



## E-commerce in modern retail enterprises in the consumer market of Uzbekistan

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### ABSTRACT

Implementation of e-commerce in retail enterprises in Uzbekistan and evaluation of existing ones, digital marketing from competition, growing internet users, penetration and impact of social networks on our socio-economic activities, positive and negative sides of e-commerce, e-commerce, foreign retail brands explained in the example. Recommendations and suggestions for use in e-commerce were also presented.

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## O'zbekiston iste'mol bozorida zamonaviy chakana savdo korxonalarining elektron tijorati

### ANNOTATSIYA

**Kalit so'zlar:**

raqamli marketing,  
elektron tijorat,  
chakana savdo,  
brend,  
branding,  
samaradorlik,  
rentabellik,

Ushbu maqolada O'zbekistonda chakana savdo korxonalarida elektron tijoratni joriy etish, shuningdek, raqobatni engib o'tish, yangi internet foydalanuvchilarini jalb qilish va ijtimoiy tarmoqlarning ijtimoiy-iqtisodiy sohalarga ta'siridan foydalanish uchun raqamli marketingdan foydalanish va mavjud yondashuvlarni baholash muhokama qilinadi.

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iste'molchi,  
sotuvchi,  
yetkazib beruvchi,  
oziq-ovqat texnologiyasi,  
bozor,  
xaridorlar,  
B2B,  
B2C.

faoliyat. Maqolada elektron tijoratning ijobiy va salbiy tomonlari, jumladan, xorijiy chakana savdo brendlari kontekstida muhokama qilinadi va aniq misollar keltiriladi. Bundan tashqari, zamonaviy sharoitlarda elektron tijoratdan samarali foydalanish bo'yicha tavsiya va takliflar taqdim etilgan.

## **Электронная коммерция современных розничных предприятий на потребительском рынке Узбекистана**

### **АННОТАЦИЯ**

#### **Ключевые слова:**

цифровой маркетинг,  
электронная коммерция,  
ритейл,  
бренд,  
брендинг,  
эффективность,  
прибыльность,  
потребитель,  
продавец,  
поставщик,  
пищевая технология,  
рынок,  
покупатели,  
B2B,  
B2C.

В данной статье рассматривается внедрение электронной коммерции в розничных предприятиях Узбекистана, а также оценка существующих подходов и применение цифрового маркетинга для преодоления конкуренции, привлечения новых пользователей интернета и использования влияния социальных сетей на социально-экономическую деятельность. В статье обсуждаются как положительные, так и отрицательные стороны электронной коммерции, в том числе в контексте иностранных розничных брендов, и приводятся конкретные примеры. Кроме того, представлены рекомендации и предложения по эффективному использованию электронной коммерции в современных условиях.

### **INTRODUCTION**

What is retail? In its simplest definition, retailing is the sale of various goods and services to customers for profit. Retailing includes sales through various channels, both in-store and online shopping. The definition of retail is broad and includes the activities of ancient merchants to comprehensive malls, department stores, and e-commerce platforms.

By the years of independence in Uzbekistan, retail trade began to be formed based on the principles of market economy. A number of terms and concepts have been mentioned in the legislation on the development of this sector: retail trade is the sale of goods to the population in bulk or in small amounts (numbers) for cash or for final consumption in the trade sector without the right to use it for commercial purposes. If the tariff is given as an organization for the implementation of activities involving the sale of bank plastic cards (except corporate bank cards) or through contactless online payment systems, it includes the following as objects: market, hypermarket, supermarket, shopping center, shopping complex, universam, department store, minimarket, grocery store, specialized stores, stalls, trays, car shops, pavilions, kiosks, laryoks, vending machines (Decision No. 75 of the Cabinet of Ministers of the Republic of Uzbekistan, 13.02.2003).

Retail sales of goods by legal entities can be carried out only through permanent sales outlets or mobile sales facilities, with mandatory use of cash registers. (Resolution of the Cabinet of Ministers of the Republic of Uzbekistan, No. 407 dated 26.11.2002).

## LITERATURE REVIEW

Among our local scientists Sh.Dj. Ergashkhodjayeva, In her textbook “Strategic Marketing”, made practical suggestions about the role of communication in marketing and the stages of its creation. According to him, the scientist divides the stages of communication into several periods: 1950s–1960s Unsystematic communication stage, 1960s–1970s Product communication stage, 1970s–1980s Target group communication stage, 1980–1990s Competitive communication stage, 1990–2010s Competitive and integrating communication stages, divided into the stages of communication, he made extensive comments and opinions about the importance of communication and the periods of its creation [1].

