



DEVELOPMENT OF E-COMMERCE INDUSTRY ON THE BASIS OF INVESTMENTS

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Article history:	Abstract:
Received: 10 th September 2021 Accepted: 11 th October 2021 Published: 30 th November 2021	The article analyzes the development of the e-commerce industry. The main factor influencing the development of this activity is investment. E-commerce can be developed by increasing investment flows in these activities. The article also analyzes the volume of major trade turnover in e-commerce and provides forecasts for the next 4 years. Global trade volumes are considered, as well as areas of business based on these activities. Based on the analysis, scientific conclusions and recommendations were developed.

Keywords: E-Commerce, Investment, Business, Digital Economy, Technology, Digital Platforms, Digitization.

INTRODUCTION

Today, the process of digitization in the world economy is accelerating. Almost all sectors of the economy are being digitalized, or in other words, digital technologies are entering all sectors. As a result, the volume of products created on the basis of digital technologies in the economy or GDP is growing. This indicates that the digital economy is evolving. Another factor that characterizes the digital economy is e-commerce. Nowadays, with the development of digital technologies, people are more inclined to use e-commerce. This makes it easier for people to do business. Today, the profits of companies engaged in such activities are growing. Because people's demand for e-commerce is growing.

The term e-commerce is defined as a business model that allows companies and individuals to buy and sell goods and services over the Internet [1]. E-commerce covers four major segments of the market and can be done through computers, tablets, smartphones and other smart devices. Almost any imaginable product or service can be made based on e-commerce, including financial services such as books, music, plane tickets, stock investment, and online banking [2].

Electronic Commerce, also known as e-commerce, means the purchase and sale of goods or services using the Internet, as well as the transfer of money and data to carry out these transactions. E-commerce is often used to refer to the online sale of physical products, but it can also describe any commercial transaction that is facilitated over the Internet. E-business refers to all aspects of running an online business, e-commerce, in particular, the purchase and sale of goods and services.

E-commerce today occupies a large share of the market and countries are influencing the formation of GDP, so the development of this activity is important. Sustainable development can be achieved through the development of these activities. One of the main factors influencing the development of this activity is investment. It is possible to develop this activity on the basis of investing in this activity.

LITERATURE REVIEW

The topic of e-commerce is currently the most topical topic of research. A lot of scientists are doing research on this topic. It is important to study, analyze and apply in this research.

Researcher Goran Bergendahl analyzed investment in e-commerce in his research[4]. Based on the analysis, they developed an economic model for investing in e-commerce. This paper will develop conditions for profitable investments in eCommerce with a special focus on outlays for information technology systems and sales management.

Researcher Dariusz Strzembicki[5] studied the development of e-commerce in agriculture. In this study, the scientist took Poland as an example and conducted research on the example of this country.

Scholars such as Jeong Hugh Han, Hag-Min Kim [6], Luis Ibarra, Ana Partida, Diego Aguilar [7], Shaaban Elahi, Alireza Hassanzadeh [8] have also conducted research on this topic.

DATA AND METHODOLOGY

The article explores the theoretical and methodological foundations of e-commerce, as well as uses data from international statistical organizations for structural and comparative analysis. In the study process, the methods of analysis, comparison of statistical data, as well as in scientific observation, comparative analysis were used. The article mainly analyzes the indicators and forecasts of global e-commerce in the near future.

ANALYSIS AND RESULTS

In e-commerce, the business cycle is mainly analyzed as consisting of 3 stages. The first stage is Start-up & fast growth, the second stage is Plateauing growth or consolidation and the third stage is Renewed growth by implementing change (figure 1)[9].

