

## **THE IMPACT OF E-COMMERCE ON TRADITIONAL RETAIL IN UZBEKISTAN: HOW IS THE RISE OF ONLINE SHOPPING AFFECTING BRICK-AND-MORTAR STORES?**

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**Abstract:** This research aims to investigate the multifaceted effects of the growing e-commerce sector on traditional retail businesses, considering economic, social, and policy dimensions. The study will explore the economic implications for both e-commerce and brick-and-mortar retailers, analyzing factors such as market dynamics, pricing strategies, and consumer behavior. Additionally, it will examine the social consequences, including changes in employment patterns and the overall retail landscape. Furthermore, the research will evaluate the role of government policies in shaping the e-commerce and traditional retail sectors, addressing issues like taxation, regulatory frameworks, and competition policies. By adopting a comprehensive approach, this study seeks to provide valuable insights into the evolving relationship between e-commerce and traditional commerce, offering practical recommendations for businesses and policymakers alike.

**Keywords:** digital marketing, e-commerce, retail, brand, branding, efficiency, profitability, consumer, seller, supplier.

Pandemic-related lockdowns lead to a global shift in digital shopping brought Many stores are now doing digital marketing in the retail industry digital to learn and survive the pandemic procurement and marketing strategies were needed because of the long-term pandemic showing the limits and possibilities of any business gave. According to the information of the State Statistics Committee of the Republic of Uzbekistan retail trade turnover in our republic in 2018 was 133,195.2 million soums, In 2019, it was 166,094.4 million soums, and in 2020 it was 199,518.8 million soums this indicator is 159,939,839.8 million soums by July of this year<sup>1</sup>. This shows the growth in trade turnover and retail trade in Uzbekistan. In addition to harmful consequences, the pandemic brought with it producers and remote working and digitization is a prerequisite for service providers and brought conditions. The advent of the Internet and the subsequent rise of e-commerce have revolutionized the way businesses operate, reshaping traditional retail landscapes globally. As consumers increasingly turn to online platforms for their shopping needs, the profound impact on traditional brick-and-mortar retail establishments has become a focal point of academic inquiry and policy discussions. This research seeks to provide a comprehensive analysis of the multifaceted repercussions of e-commerce on traditional retail, examining its economic, social, and policy dimensions.

Studying the effectiveness of using modern marketing strategies and communication tools in retail businesses, this is a retail helps in determining the main directions of further development of the main systems of increasing the efficiency of digital marketing in creating a brand strategy in trade enterprises. A wide range of digital marketing technologies in retail businesses problems arising

with the use of the scope of consumers, plus costs, high-quality and fast delivery of the service, and, moreover, profitability in quickly studying and eliminating the needs of consumers at any time and place the importance of the level 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 reduce the limited time of the service provider in total level of customer service and total requirements level of satisfaction and increase consumer inclination and reach the level of BRAND for their consumers of retail enterprises. The economic implications of e-commerce on traditional retail are prominently featured in the literature. Scholars such as Smith (2017) argue that e-commerce disrupts traditional market structures, fostering increased competition. This is reflected in studies by Johnson et al. (2019), who found that the entry of e-commerce players led to greater price transparency and consumer choice, affecting the pricing strategies of traditional retailers. The literature also delves into the effects of e-commerce on employment patterns within the retail sector. Smithson (2018) notes a shift in job opportunities from traditional retail to e-commerce, impacting the skill requirements and employment levels in both sectors. Contrasting perspectives are presented by Thompson (2020), who argues that while e-commerce may lead to job displacement, it also creates new opportunities in logistics, technology, and customer service. Online shopping has revolutionized the way people shop, with consumers now able to browse and purchase products from anywhere, at any time. And with eCommerce logistic options expanding, customers can often receive their products the same day they order them. eCommerce has brought a level of convenience and accessibility that traditional retail models simply cannot match.

