of view on the conceptual apparatus used in the field of Internet commerce; there is a lack of reasonable algorithms for the optimal organization of business processes in online stores, including advertising campaigns; a mechanism for effective management of a modern online store has not been developed; the issues of improving the legal regulation of Internet commerce and others are poorly disclosed. As a result, the potential of many online stores is not fully used and ineffective, which ultimately negatively affects the results of their activities. This implies the need for a comprehensive study of the process of formation and development of Internet commerce in Uzbekistan and the development on this basis of recommendations to improve its efficiency.

The purpose of the study is to develop methodological and practical approaches to improving the organizational and economic mechanism of the functioning of Internet commerce in Uzbekistan on the basis of a systematic analysis of its formation and development. The achievement of this goal led to the solution of the following tasks:

- to reveal the essence, features and role of Internet commerce in the modern economy;
- analyze the state of online commerce at the present stage, including generalization of world experience in the use of Internet technologies in the sale of goods and services;
- explore the principles of functioning and organization of business processes when selling goods via the Internet;
- to develop an organizational and economic mechanism for the effective functioning of online stores;
- substantiate the methodology for conducting an advertising campaign to promote goods and services using Internet technologies;
- to develop proposals for improving the legal regulation of Internet commerce.

The subject of the research is the organizational and economic mechanism of the functioning of Internet commerce, taking into account the business processes taking place in it.

The object of the research is organizations and enterprises selling goods and services via the Internet.

The theoretical and methodological basis of the research was the works of Uzbek, Russian and foreign scientists, materials of international, national and regional scientific symposia and conferences, articles in scientific collections devoted to the problems of the formation and development of Internet commerce.

The research methodology is based on the use of various approaches and techniques of scientific research: analytical and economic-statistical methods, the method of expert assessments, logical and comparative analysis, and others.

The scientific novelty of the research consists in the development of a set of theoretical and methodological provisions and practical recommendations for ensuring the effective functioning of Internet commerce in Uzbekistan.

The most significant scientific results are as follows:
- clarified and delimited the concepts of "Internet trade", "electronic-commerce", "electronic-commerce", which correlate as a part and a whole, being certain types of entrepreneurial activity and differing in the completeness and specificity of the electronic document management used, as well as in the peculiarities of interaction with the information and telecommunication network The Internet;
- an organizational and economic mechanism for the effective functioning of online stores has been developed, which includes specific recommendations for improving the business processes carried out in them and ensuring an improvement in the quality of trade services while significantly reducing costs compared to the activities of traditional stores;
- justified and brought to the possibility of practical application of the method of conducting an advertising campaign to promote goods and services using Internet technologies, which contains not only recommendations for planning and implementing an advertising campaign, but also reasoned proposals for the creation and design of an advertising website, as well as organizing advertising using banners, text blocks and e-mails, which significantly increases the effectiveness of advertising activities;
- proposals were formulated to improve the legal regulation of online commerce, aimed at protecting consumer rights, simplifying and ensuring the security of payments for purchases, optimizing taxation of participants in online commerce, and more, which will contribute to the civilized development of online commerce in Uzbekistan.

The practical significance of the research results lies in the development of a set of recommendations and proposals, the use of which in practice will ensure the optimal organization and effective functioning of online stores, which will increase their competitiveness in the market. The results of the work are of interest to heads of enterprises, specialists and heads of departments related to the organization of online commerce. The
main provisions and materials of the article can also be used in the educational process in the preparation and retraining of specialists in the field of commercial activities.

Clarified and delimited the concepts of "Internet trade", "electronic -commerce", "electronic -commerce", which correlate as a part and a whole, being certain types of entrepreneurial activity and differing in the completeness and specificity of the electronic document management used, as well as in the peculiarities of interaction with the information and telecommunications network The Internet.