G. Makhmudova conducts research on some advantages and negative consequences of the digital economy and digital sales in “Digital Economy and the role of electronic commerce in it” published in the magazine “Financier’s Guide”. As a result of the fact that the purchased product cannot be seen directly by the consumer, and the product does not come out as he wants, in addition, in some sense, this type of sale may push the traditional type of sale out of the market, in a word, online sales can lead to attractive fraud [2].

In his article “How Technology is Changing Retail”, V. Shankar writes about the impact of modern technology on retail and how it can affect consumers, sellers, suppliers, and employers [3].

Z.A. Khakimov and U.U. Sharifkhodjaev in their study guide for students entitled “Interactive and Digital Marketing” describe the main directions of the development of the digital economy in Uzbekistan, 3 types of digital marketing communications in the Virtual Market, and their uniqueness. In this literature, scholars have put forward several practical suggestions about the development of interactive and digital marketing strategies [4].

Dinesh K. Gauri, in his article “The Evolution of Retail Formats: Past, Present, and Future”, makes a brilliant case that retail brands have set the bar for their customers to deliver to the customer's online shopping address. He gave practical suggestions about the opportunities that should be created so that he can pick them up from the store or from a designated special place. In addition, he gives the example of concrete facts that in April 2020, online sales increased by 37% compared to the previous month of this year [5].

Dr. Mrs. Vaibhava Desai’s article Digital Marketing: A Review discusses digital marketing and tactics and below are the most common digital marketing tactics and channels [6]:

Search Engine Optimization (SEO)

Social Media Marketing:

Content Marketing:

Affiliate Marketing

Native Advertising

Marketing Automation

Pay-Per-Click (PPC)

Email Marketing:

Inbound Marketing and others

This type of digital marketing technology is the most effective way to run a business more efficiently and reduce costs and inform consumers about the brand.

Digital marketing technologies form the basis of almost all types of brand enterprises today. Almost all types of small business organizations worldwide are multitasking with their many digital tactics. In turn, large companies have their own one or more digital channels.

Professor Nutfillo Salimovich Ibragimov and Tolipov Muhammadali Ulug'bekovich in the article “Comparative analysis of development stages, trends, advantages of traditional and digital marketing” highlighted the advantages of the differences between digital and traditional marketing. In addition, they emphasized the use of social networks in public service organizations, banks, and service industries, and the enrichment of human resources with modern technological knowledge [7].

Kenzhegul Bizhanova, Arafat Mamyrbekov, Ilkhom Umarov, Akmaral Orazymbetova, and Aziza Khairullaeva in their article “Impact of digital marketing development on entrepreneurship” studied Internet sales in Kazakhstan in 2014–2018 and the existing potential of enterprises for online sales is low and gave several recommendations for its improvement. In particular, through e-mails, social networks, and contextual advertising, emphasized [8].

Based on the above, today's retail sales representatives who want to create their own brand can communicate with customers at any time and in any conditions, the role of modern technologies in quickly analyzing each process and making decisions, especially when the number of customers increases is incomparable.

#### **RESEARCH METHODOLOGY**

Studying the effectiveness of using modern marketing strategies and communication tools in retail enterprises, helps to determine the main directions of further development of the main systems of increasing the efficiency of digital marketing in creating a brand strategy in retail enterprises.

The importance of the level of profitability in eliminating the problems caused by the large-scale use of digital marketing technologies in retail trade enterprises, excessive spending, high-quality and fast delivery of services, as well as the rapid study of consumer requirements at any time and place was highlighted.

The main goal of implementing digital marketing in retail enterprises is not only to reduce the human factor and increase profitability but also to enable the service provider to provide comprehensive customer service in a limited time to fully satisfy the requirements and increase the consumer's inclination and the retail enterprises' own is to reach the BRAND level for consumers.

