



STATUS AND ANALYSIS OF THE DEVELOPMENT OF WORLD ELECTRONIC TRADE SERVICE

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Article history:	Abstract:
Received: May 11 th 2021 Accepted: June, 11 th 2021 Published: July, 10 th 2021	The article highlights the role and importance of e-commerce in economic development. The theoretical foundations of the development of electronic trade, its specific features are given. The research paper also highlights the advantages and disadvantages of e-commerce over traditional commerce. The impact of coronavirus Covid-19 on the development of electronic trade was also analyzed based on data from international experts.
Keywords: E-commerce, electronic trade, Chinese experience, pandemic, quarantine, internet, supermarket, hypermarket	

1. INTRODUCTION.

In the world economy, the process of integration is deepening, the rapid development of information technology and the active use of the Internet for commercial purposes is increasing the volume of electronic trade. The role and place of electronic trade in the world is growing year by year, and today this field covers a large part of the world's population.

The development of electronic trade services offers unparalleled opportunities for countries. The emergence of global communication networks and, above all, the Internet has led to a real revolution in the organization and implementation of electronic trade activities. As a result, not only new directions of doing business have emerged, but also the existing directions have changed radically. The development of technology is helping international business in a very effective way. Today, millions of people around the world find it convenient to use electronic trade services. This choice provides a high revenue stream for businesses using electronic trade services.

2. ANALYSIS OF THE LITERATURE ON THE SUBJECT.

There are many studies devoted to electronic trade and e-commerce, which consider different aspects of the activities of business entities operating in the field of electronic trade. In particular, N.A. Yefimova and A.S. Tarasov [2] in their research highlighted the advantages of internet-trading over traditional trading and the main directions of its improvement.

S.A. Kolesnichenko [3] developed proposals and recommendations to increase the efficiency of online stores.

E.Yu. Shavruk and G.R. Vankovich [4], K.A. Khapilina [5], L.A. Bragin and his co-authors [8] considered regional aspects of electronic trade in their research work, T.O. Faleyeva [6], N.A. Mansurova and I.O. Altynbayev [7], Mayorova and her co-authors [9] studied methods for assessing the effectiveness and forecasting of electronic trading.

The global electronic trade market is considered in their research works by A.N. Zakharov, T.A. Cherxanova [10], and N.E. Yadova [11]. In particular, A.N. Zakharov and T.A. Cherkhanova [10] in their research, analyzed electronic trade trends such as the growth of e-commerce platforms, the improvement of cybersecurity in enterprises, and the use of cryptocurrencies in international competitive bidding.

The main purpose of the research conducted by N.E. Yadova [11] is to study and evaluate the current state and prospects of development of global Internet commerce to predict future trends in Russian e-commerce.

Some researchers have also considered the development of e-commerce on the example of foreign countries. B. Jeong [12] analyzed the specifics of Korea's electronic trading platforms based on statistics and focused on key aspects that characterize its level of development in the country.

Ch. Khan [13] highlighted the specifics of the development of e-commerce in China and developed recommendations for its further development.



3. RESEARCH METHODOLOGY.

This article mainly studied and analyzed the development dynamics of electronic trading in the world economy, showed its advantages over traditional trade, analyzed the change in the volume of electronic trading in the example of China in a pandemic. In the course of the research, scientific articles of various foreign scholars who studied the aspects of electronic trade development were analyzed. Various international expert reports have been used to assess the development of global e-commerce. Induction and deduction, analysis and synthesis, quantity and quality, and comparative analysis were used in the research.

4. ANALYSIS AND RESULTS

According to researches, by 2020, the number of digital technology buyers in the world is expected to reach 2.05 billion, which is a quarter of the world's population. This figure was 1.32 billion in 2014 and is expected to reach 2.14 billion by 2021. Factors such as convenience and cost savings encourage people to adapt to electronic trading, while factors such as high internet speeds and cheap devices contribute to the process.

Such research clearly shows that companies that underestimate the potential of e-business and e-commerce can lose their commercial position under the pressure of competitors who are able to adapt to new market realities. Therefore, businesses are trying to use different areas of services through the Internet, such as advertising, online services, in general, to connect their activities with digital technologies, taking into account the low costs.

In Uzbekistan, also, the main attention is paid to the activation of innovative processes in all sectors of the economy, creating conditions for the effective use of information and communication technologies. As the President of the Republic of Uzbekistan Sh.M. Mirziyoyev noted in his Address to the Oliy Majlis: "Digital technologies not only improve the quality of products and services, but also reduce unnecessary costs. At the same time, they are an effective tool in eliminating the scourge of corruption, which is the most serious concern and annoyance for me. We all need to understand this."¹

However, the poor development of the Internet in Uzbekistan has a negative impact on the development of e-commerce services. The Internet is the technology of the future, it is important to know how to use this technology effectively.

