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PRINCIPLES OF DEVELOPMENT OF DIGITAL ECONOMY

Amanqulova Muxlisa Narsalar Qizi
Karshi Engineering Economics Institute
Student of Economics Faculty, Uzbekistan

ABOUT ARTICLE

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Abstract: The article describes the definitions and different approaches to the category of "digital economy". Also, the essence, classification, development trends, advantages and disadvantages of electronic commerce, which is part of the digital economy, are shown on the example of foreign countries. Proposals and recommendations for the development of electronic commerce in Uzbekistan have been developed (PDF) Digital economy and the role of electronic commerce in it.

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INTRODUCTION

The digital economy is an innovative idea, according to the World Bank's 2016 World Development Report 2016: The Digital Dividend. The conclusions of this research show how relevant and important the digital economy is in the development of the economy of countries. In particular, a 10% increase in Internet speed will affect the growth of the country's GDP. In developed countries, this figure is 1.21 percent, while in developing countries it is 1.38 percent. So, if the speed of the Internet increases twice, it is possible to achieve an increase in GDP by 13-14 percent.

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

The directions of the digital economy include big data, artificial intelligence, blockchain, quantum technologies, manufacturing technologies, industrial Internet, robotics, wireless communication, virtual reality, etc.

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

- E-commerce includes:
- Electronic data interchange (ElectronicsData Interchange, EDI);
- Electronic capital movement (Electronic Funds Transfer, EFT);
- Electronic trade (English e-trade);
- Electronic money (e-cash);
- Electronic marketing (e-marketing);
- Electronic bank (e-banking);
- Electronic insurance services (e-insurance).

The first systems and methods of electronic commerce are associated with the emergence of sales automation technologies and the introduction of automated systems for corporate resource management.

In 1960, American Airlines and IBM started to create an automation system for booking flights. SABER (Semi-Automatic Business Research Environment) has made air travel more affordable for ordinary passengers, helping them manage ever-increasing flights and flight fares. Due to the automation of the process of calculating tariffs for seat reservations, the price of services has decreased and the volume of passenger transportation has increased4. A joint project between American Airlines and IBM is the first example of e-commerce.

In 1971, Stanford University and Massachusetts Institute of Technology students organized the sale of marijuana using the Stanford Artificial Intelligence Laboratory's ARPANET computer network. Later, these transactions were considered the first online transfers, the beginning of electronic commerce.

In 1979, Michael Aldrich introduced the first online shopping system.

In 1981, Thomson Holidays UK, the first online shopping system for businesses, was established. In 1982, Minitel was introduced nationwide by France Télécom and used for online ordering.

used for countries. In 1983, the California State Assembly held the first "electronic commerce" hearing in Volcano, California.

In 1995, Jeff Bezos launched Amazon.com and launched the first 24-hour ad-free radio stations Radio HK and NetRadio. eBay was created by developer Pierre Omidyar under the name AuctionWeb. Four years later, Alibaba Group was established in China. 7.5 million to Business.com eCompanies, founded in 1997 for 149 thousand US dollars. sold for dollars. At the same time, the peer-to-peer program Napster was launched. ATG Stores started selling home decor items online. In December 2001, Alibaba.com became profitable. In 2002, eBay bought PayPal for $1.5 billion. bought for dollars.

Amazon.com reported its first annual earnings in 2003.

In 2004, China's first B2B online transaction platform, DHgate.com, was created, leading other B2B sites to move away from the yellow pages model.

In 2007, Business.com was bought by RH Donnelly for $345 million. bought for dollars.

In 2015, Amazon.com sent nearly 500 million dollars to the United States. SKU sales accounted for more than half of e-commerce growth.

In 2017, global e-commerce retail sales were $2.36 trillion. reached USD and increased by 14.8% compared to 2016 (Figure 1). In the last 20 years, the e-commerce market is developing dynamically due to the rapid increase in the number of Internet users, the increasing influence of social networks and other interactive online platforms, the dynamic development of electronic payment systems, and the transition of leading market participants to new technological platforms for e-commerce12. (From Web 1.0 to Web 2.0 and then to Web 3.0) Forms of e-commerce.

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

1. E-Commerce Classification:

Commercial organizations:

- B2B (Business-to-Business) - "relations between commercial organizations";

- B2C (Business-to-Consumer) - "relationship between a commercial organization and consumers";
- B2E (Business-to-Employee) - "relations between commercial organizations and employees";
- B2G (Business-to-Government) - "relations between commercial organizations and the government";
- B2O (Business-to-Operator) - "relations between commercial organizations and communication operators".

Disadvantages of e-commerce:

For organizations, the doubts of the parties about the relevance of the project to the company (negativity), legalization of the enterprise's activity on the Internet and some difficulties in its activity.