The active development of Internet technologies has led to the emergence of such specific forms of business organization as Internet commerce, electronic -commerce and electronic -commerce. At the same time, the theoretical comprehension of these new concepts, the scientific definition of the subject of their activity and classification is just beginning and is at the stage of collecting facts, generalizing and discussing them.

According to the author, the concepts of "Internet commerce", "electronic -commerce" and "electronic -commerce" are related as a part and a whole, being certain types of entrepreneurial activity. The most capacious content is electronic -commerce. It is characterized by a wide range of activities, covering not only trade, but also factoring, leasing, banking, insurance, investment and other types of entrepreneurship. At the same time, an important feature of e-commerce is that all business processes in this case are carried out electronically, including the settlement system.

E-commerce is based on fundamentally new information technologies for performing commercial transactions (modern technologies for electronic data exchange, electronic payments, using e-mail, and others). They allow you to optimize the most important business processes through the use of various models for organizing information flows in electronic form. At the same time, the fundamental difference and advantage of e-commerce is that it is carried out on the basis of electronic document management and is not accompanied by lengthy paperwork.

Thus, electronic -commerce is a commercial activity carried out electronically using fundamentally new information technologies for performing commercial transactions, including the use of modern technologies for electronic data exchange, electronic payments, and the like. This form of business conduct gives rise to new methods of work and necessitates significant changes in the organization of commercial activities based on the use of electronic technologies.

Now let's move on to considering the concept of "Internet commerce", identifying, first of all, the similarities and differences with the concept of "electronic commerce". It is obvious that internet-commerce is an integral part of electronic-commerce, since the scope of internet-commerce is much narrower and is limited to wholesale and retail trade in goods and services, not covering banking, insurance, investment and other types of entrepreneurship that are the subject of electronic-commerce. At the same time, if electronic-commerce provides for the implementation of all business processes in an electronic way, then Internet commerce allows the possibility of performing certain important business operations without the use of electronic technologies (for example, settlements between the seller and the buyer).

Thus, Internet commerce is an entrepreneurial activity in the sale of goods and services using the information and telecommunications network Internet. At the same time,
this form of trade can be either additional for the enterprise, or it can be an independent business, carried out by creating an online store, which is a more effective way of carrying out online commerce.

The online store carries out all the main business processes of a trading enterprise: the choice of goods by the buyer, placing orders, making settlements, delivering goods to the buyer, tracking the execution of orders and warranty service.

It is important to emphasize that an online store can sell both real goods and services, and goods and services in electronic form (book products based on electronic content, video and audio products, software, and the like). At the same time, trade in real goods is carried out with extensive use of Internet technologies, and the sale of electronic materials is carried out in a revolutionary new, innovative way, in which the full cycle of a commercial transaction (including delivery) can be performed electronically.

A feature of Internet-commerce is the possibility of individualizing work with a customer, which allows him to provide his personal service and opens up broad prospects for a detailed study of consumer preferences, micro-segmentation of the market, and the development of new approaches to the effective promotion of goods and services sold.

Taking into account the advantages noted above, the share of the sale of goods using the Internet in the global retail trade is constantly growing. However, at present, despite the active growth in the number of Internet users, this share is still relatively small and varies significantly between countries.

Now let's look at the essence of the concept of "electronic commerce". Based on its content and subject matter, it occupies an intermediate position between Internet commerce and electronic-commerce. It is united with Internet commerce by a list of commercial operations performed, limited to the sphere of trade and related types of services, and with electronic-commerce, by electronic methods of carrying out business processes. Thus, electronic-commerce is a commercial activity in the sale of goods and related services carried out in an electronic way.

An organizational and economic mechanism for the effective functioning of online stores has been developed, which includes specific recommendations for improving the business processes carried out in them (from organizing the purchase of goods and ending with the organization of a service for delivering them to customers) and ensuring an improvement in the quality of trade services while significantly reducing costs compared to activities traditional shops.