According to the information by the President of the Republic of Uzbekistan Sh.M. Mirziyoyev at the event dedicated to the development of information technologies dated February 13, 2020, "the share of the digital economy in GDP in the USA is 10.9%, in China - 10%, in India - 5.5%. In Uzbekistan, this figure does not exceed 2%."² Therefore, the development of the digital economy in Uzbekistan, in particular, e-commerce services, is one of the most important issues today.

For the seller, e-commerce is one of the cheapest ways to do business in the retail industry. For the buyer, this is an opportunity to save money due to the more attractive price of the goods, as well as save time by delivering the goods to your home at a convenient time. The advantages of online stores, as well as their ability to work around the clock and pay for purchases or services in any way convenient for the customer (use of various electronic payment systems, cash on delivery to the courier, staff at the reception or warehouse) should include. Virtual commerce is widely represented in the segments of electronics, home appliances, furniture, clothing and footwear, and household goods. It should be noted that the online food market is currently developing rapidly, especially in large cities, mainly due to the development of home food sales and delivery services.

No country can formulate and implement economic policy rationally without taking into account the priorities of the global economy. In particular, the rapid development of information and communication technologies has led to the formation of a new type of economic activity - e-commerce or electronic trade, which is inextricably linked with the objective processes of globalization. In the relations between trade organizations and customers, the management of goods distribution processes, market monitoring, the development of effective relationships with suppliers, business partners and government agencies are actively using the potential of electronic networks, primarily the Internet.

In recent years, global electronic trade turnover has been growing steadily, reaching \$ 2.9 trillion in 2018, according to eMarketer³. At the end of 2019, the global electronic trade turnover amounted to

² <https://president.uz/uz/lists/view/3354>.

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³ Global Ecommerce 2019 / eMarketer. [e-resource]. Access mode: <https://www.emarketer.com/content/globalecommerce> 2019. Retrieved on: 29.03.2020

¹ The Address the President of the Republic of Uzbekistan Sh.M. Mirziyoyev to the Oliy Majlis// The "Xalq so'zi" (The "People's Speech", № 19. dated 25.01.2020

3.5 trillion US dollars. This figure is expected to exceed \$ 6.5 trillion by 2023 (Figure 1).

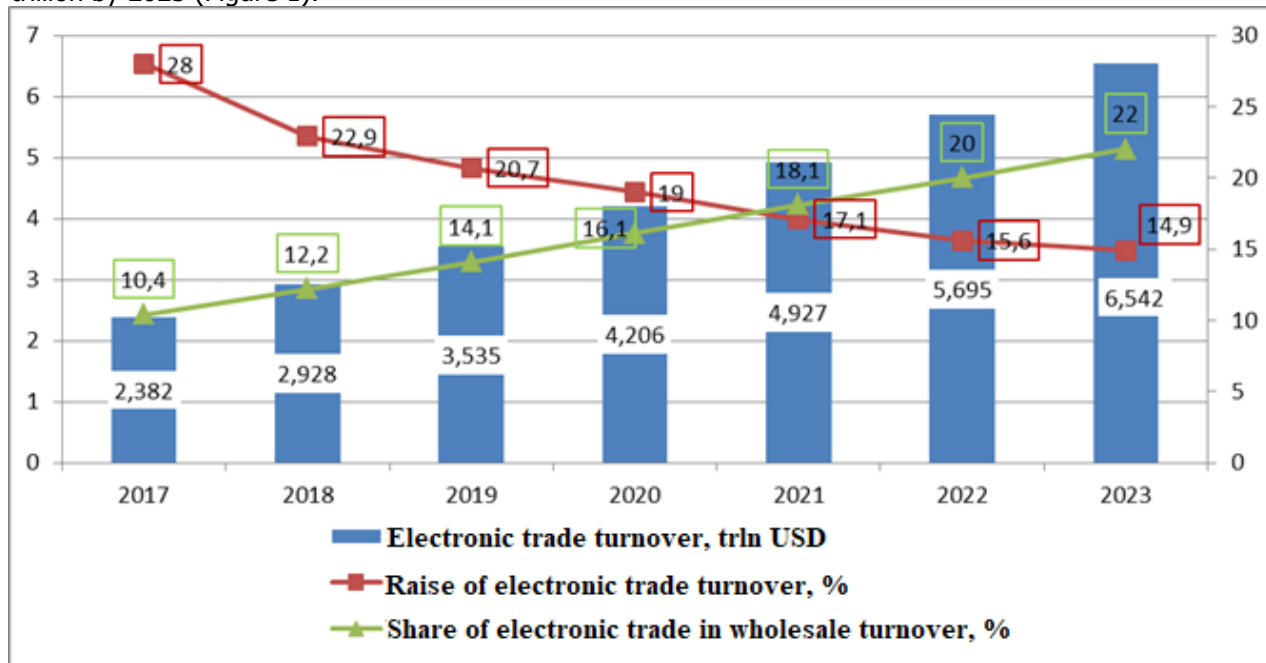


Figure 1. Global turnover of electronic trade in 2017-2018 and forecast analysis for 2019-2023