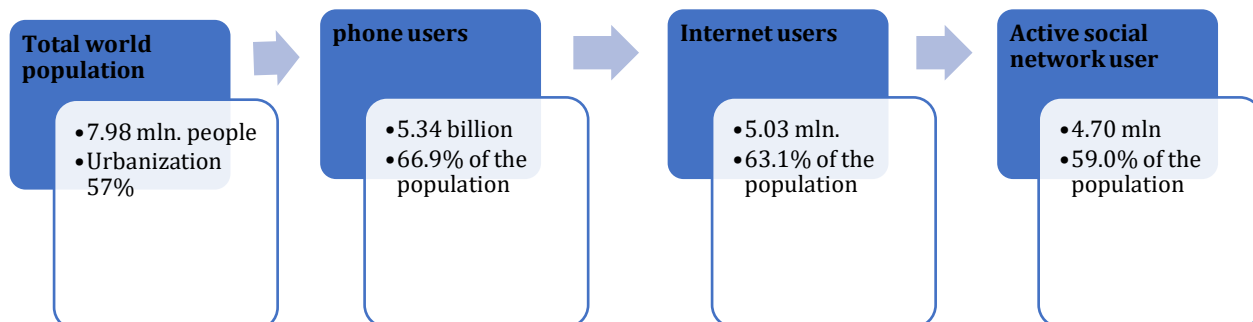
#### **ANALYSIS AND RESULTS**

As digital marketing information systems continue to develop, they are the most important tool in creating key marketing and brand strategies for retail enterprises in society. According to statistical data, the number of users of social networks alone is more than 4.70 billion. This equates to 59% of the world's population and we can see that almost 94% of Internet users use social media every month. In the last few years, the number of social network users worldwide has increased by more than 5%. Between July 2021 and July 2022, 227 million new social media users were added, which equates to a daily increase of over 620,000 new users. For context, this means that social media users are currently growing at over 6-7 new users per second.

Continued growth in mobile usage is driving digital adoption and engagement. The latest data shows that more than two-thirds of the world's population now uses a mobile phone, with the number of “Personal” mobile phone users reaching 5.34 billion in July

2022. The average global internet user spends almost 6 hours online every day (diagram 1). In addition, global internet users will spend more than 1.4 billion years of human existence online in 2022.

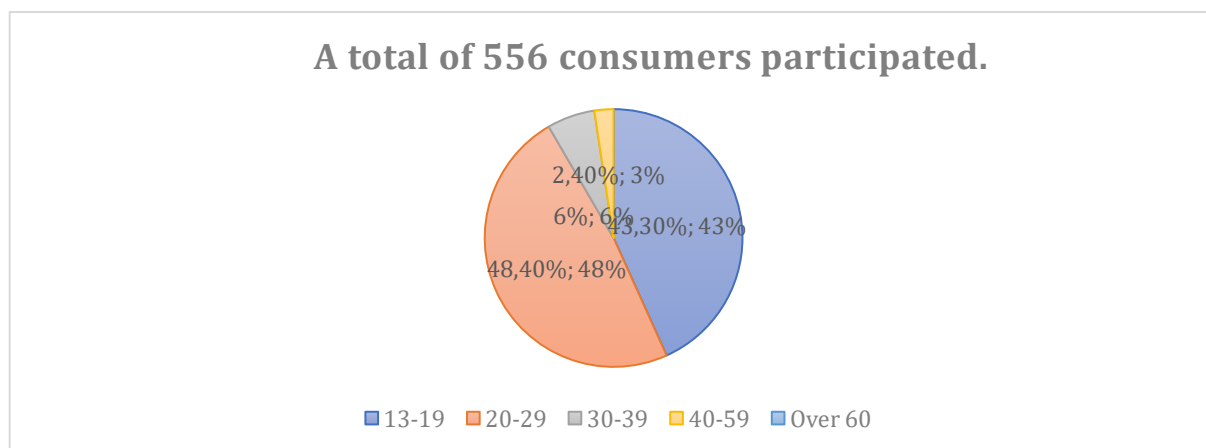
**Diagram 1. Statistical data [9]**



This means that humanity is becoming a user of digital technologies and artificial intelligence every second. At the same time, technologies in retail trade are adapting their strategies to digital marketing and improving the quality of services provided to customers. There are also many types of digital marketing in the manufacturing and service industries. And if the latest digital marketing techniques aren't used, it means a good chance for your competitors. One of the most effective forms of digital marketing is e-commerce. A survey was conducted among smaller consumers in order to study digital systematization in retail enterprises in the market Uzbekistan. A total of 556 consumers participated in it, and they were segmented into several age groups (diagram 2). Of this, women made up 27%, while men made up the largest figure, i.e. 73%. In terms of age, young people, who are now considered representatives of the Third Renaissance, led the polls. That means right now.