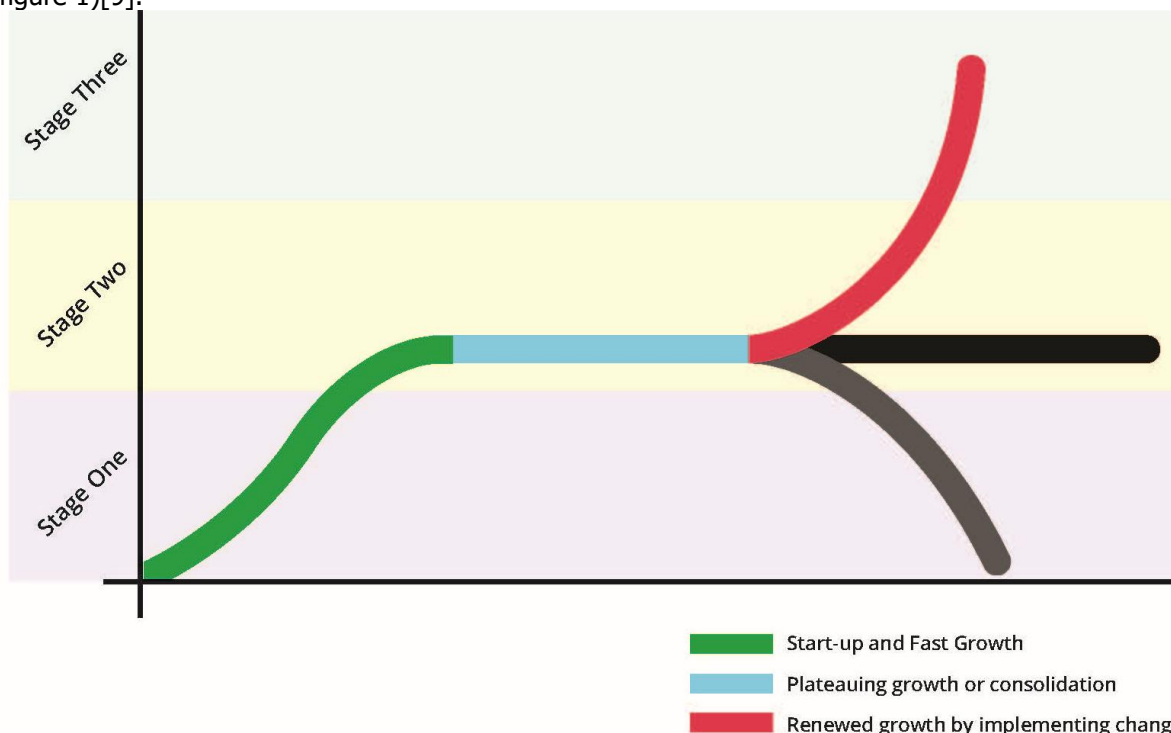


Figure 1. The three stages of the ecommerce business lifecycle

In simple terms, these stages are akin to the way a gazelle jumps. There is a steep forward jump and then rest, before leaping forward again. The same goes for the growth patterns of ecommerce businesses; growing fast and then plateauing (resting).

Over the last few years, e-commerce has become an indispensable part of the global retail framework. Like many other industries, the retail landscape has undergone a substantial transformation following the advent of the internet, and thanks to the ongoing digitalization of modern life, consumers from virtually every country now profit from the perks of online transactions[10].