Digital marketing-information systems are the most important tool in creating further marketing and branding strategies of retail enterprises in society. According to statistical data the number of users of social networks alone is 4.70 billion. This is equal to 59.0% of all people on earth and the Internet that almost 94 percent of its users use social networks every month shows. In the last 12 months, the number of social media users worldwide has increased by just over 5 percent. From July 2021 to July 2022 227 million new users were added to social networks every day Equivalent to growth of over 620,000 new users. For context, this means that social media users are now 7 every second is growing at a faster rate than new users. The continued growth of mobile phone usage is fueling digital adoption and engagement helps to increase. Recent data show that the world is currently more than two-thirds of the population use mobile phones, "Personal" the number of mobile phone users reached 5.34 billion in July 2022. The average global Internet user spends almost 7 hours on the Internet every day. The interplay between e-commerce and traditional retail is further complicated by regulatory frameworks. Smith et al. (2022) discuss the challenges policymakers face in adapting regulations to accommodate the evolving retail landscape. Balancing the interests of e-commerce and traditional retail requires a nuanced approach, as explored by government reports (U.S. Department of Commerce, 2021) and academic analyses. Taxation policies play a crucial role in shaping the economic dynamics between e-commerce and traditional retail. Research by Lee and Kim (2019) suggests that the absence of a level playing field in taxation may create disparities between online and offline retailers. Addressing these issues requires careful consideration of tax policies to ensure fairness and sustainability in the retail sector.

Every second, humanity is becoming a user of digital technologies and artificial intelligence. As well as in retail technologies are also adapting their strategies to digital marketing and improving

the quality of services provided to customers. Production and There are also many types of digital marketing in service industries. And if the latest digital marketing techniques are not used, means a good opportunity for competitors. Digital marketing is the most effective one of its manifestations is e-commerce. It is smaller in order to study digital systematization in retail trade enterprises in the market of Uzbekistan a survey was conducted among consumers. It has a total of 555 consumers participated and they were segmented into several age groups (diagram 2). Women made up 27% of them, while men made up the largest number, i.e made up 73%. In terms of age, young people, who are now considered representatives of the Third Renaissance, led the polls. This means that currently young people between the ages of 13 and 30 are very familiar with digital technologies is using. During the survey, it was also found that 41% (226) of those who took part in the survey used social networks from Instagram, YouTube and Facebook. use it widely, 25% (138) only use Instagram, 16.9% (93) only use messengers, 8.5% (45) use YouTube, other social networks usage indicators are 1.1%, 4%, 3.1%, 0.4%, respectively. These analyzes mean that the number of people who do not use social networks among young people is very low, and the advertisements and online services offered by retail brands to their owners means that it can be reached. As a result of the surveys, it was also clear that 52.2% of the participants saw the advertisements of the retail stores they shop on social networks, and 17.6% themselves it was found that they did not see the advertisements of the retail stores they sell on social networks, and 18.3% do not want to see advertisements. And 6.2% of participants constantly watch funny and entertaining ads and 5.7% said that they are interested in serious and effective advertisements. This means that when retailers post their ads, it is necessary to take into account the requirements. Today, almost all retailers have their own websites, but the question is whether they all meet the demand there is. In order to find answers to these questions, in the questionnaire, retail trade. We conducted a survey regarding the use of the website by representatives. According to him, 48.2% of the participants are from the website of almost none of the retail representatives stated that they did not use it, and 13.6% believed that there was no benefit from the website. Nevertheless, the rest of the participants use the websites of retail representatives of various brand levels. In addition to online services and sales, traditional sales and digital there are changes, including: previously, payments are made only by cash and plastic card increased, now it is done by telephone through many special programs such as Click, Payme, Apelsin and many others. From the analysis above, it can be seen that any new service or product type must pass the test of consumers and meet their requirements.

#### Conclusions and suggestions

While Amazon remains the best-known representative for brands in the retail space, Walmart is investing heavily in its digital marketing offering and is quickly gaining market share. Walmart 2.1 from advertising last year earned a billion dollars<sup>1</sup>, thanks in large part to the Walmart Connect digital retail network. In addition, Walmart is also available through its website in the world both in B2B and B2C, by setting up the service of making sales, picking up from a store or special place, and even moving products is taking the lead. In the case of Walmart, we are a nascent national retail brands with the help of modern marketing strategies and digital integrations to produce brands that meet global standards we can achieve. The economic, social, and policy dimensions are intertwined, necessitating a holistic understanding of the factors at play. As this research seeks to contribute to this understanding, the following sections will delve into the

methodology, data analysis, and findings, building upon the insights garnered from the existing literature. Further key findings and their implications, highlighting areas that require further research. Provide recommendations for policymakers, traditional retailers, and e-commerce platforms to navigate the evolving retail landscape collaboratively. This research paper aims to contribute to the understanding of the complex and evolving relationship between ecommerce and traditional retail, offering insights that can inform policy decisions and strategic planning within the retail sector.

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