Young people between the ages of 13 and 30 use digital technologies.

**Diagram 2. Segmentation by age [10]**



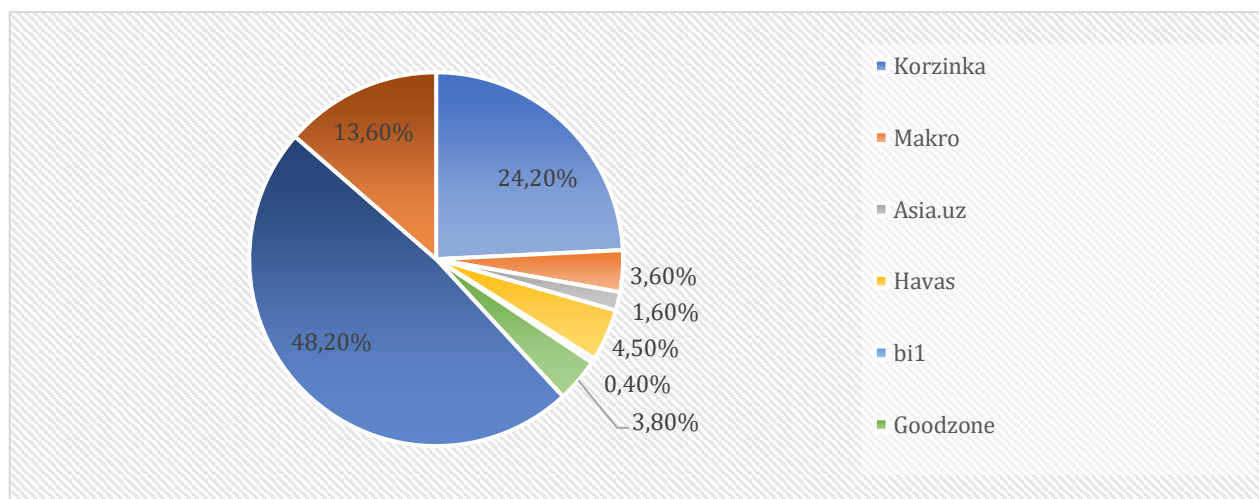
During the survey, it was also found that 41% (226) of those who took part in the survey use Instagram, YouTube, and Facebook widely, 25% (138) only use Instagram, 16.9% (93) only use messengers, 8.5 % (45) use YouTube, while the indicators of using other social networks are 1.1%, 4%, 3.1%, 0.4%, respectively. These analyses mean that

the number of young people who do not use social networks is much smaller, which means that advertisements and online services offered by retail brands can reach their owners.

As a result of the survey, it was also clear that 52.2% of the participants saw the advertisements of their retail stores on social networks, while 17.6% of the retail stores they sold did not see their ads on social networks and 18.3% did not want to see ads, 6.2% of the participants indicated that they would constantly watch funny and entertaining advertisements, while 5.7% expressed interest in serious and effective advertisements. This means that retailers need to take these requirements into account when placing their ads.

Today, almost all retailers have their own websites, but there is also the question of whether all of them meet the requirements. In order to find answers to these questions, we conducted a survey on the use of the website by retail representatives. According to him, 48.2% of the participants emphasized that almost none of the representatives of retail trade used the website, and 13.6% believed that the website was not useful at all. However, the rest of the participants use the websites of retail representatives of different brand levels (diagram 3).