Source: Global Ecommerce 2019 / eMarketer. [e-resource]. Access mode: <https://www.emarketer.com/content/globalecommerce2019>. Retrieved on: 29.03.2020

The share of electronic trade in the total retail trade turnover is also growing. According to forecasts, it is expected to increase by almost 10 percent in the next five years, from 12.2 percent in 2018 to 22 percent in 2023 (Figure 1). In 2019, the average growth rate of electronic trade turnover in the world will be 20.7 percent, in some countries (Mexico, India, Philippines) will exceed 30 percent.

In the current global pandemic environment, these figures could be even higher. The reason is that the electronic trade is on the rise at a time when other sectors of the economy are in decline due to a pandemic that will spread around the world in 2020. Let's look at the example of China, the "homeland" of the coronavirus.

In the first week after the Chinese New Year (on January 25, 2020), the famous food delivery company Miss Fresh (优 鲜) increased the number of orders for online products by 4 times compared to the same period last year. During this week alone, the company sold 40 million groceries. Eggs, vegetables and meat products were the most popular.

JD, a pillar of Chinese e-commerce, also noted a sharp increase in online sales. In particular, sales of fresh fruits and vegetables through Dada (达达), the part of the JD-e-commerce system, increased by 215%, in total, in the 10 days after January 25, the company sold more than 15 thousand tons of food products.

The introduction of quarantine and emergency in cities has negatively affected the activities of supermarkets and hypermarkets. But there are markets that have made a name for themselves through online shopping. For example, Sun Art Retail Group (高鑫零售), the country's largest retailer with 486 hypermarkets across China, closed 80 percent of its outlets when the epidemic peaked on February 4, but that didn't have a significant impact on the company's revenue. The closure of the hypermarkets was covered by the WeChat mobile app and an online order delivery service running through the social network. As a result of the increase in online sales, the share of Sun Art Retail Group trading operator in the first quarter of 2020 is expected to be 15% of total retail sales.

Yonghui Group (永辉 超市), another retailer operator that owns more than 800 popular supermarkets in the country, said its companies' actual transactions increased by 465 percent and online sales



increased by 600 percent during the 10 days following the Chinese New Year.⁴

At the same time, not only electronic trade, but also online shopping for non-food products has increased. In particular, due to the inability of the population to go to cafes and other public places due to quarantine, they began to buy small appliances for home cooking, the volume of which increased up to 332 percent during the period, only at the end of the quarantine lockdown, when people began to go to work they ordered the food containers which are needed for carrying food. Thus, its volume increased by 340 percent.⁵

As a result of the quarantine introduced in Uzbekistan, a number of supermarkets are launching electronic trading through various messengers. However, the underdevelopment of electronic platforms and internet systems is hindering the spread of online commerce across all regions.

In the modern market economy, e-commerce has emerged as a means of ensuring a win in fierce competition for the consumer by reducing a significant portion of the material costs and time costs inherent in traditional trading methods. In this sense, full-fledged electronic trade emerges, lives, develops in a highly competitive market economy and requires the improvement of forms and methods of conducting trade operations as the essence of market relations.

At the same time, it is necessary to point out the negative consequences of electronic trading. According to some research, the rapid growth of online commerce in the world has caused serious economic and social problems. In the age of the internet, people in developed countries no longer feel the need for many stores. The other side of the situation is that sellers who remain in the usual format of a store in a mall and are unable to access the Internet in a timely manner are concerned about bankruptcy. More than 3,500 stores closed in the U.S. in 2017. According to the analysis, half of shopping malls in the U.S. could close in five years. This, in turn, leads to an increase in unemployment. The reason is that one operator can replace several vendors at the same time. Large warehouses for storing products will also reduce the demand for refrigerators when services are provided through electronic trading.

5.CONCLUSIONS AND SUGGESTIONS.

In conclusion, the use of electronic information technology in trade can significantly increase the

efficiency of the market of goods (services) by reducing the number of intermediaries (i.e., turnover) in the movement of goods (services) from the producer as the basis and essence of market commodity-money relations. It allows the consumer to accelerate capital turnover, significantly reduce transaction costs, intensify the process of reconstruction of regional economic complexes.

The development of national e-commerce will reduce the time of preparation and conduct of trade operations, have a positive impact on increasing competition among domestic producers, help reduce prices for products and services, improve the quality of products and services and create new jobs through development.

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