For consumers, consumer distrust of services sold over the Internet15, 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 offline businesses out of the market.

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

E-commerce has become an integral part of the modern economy. Consumers buy goods on the Internet, and at the same time, commercial organizations widely use the opportunities of this network in their business activities . The number one reason to shop online is that you can shop 24/7.

What is the difference between digital economy and ordinary economy? For example, a customer needs clothes. If he chooses it directly from the market and buys it for cash, this is a traditional economy. He chooses the product he likes through a sales bot or channel on Telegram and pays the owner of the product through an electronic payment system (payme, click, paynet, qiwi, webmoney, visacard...) and receiving goods through delivery service is called digital economy. This issue is explained by a simple example. In fact, we are all already in the digital economy, we use its conveniences. For example, our monthly payments go to plastic cards, we pay for utilities, telephone, internet and other products and

services with electronic payment, submit tax returns electronically, pay from card to card, we order food for home, etc.

The digital economy is not some kind of economy that needs to be created from scratch. It means moving the existing economy to a new system by creating new technologies, platforms and business models and introducing them into everyday life. Signs:

- high degree of automation;
- electronic document exchange;
- electronic integration of accounting and management systems;
- electronic databases;

Availability of CRM (customer relationship system):

1. Expenses for payments are reduced (for example, a ticket to go to the bank and other resources are saved).
2. More and faster information about goods and services.
3. In the digital world, there are great opportunities for goods and services to enter the global market.
4. Goods and services are rapidly improved due to the acceleration of feedback (consumer opinion).
5. Faster, better quality, more convenient. A clear example.

As one of the bright examples in the field of development of digital platforms, it is possible to cite the Chinese company "Alibaba", which has an e-commerce system. The experience of its use shows that in the process of collecting data, extremely competitive advantages are created for expansion into various sectors of the economy. Alibaba is not just a digital platform, but an ecosystem of platforms.

What does the development of the digital economy give us?

The digital economy is the main link of corruption and "black economy". Because numbers seal everything, store it in memory, provide information quickly when needed. In such conditions, it is impossible to hide any information, make secret deals, not to provide full information about this or that activity, the computer will reveal everything. Abundance of information and systematic igi do not allow for lies and tricks, because it is impossible to cheat the system. As a result, it will not be possible to launder "dirty money", steal funds, use them ineffectively and aimlessly, increase them or hide them. This will increase the flow of legal funds into the economy, taxes will be paid on time and correctly,

budget allocation will be open, funds directed to the social sphere will not be stolen, schools, hospitals, the money allocated for the roads will reach in full, etc.

The digital economy has terms such as its own currency (cryptocurrency, bitcoin), money storage card (blockchain), calculation methods (mining). It is recommended to get more detailed information about them.

Digital technologies are a global phenomenon. They formed a universal information-communication environment that provided the opportunity for new, social interaction (from personal practice to practices related to the development of individual social groups, national and regional communities). These technologies have created new opportunities for doing business, covering all areas of human life. For every enterprise, digitization has become a means of supporting their competitiveness and development, from small enterprises to market giants. It became a necessary condition for the socialization of market business, expanded the scope of economic development, and at the same time created new challenges and problems.

The development of labor relations in the digital economy leads to the replacement of permanent employees with temporary workers, in which many types of work are performed thousands of kilometers away from company and even national borders. In recent years, the number of non-staff employees - freelancers - is rapidly increasing. For example, in the USA alone, the number of freelancers, including freelancers, has reached 57.3 million people, which is 36% of the country's employment.

In the digital economy, not only the nature of work changes, but also the entire system of labor relations. If in the traditional economy there are vertical economic relations (management-subordination) between the employee and the employer, in the digital sector the leader is no longer a boss, but an employee who often coordinates people's work remotely. Accordingly, vertical relationships are replaced by horizontal relationships, in which the employee's dependence on the company's management is seriously loosened.

Businesses now require employees with technical, operational, interpersonal and creative skills to effectively use digital technologies and scale their businesses nationally and internationally. In such conditions, the previous skills are not enough, now the employee must also have the qualities of business and interpersonal relations. Any production process or service delivery requires employees with modern technical skills enriched with leadership skills (C-suite level of entrepreneurship), specially suited to manage digital technologies. In recent years , the "soft skills" of job candidates for employers are: personal qualities and social skills, such as teamwork, curiosity, initiative, critical

thinking, self-management, complex tasks the ability to solve problems, work in cooperation with different people, and correctly determine priorities is required.

