

OPENING PROSPECTIVE ENTREPRENEURSHIP OPPORTUNITIES WITH THE TOOLS OF DIGITAL ECONOMY

TAKHSINABONU MUFTOKHIDDINOVA ABDULLAJON KIZI

Faculty of Finance, Tashkent Institute of Finance, Student,
mtahsinabonu@mail.ru

MALIKAKHON KHASANBOEVA VALIJON KIZI

Faculty of Banking, Tashkent Institute of Finance, Student,
malikakhasanboeva@gmail.com

ABSTRACT:

Today the technology of the digital economy is changing the living conditions and economic behavior of people, and in this article we give focus on business behavior and new business opportunities. In particular, changes in business strategy, competition, new opportunities for marketing, working with clients, and emergence of new sources of profit and competitiveness factors are illuminated and discussed in specific example of e-commerce. In the article some problems developing countries are facing to develop digital business and some relevant solutions are offered as well.

KEYWORDS: digital economy, digital transformation, business model, e-commerce

METHODS:

Generalization, data grouping, the method of analogy

RESULTS:

As a result of the research within the scope of this article, new opening opportunities of entrepreneurship in digital economy's context is revealed, moreover, main problems faced by developing countries in such scenario are discussed and some feasible solutions have been worked out.

Digitalization of the economy is considered as a strategic task, the solution of which will serve as the basis for the development of the

real sector of the economy and an impetus for an innovative breakthrough. According to the Swiss professor U. Brenner, the active use of digital technologies modifies business models, creates the prerequisites for the appearance of innovative goods, services and technologies, and contributes to the growth of efficiency and improvement of the culture of equalization [1]. Scientists justified that the introduction of digital technology transforms corporate business models, as a rule, in terms of methods and procedures for their implementation [2].

The technological achievements of the fourth industrial revolution had a serious impact on the business environment and its participants, who completely switched to the use of digital technologies, combining industrial technologies with digital ones. What does it consist of? Digitalization has influenced the followings:

- ✓ firstly, on how to organize and conduct a business, its marketing strategies;
- ✓ secondly, to provide business with resources;
- ✓ thirdly, production and transaction costs (organizational, managerial, communication, expenses for obtaining, processing and storing information), which in the digital sphere are sharply reduced or even disappear;
- ✓ Fourth, the network effect and economies of scale that are becoming global.

The digital economy, growing on the basis of the information economy, can be defined as its continuation in a new quality after an unprecedented and disruptive technological breakthrough as a result of the fourth industrial revolution [3], which is characterized by a non-linear (exponential) speed of innovation diffusion, the depth and scale of penetration of digital technologies, the strength of the influence of digital systems and systems [4]. Their application changes a lot in the way of thinking and decision motivation, i.e. not only in productivity, but also in economic behavior, in the principles of organization and operation of companies and the entire economic mechanism. Many new business models seek to provide access to the end user or user. New companies usually create additional benefits for consumers using digital technology. In the conclusion analysis of the works [5,6] the following business models can be distinguished that can be used as new and existing organizations in the digital economy:

- e-commerce - sales of products using the digital e-commerce platforms of (Amazon, Alibaba, eBay, etc);
- Crowdsourcing - the model involves the creation of a digital platform that provides a solution to any problem by an indefinite number of people. The advantages for users are saving money, attracting various specialists to consider the problem, expanding partnerships. Examples of such projects are crowdspase and researchgate platforms;
- free of charge services - the model is based on the offer of company services for free and charging fees for additional services, for example, free placement of an advertisement on the site and charging fees for its promotion;
- partnership - the creation of a digital platform for promoting the products of partners, for example, the business

model of the German company Idealo provides an overview and comparison of prices of goods from various manufacturers, financed by advertisers.;

- additional offers - for example, cloud storage with the possibility of expanding space;

These business models suggest doing business in the digital space and are able to provide companies with certain advantages: a narrow market segment, low costs, constant interaction with the consumer, etc. Also, digitalization opens up new opportunities that support totally new and innovative business environment and the followings can be bright examples.

Customer Relationship Strategies. The use of digital technologies, including artificial intelligence, and increased competition generate trends such as deepening relations with the buyer, communication with him in the digital environment and a sensitive reaction to changes in customer's preferences.

New conditions in working with customers. Breakthrough results in science and in the economy it is realized by the widespread use of artificial intelligence: from software for discovering new medicines to algorithms that reveal people's cultural interests and predict their behavior. Here, the increased individualism of the user in the digital environment and an in-depth approach to solving his problems become reliable protection against the transition of the buyer to other segments of the market. At the same time, the principle of justice and social efficiency is not violated [7].

Changes in competition. In the transition to a digital economy, changes are taking place in a competitive environment. This is an unexpected appearance of a competitive

advantage for a beginner, for example, due to a startup or access to global digital platforms for research, development, marketing, quick sales and distribution, emerging companies overtake reputable old-timers in terms of speed, cost and quality of delivery of goods or services.