The organizational and economic mechanism for the functioning of an online store includes the subject of managing this mechanism (the organizational structure of enterprise management) and its object (business processes carried out at the enterprise). The effective functioning of any trading enterprise occurs only on condition that its organizational structure ensures the successful implementation and optimization of all business processes. Recommendations aimed at achieving this goal in relation to the activities of the online store are formulated in the article.

The main condition for the successful operation of an online store is taking into account the various needs of customers. It is this factor that determines the organizational
structure of the enterprise, as well as the composition and content of the ongoing business processes.

A virtual store will be attractive to a potential buyer only if he can interest him in the offered goods and services at reasonable prices and proper quality. Therefore, the key tasks of the online store are the formation of the optimal assortment, the choice of the correct pricing policy and the organization of effective work with suppliers.

It is advisable to form the assortment of goods in virtual stores on the basis of assortment matrices, which make it possible to maximally take into account the needs of the buyer and obtain the planned profit. Such matrices should include not only a complete list of offered goods, assembled taking into account the requirements of category management, but also information about the planned sales volume and gross income for each commodity item.

When developing a strategy and tactics for pricing, first of all, one should take into account the composition of the target group of customers served, as well as the level of competition. In the event that the majority of visitors leave the website of an online store without a purchase (as evidenced by a low conversion rate), it is necessary to urgently monitor prices. At the same time, it is important to strive to ensure that at least some of the key products are priced lower than those of competitors.

When determining prices, one should take into account the tasks that a given product solves in the assortment matrix of an online store. It can represent the position for which the purchase is made as a whole, or it can be an impulse demand commodity. It is advisable to set prices for basic goods at the level of competitors or below, while prices for ancillary and impulse goods can be increased.

Finding and choosing the best suppliers is essential for the effective operation of an online store. All the criteria on the basis of which this business process is carried out can be divided into two groups. The first group includes criteria that are common to traditional and virtual trading. These are the optimal price, proper quality of goods, stability of their assortment, deferred payment, the possibility of returning unsold products, and others.

The second group includes criteria related to the specifics of business processes in an online store. Firstly, an important requirement for the supplier is the ability to provide them with a detailed description and image of the offered products, since the electronic catalog of an online store must accurately and fully reflect the key characteristics of the product, otherwise the buyer will not be ready to make a choice in favor of buying through the Internet, but would prefer to do it in a regular store. To transfer the main parameters in the electronic catalog, as a rule, a photographic image and a description of the goods are used. Thus, products that can be easily and accurately displayed on the screen and described in several sentences are suitable for selling over the Internet. Products that do not meet these requirements will be difficult to sell, with the exception of well-known “branded” products.

Secondly, increased requirements should be imposed on suppliers of online stores with regard to issues of promptness of order fulfillment and ensuring the minimum batch size of shipped goods, which is often associated with the lack of their own warehouse.

Thirdly, it is very important for an online store to receive goods from a supplier in packaging that is convenient and safe from the point of view of their subsequent delivery to the buyer.
The business process of buying and selling goods in an online store is more complex than in a traditional store. In general, it includes attracting customers, organizing the acceptance and processing of orders, ensuring the delivery of goods and servicing customers, making settlements with them, as well as organizing marketing and advertising and information activities to enhance the sale of goods and services.

The key task of an online store is to attract customers. The successful solution of this problem largely depends on the design of the online store. The site should not contain anything superfluous, only functional elements. The best design has the simplest and most user-friendly interface, which is ensured by a well-thought-out and user-friendly navigation system.

**Conclusion.**

In the course of the study, the place and role of Internet commerce in modern conditions were analyzed, the problems of the formation and development of Internet commerce in our country and abroad were identified, and on this basis, a set of theoretical and methodological provisions and practical recommendations for ensuring the effective functioning of Internet commerce in Uzbekistan was developed.

The theoretical provisions and practical recommendations given in the article are designed to promote the active development and increase the efficiency of Internet commerce in Uzbekistan.

**LIST OF USED LITERATURE.**