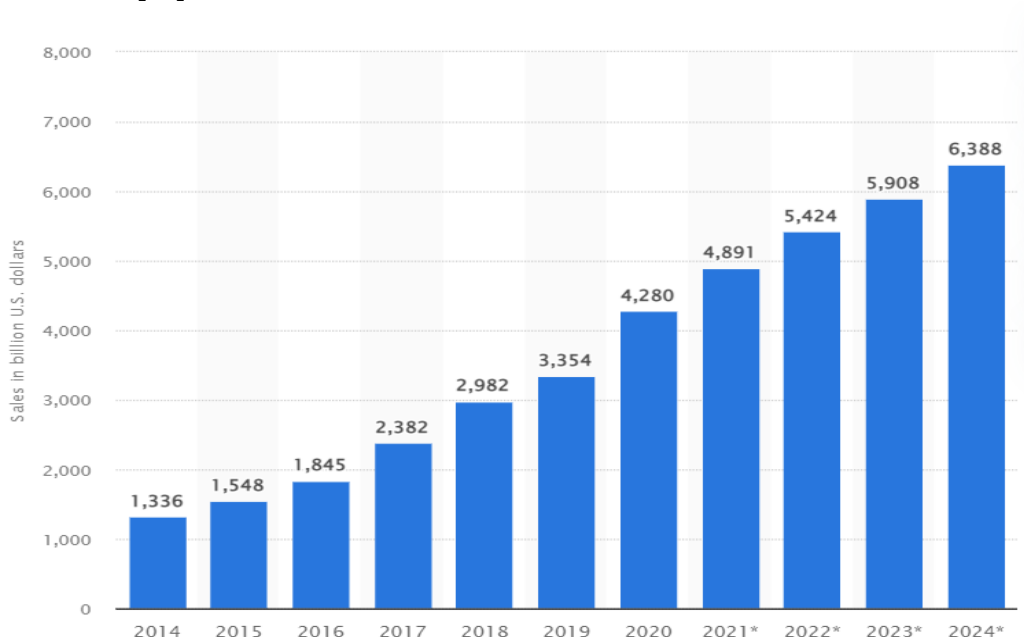


Figure 2. Retail e-commerce sales worldwide from 2014 to 2024(in billion U.S. dollars)

If we analyze e-commerce sales around the world, we can only see the growth trend. Sales in e-commerce rose from \$ 1,336 billion in 2014 to \$ 4,280 billion by 2020. In the interim period, this figure also showed an upward trend.

In addition, according to the forecasts of the platform Statista[11], this figure will continue to grow over the next 4 years. Forecasts for e-commerce in 2021 are projected at 4,891 billion. By 2024, this figure is projected to rise to 6,388 billion.

In March 2020, global retail website traffic hit 14.3 billion visits [12] signifying an unprecedented growth of e-commerce during the lockdown of 2020. Studies show that in the US, as many as 29% of surveyed shoppers state that they will never go back to shopping in person again; in the UK, 43% of consumers state that they expect to keep on shopping the same way even after the lockdown is over[13].

The development of e-commerce is directly related to the development of the digital economy. The level of development of e-commerce is a key indicator of the level of development of the digital economy in the country. Therefore, it is possible to digitize trade by increasing the number of electronic platforms, ie to develop e-commerce. The biggest factor influencing this process is the investment. Therefore, e-commerce can be developed on the basis of increasing investment flows. This sector can be further developed by encouraging investors to invest in e-commerce platforms.

CONCLUSION AND RECOMMENDATIONS

E-commerce is becoming one of the most modern forms of commerce and the most convenient form of commerce for consumers. The volume of this type of trade is also increasing, which is analyzed globally. The volume of e-commerce is expected to increase in the coming years. According to the world experience, the business cycle in e-commerce is divided into 3 stages, on the basis of which the business in e-commerce develops. Developing this will require governments to create opportunities for the formation of electronic platforms. On this basis, the level of the shadow economy will also decrease. It is well known that there is a level of shadow economy in trade. One of the biggest influences on this process is investment. Governments can increase the inflow of investment into the sector by improving the country's investment climate.

It is known that the largest companies in the world with capital and working capital are focused on e-commerce. There is a growing demand for this type of activity around the world. Because the use of e-commerce creates additional conveniences for people. It is also possible to create new jobs by increasing the number of companies engaged in such activities. The development of e-commerce can increase tax revenues and have a positive impact on GDP. With the development of e-commerce, the income of the population will also increase. This leads to an increase in the purchasing power of the population. In addition, an increase in the number of e-commerce businesses will prevent a sharp rise in prices and improve the competitive environment. The proliferation of such platforms indicates the creation of a favorable environment for the sale of certain types of goods.

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