



THE ROLE OF E-COMMERCE IN THE DEVELOPMENT OF COMPANIES

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ABSTRACT

In the modern conditions of the development of the national economy, it is of particular importance to stimulate the innovative component of entrepreneurship to increase business efficiency. Traditional ways of doing business in many countries do not fully correspond to the development trends of international business. One of the modern ways of doing business is e-commerce. E-commerce is used as a rapid means of transforming the world into an information society, expanding the concept of business from a simple transactional approach to a broader collaborative concept. The article discusses the role of e-commerce in the development of companies in the context of the digital economy.

KEYWORDS

E-commerce, information and Internet technologies, business development, continuous service, broad platform, business promotion.

Introduction

The use of e-commerce for the globalization of the market and the increasing interdependence of national economies remains an important, but complex and difficult phenomenon. However, in the business environment, e-commerce has made significant progress not only in large organizations, but also in small and medium-sized enterprises.

Since 1983, with the advent of Internet technology, e-commerce has become very important. Today, the active development of information technologies and the Internet around the world creates new conditions for business development. Although the adoption rate of e-commerce is still a small part of the economy in some countries, in many countries the use of e-commerce is recognized as a key tool that can reduce costs and increase efficiency. The relevance of this research is explained by the fact that a new type of activity - electronic commerce - is rapidly developing due to the emergence and development of new information technologies in the world economy.¹ In general, the category "e-commerce" refers to the field of economic activity in which all financial and electronic transactions are carried out using modern information technologies. The concept of "electronic commerce" is

¹ 1. Vakulenko, Y., Shams, P., Hellström, D., & Hjort, K. (2019). Service innovation in e-commerce last mile delivery: Mapping the e-customer journey. *Journal of Business Research*, 101, 461-468.

closely related to the concept of "electronic business" and is considered its component. E-business as an economic category refers to business activities with the help of global information and telecommunication networks in order to earn income. The main difference between e-commerce and e-business is that e-commerce is a form of transactions, while e-business is a core business activity aimed at changing the business processes of an enterprise.

E-commerce involves significant changes in "traditional" forms of business. Information and Internet technologies form a new internal business culture, the ability to quickly adapt the business model and strategy to changing business conditions and new opportunities are the main factors of enterprise success in the rapidly changing Internet economy. In the conditions of the globalization of the market economy, it is necessary to bring innovative goods and services to the domestic and world e-commerce markets.²

E-commerce website development by well-known companies in the global market is the most convenient way for the company to grow and it provides a wide range of online transactions and sales. Apart from the normal website that is usually used to search and retrieve information, e-commerce website services allow the user to purchase goods and services. Therefore, developing the right e-commerce website is an important requirement of a company that is required by the customers. The most important factors to be analyzed are the capabilities and specialization of the company, and reviewing it from time to time will help you choose better options for business development.³

Before discussing the scope of e-commerce development companies in the market, let's understand why it is important to create an e-commerce website because it is directly proportional to the demand and needs of e-commerce development companies.

An e-commerce business is the best way available for people to build a better business world to insure future success than doing traditional business. For any entrepreneur, having an e-commerce business is an added advantage for their business. We can cite several factors for the importance of e-commerce business:

Let's be comfortable. Sometimes you wonder why you use an e-commerce website to shop online. The most obvious answer to this question is convenience. A person can shop, buy and sell products anytime from the comfort of their home.

Continuous service. E-commerce provides us round-the-clock services, even at midnight. So customers don't need to visit a physical market if they need something during the night. This is usually the most convenient option for people with busy schedules. So, it helps you to be available 24/7 for your customer.

Wide platform. E-commerce brings your business a wide range of customers across the country or the world. Therefore, choosing an e-commerce platform is a smart choice for your business to cross geographic barriers.

Business promotion. E-commerce directly relates to your business advertising because this is the age of digital media. Making a business online is very important for the development of the company,

² Tran, L. T. T. (2021). Managing the effectiveness of e-commerce platforms in a pandemic. *Journal of Retailing and Consumer Services*, 58, 102287.

³ Gregory, G. D., Ngo, L. V., & Karavdic, M. (2019). Developing e-commerce marketing capabilities and efficiencies for enhanced performance in business-to-business export ventures. *Industrial Marketing Management*, 78, 146-157.

such as high convenience, wide exposure, global customer, easy to manage, etc. and it helps to create a strong and global brand image for the company.⁴

Less cost. If inventory management of goods and services is an automated process, then not only costs, but also risks are reduced. Also, owning an e-commerce business is more cost-effective than a physical store as it saves you additional expenses like rent, electricity, etc.

Easy setup. The cost of setting up an e-commerce business is very low compared to setting up a physical store. Also, licensing and permitting an e-commerce marketing site is much easier than a physical store.

Economy. Since there is no investment in terms of infrastructure or insurance in an e-commerce business, more money can be spent on products, strategy and advertising. This will boost your marketing strategy and thus can also increase traffic to your e-commerce website.

More information about the product.

Most e-commerce websites have detailed information about their products along with images and videos for product demonstrations. This helps the customer to have a clear idea about the product and its ease of use.

In conclusion, it should be noted that e-commerce is not only the use of IT technologies in traditional commerce, but also an innovative field of commercial activity that is an operational environment for an Internet commerce organization. Currently, e-commerce is actively entering everyday life, and in the near future, this model of organizing business relations is expected to become more widespread.

Literature

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⁴ Chaffey, D., Edmundson-Bird, D., & Hemphill, T. (2019). *Digital business and e-commerce management*. Pearson UK.