In general, the process of personnel selection is also changing in the conditions of the digital economy. According to forecasts, in the near future, a personnel management specialist is an analyst who works with a large database and makes decisive decisions. Data collection through open sources on the Internet is done by a robot. The Stafory startup has already completely taken the place of recruiters: artificial intelligence receives information about candidates from recruiting sites, social networks, makes initial contact with them, talks with these candidates, hires prepares recommendations and gives it to the personnel service of the company.

Let's look at the global changes in the labor market in the digital economy to confirm or deny these predictions. First of all, they are related to automation and digitization of many sectors of the economy. At the same time, the role of digital technologies is increasing in most industries. According to experts, this will lead to changes in the composition of the labor market and the employment of certain specialists.

The National Project Management Agency under the President of the Republic of Uzbekistan is an authorized body in the field of introduction and development of the digital economy. In addition, the Ministries of Economy, Finance, Information Technology, Justice and a number of other state structures have specific responsibilities and tasks for the development of the digital economy.

25% of online stores on the Internet use WooCommerce. In 2020, 61% of US online consumers made purchases based on blog recommendations. 93.5% of Internet users worldwide have purchased products online.

The e-commerce sector is growing at an average of 23% annually. However, due to the pandemic, the growth rate is decreasing from 2019 (Figure 6). Looking at e-commerce statistics via e-mail, 61% of consumers prefer to communicate with e-brands by e-mail. Email marketing has a return on investment (ROI) of 4400 percent, which means that every dollar spent brings in $44. 58% of the 1,000 largest online stores in the US send welcome emails. Email companies increase their revenue by 760%. Transactional emails get 8x more opens and 6x more revenue. Email marketing accounts for 20% of e-commerce traffic. 60% of consumers make purchases as a result of email marketing messages.

with social media have 32% more sales. The average e-commerce site publishes 4.55 posts per week on their Facebook page. 74% of consumers rely on their social networks to make purchasing decisions.

85% of social media orders come from Facebook. 75% of Instagram users visited the site after seeing an ad. The average order value for customers attracted from Instagram is $65.

Looking at mobile e-commerce statistics, more than 40 percent of all holiday shopping is now done on mobile devices.

82% of Internet users in the United States used mobile devices to shop online. 53% of smartphone and tablet owners make purchases through corporate programs. In 2018, e-commerce sales on "Black Friday" and "Cyber Monday" reached 2 billion. more than dollars.

Free shipping increases the profits of SMEs (small and medium-sized businesses) by 46.5%. 28% of shoppers will immediately stop shopping if prompted to top up an account. An optimized checkout design can increase the conversion rate by 35 percent. 2 out of 3 eCommerce websites lose money due to cart abandonment. Mobile devices have the lowest cart abandonment rate at 86 percent. 44% of minutes spent on mobile devices are e-commerce. 1 in 3 users buys a product within five days of searching on Google.

E-commerce enables customers to overcome geographical barriers and buy goods anytime, anywhere. Online and traditional markets have different strategies for doing business. Traditional retail stores offer a smaller assortment due to limited counter space. Online retailers usually do not carry inventory, but ship orders directly to the manufacturer. Pricing strategies are different for both brick-and-mortar and online stores. Traditional retailers set their prices based on the number of visitors to the store, the average cost of purchase, the number of transactions completed and the cost of renting the premises. Online stores also take into account the number of purchases, and they can also estimate the speed of delivery19. Security is a major concern of e-commerce in both developed and developing countries. E-commerce security protects sites and customers from unauthorized access, data use. The types of threats include: malicious code, malicious software (adware, spyware), phishing, hacking, and cyber vandalism. Brick-and-mortar stores also use the online space to effectively communicate outside the offline store, store customer data, implement loyalty programs, and drive customers online to increase customer retention and sales.

At this point, the question arises as to how e-commerce affects the labor market.

On the one hand, e-commerce t information services help create new jobs due to the necessary software developments and digital products. On the other hand, the emergence of Internet stores also leads to job losses. Sectors most likely to lose jobs include markets, the post office and travel agencies.

CONCLUSION

The development of e-commerce also creates new jobs that require highly skilled professionals to manage large volumes of data, customer needs and production processes. They cannot be occupied by employees who do not have high technical skills. E-commerce technologies reduce transaction costs, allowing both producers and consumers to work without intermediaries. This is achieved by expanding the search for the best price offers and group purchases. The success of e-commerce at the city and regional level depends on how local businesses and consumers accept e-commerce21. However, in e-commerce there is no direct contact between people and customers. Customers are also concerned about the security of online transactions and tend to stick with retailers they already know22. We will consider the principles of e-commerce on the example of ordering goods in an online store. In this case, the following sequence is followed: the first step - the buyer, browsing the online catalog, decides to choose a product. His computer or mobile device interacts with the store's server through a browser.

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