**Diagram 3. Website usage of retail brands [11]**



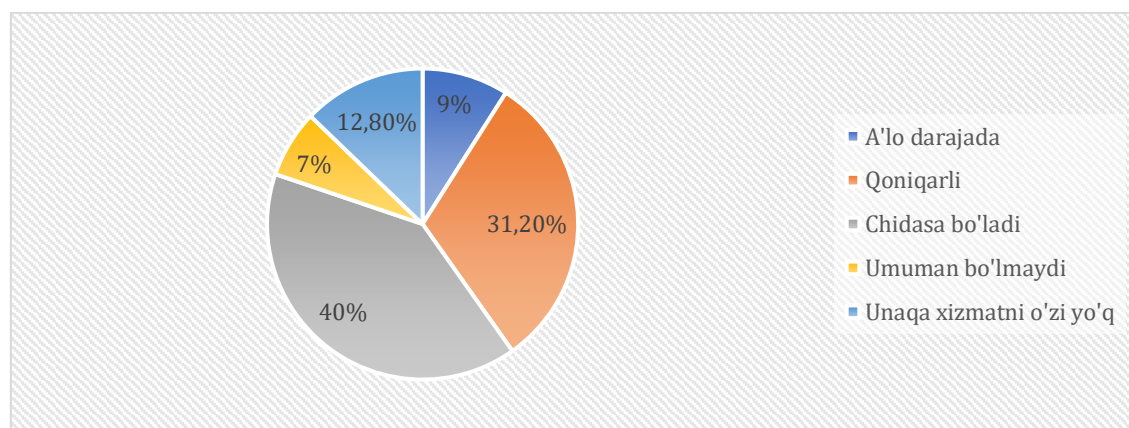
Modern retail sales representatives have been able to differentiate themselves from traditional sales representatives due to their new perspectives and the use of modern digital marketing and their view that the weapon of competition is not only quality and price. As can be seen from the above, the majority of consumers of Uzbek retail brands still have a negative opinion about the quality and convenience of using the website and online services of their favorite retail representatives.

Modern retail brands have started selling not only face-to-face with customers but also remotely online. E-commerce is one of the brightest manifestations of digital marketing, in which services delivered to consumers are digitized to the maximum extent. In this case, the consumer is able to make payments, type of product, quality, price, and even the level of quality and service of delivery directly in his own place and conditions.

This is the main difference between e-commerce and traditional shopping. According to the surveys conducted among our local consumers, 78.1% (422) respondents preferred traditional trade to online trade, and as the most important reason for this, they emphasized the importance of feeling the quality and suitability of the purchased product. In addition, when buying a product, it is not the same as the original appearance, i.e. it is not the product or product shown in the advertisement. Time and price are also considered as one of the factors that need to be taken into account.

Nevertheless, the survey found that 21.9% (118) of consumers prefer online shopping, and in their opinion, the possibility of purchasing a necessary service or product, regardless of the time and circumstances, is not greater than the possible loss of time. The types of online services that are currently best implemented and widely used by consumers are fast foods and national dishes (23.9%), clothes (19.6%), household appliances (10.5%), book purchases (7.9%), the sale of sweets also has its place if it is small (1.1%). The rest of the consumers preferred traditional over online shopping. It can be seen that online sales and services in our retail brands are not of sufficient quality. The analysis showed that the quality of online sales and services in our local brands can be considered average (diagram 4).

**Diagram 4. E-commerce evaluation level [12]**



In addition to online services and sales, there are also digital changes in traditional sales: before payments were made only by cash and plastic cards, now by phone Click, Payme, Apelsin and many other similar is carried out through many types of special programs. From the above analysis, it can be seen that any new type of service or product must be tested and meet the demands of consumers.

### **CONCLUSIONS AND SUGGESTIONS**

While Amazon remains the best-known representative for brands in the retail space, Walmart is quickly gaining market share by investing heavily in its digital marketing offering. Walmart earned \$2.1 billion from advertising last year, much of that thanks to its Walmart Connect digital retail network. In addition, Walmart is taking the lead in the world in B2B and B2C by offering instant sales through its website, in-store pickup, and even product delivery. In Walmart's case, we can turn nascent national retail brands into world-class brands with modern marketing strategies and digital integrations.

Today, retail brands are considered to be the most active enterprises in B2B and B2C, because they sell products of several brands at the same time. Nevertheless, it can be seen from the small group surveys that our local retail representatives should use digital marketing in their activities and further improve the existing ones. When making purchases, e-commerce platforms of well-known retailers such as Amazon.com, Walmart.com, eBay, and Google Shopping should be given special attention.

Based on the above analysis, it was found that without digital integration in retail trade, it is not possible to dominate the competition and increase consumer preferences. As in any business, retail trade is being carried out through mobile applications, social networks, websites and e-mail. In addition, self-service without a salesperson in the stores helps to prevent excessive queues. At the end of the survey, consumers' opinions about queues were studied, according to which almost 29% of consumers stated that there are excessive queues. For this reason, digital sales service without a salesperson helps to save customers' time and build trust.

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