New sources of profit and competitiveness factors. In the digital economy, these are data-enhanced products. A business can have a big impact on the quality of a product, increasing its value and the quality of service, applying digital improvements to its products. Obtaining full information about the operating mode and wear, a business can monitor the continuous improvement of quality without replacing the goods.

New forms of business. A new form of business collaboration in the digital economy is collaborative innovation. Its occurrence is associated with the rapid emergence of innovations and their disruptive effects. Derived from such cooperation are new forms of business based on sharing, sharing, etc.

The business environment in the digital community. In the digital economy, a new organizational structure of the business is developing - a block chain system (blockchain). Its strong side is decentralization, due to which payments move in the global space instantly and transparently. Therefore, it is not necessary to open many offices and create legal entities with all their administrative costs. Blockchain allows to build a cheap business structure with a small number of internal specialists.

Digital business as above mentioned comes with huge benefits and accelerate the economy itself. Digital business changes the economies of the developing nations, make better living conditions and increase economic welfare as the country integrate to global

market. Thus, to keep up with the latest trends and not to lack behind digital businesses emerging and its development are urgent for developing countries. However, digital business, especially e-commerce in its early development stages, there are some obstacles that may hold back its growth. Here are some barriers:

Lack of online culture. The idea of buying goods and services that cannot be seen and touched physically is not the type of risk that people can afford. People see and touch (physically) what they want, negotiate on best deals, and buy. This is the type of business activity they are familiar with, which is entirely different from online way of doing it.

Lack of Trust. Basically, trust is a major issue in online business environment. Individuals are not confident whether online merchants are trust worthy enough to deliver products and services as promised.

Limited access of Telecommunication infrastructure and high cost of Internet. Ecommerce requires technological foundations. Mostly the Internet connection type in the developing nations is a dial up connection, which is very limited and slow, and this is another challenge for doing business online.

Limited access to Personal Computers. Possessing computers is expensive in the developing nations which is another major obstacle for the growth of Ecommerce in these countries.

Lack of Electronic payment facilities for enabling transfer of funds. Online merchants in developing countries are obliged to use banking facilities offshore if they are going to do business over the net.

CONCLUSION:

Taking into account, the necessity of digital business, following measures can be taken to overcome above mentioned problems:

- Special trainings that gives explanations about e-commerce, ICT tools, can be organized in order to increase online buying habits of people and gaining their trust. Those trainings or workshops should give detailed explanation and actually show how the online process goes.
- Developing infrastructure, reducing the cost of internet and maybe some discounts for online buyers and sellers can encourage people to do e-business.
- IT specialists should be attracted more to make Electronic payment facilities better and to avoid hacker attacks or fraudulent transactions.

In other words as Senior Advisor and former Lead Strategist at the World Bank Prof. Nagy K. Hanna said "Mastering the digital transformation process is no easy feat, but it is likely to be the defining core competency of the 21st century". Each developing country should start by making a road map by addressing the questions to chart their transformation journey such as: What measures can help integrate digital transformation into a development strategy? What complementary policies and institutions will be needed, across the entire economy and in each sector? How should policy makers engage stakeholders, build coalitions, and pursue partnerships to implement digital transformation? [8]

REFERENCES:

1) I.L. Avdeeva. Development of digital technologies in economics and

management: Russian and foreign experience. Management Issues, 2017. E-resource:

<https://cyberleninka.ru/article/v/razvitietsifrovyyh-tehnologiy-v-ekonomike-i-upravlenii-rossiyskiy-i-zarubezhnyy-opyt>

- 2) G.S. Sologubova. Components of digital transformation: monograph. M: Yurait, 2018, p.141
- 3) M. V.Safronchuk. Digital pace revolution (the fourth industrial revolution and the digital transformation), 2017. Economics and Management: Problems and solutions. №11, vol. 5, pp. 52–56.
- 4) K. Shwab. The Fourth Industrial Revolution: What It Means and How to Respond, 2015. Electronic resource: <https://www.foreignaffairs.com/articles/2015-12-12/fourth-industrial-revolution>
- 5) M.Blaschke, M.Cigaina, U.Riss, I.Shoshan. Designing Business Models for the Digital Economy. Electronic resource: https://www.researchgate.net/publication/308670858_Designing_Business_Models_for_the_Digital_Economy
- 6) Business models of the digital economy. EFI Report. Electronic resource: https://www.efi.de/fileadmin/Chapter_2016/2016_B3_EN.pdf
- 7) M. V. Safronchuk. Pricing for monopoly market, 2016. Economics and management: Problems and solutions, №4. – p.61-68
- 8) Article: "How can developing countries make the most of the digital revolution?" by Nagy K. Hanna. March 03,2017.