



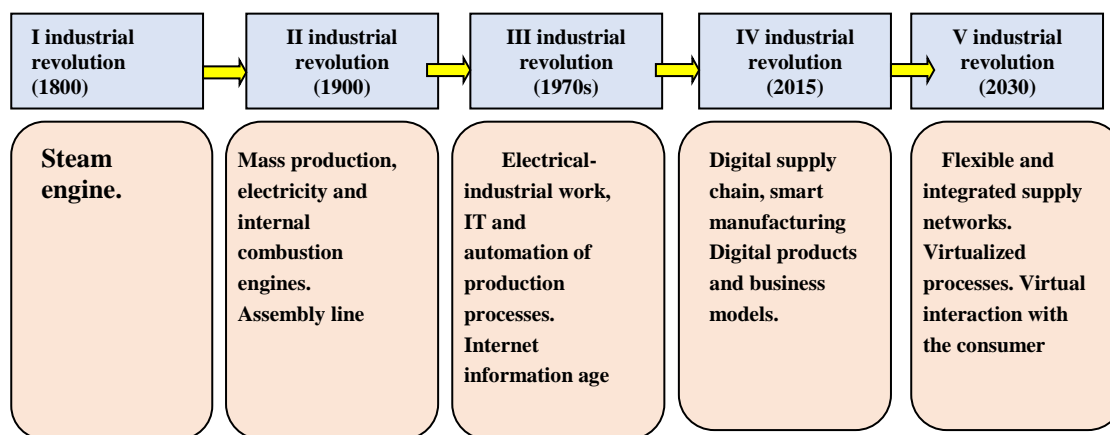
Analysis of the Conditions Necessary for the Development of Financial Services in E-Commerce.

Allaberganov Zokir Gaibovich

Associate Professor, Department of Economics, Tashkent Financial Institute

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Statistics annually confirm the high dynamics of e-commerce development. E-commerce user numbers and usage continue to grow. Digital 2023: According to the Global Digital Statshot report for the second quarter, the number of Internet users in the world increased by 8.6% or 350 million people. Between April 2021 and April 2022, reaching 4.437 billion people or 58% of the world's population¹. The largest contributors to this growth in Internet users are countries such as India and China (44 million and 29 million people respectively). Today 5.1 trillion. The population uses mobile phones, more than two thirds of which are smartphones. The introduction of fifth generation communication networks based on 5G technologies will provide the necessary conditions for realizing the potential of new technologies and completing the transition to the fourth industrial revolution (Figure 1).



We are now in the phase of the fourth industrial revolution, which is characterized by the development of digital products and business processes. Modern Internet technologies allow financial institutions to take some of their services to a new level and thereby attract new customers. If a financial services institution plans to move its business processes online, it must first make certain changes to its marketing communications management system. The traditional management system inherent in such organizations has a number of shortcomings that may be insignificant in the real world, but they are unacceptable when managing marketing communications in the Internet environment. These disadvantages include: slowness in decision making, low speed (both in terms of internal corporate governance and in terms of customer service); high level of document flow (but in modern banking management this can also be considered a positive aspect of management); conflict of management goals and objectives. In our opinion, a model for managing marketing communications on the Internet should be developed separately for each financial institution, based on its tasks and capabilities.

In fact, every financial services institution can take the path of developing traditional methods of providing services and adding to them the availability of electronic means of interaction. Another way involves the development of new types of services, where the key point is the ability to communicate via remote means of communication. And each financial services company chooses its own strategy or development model. In this case, there is no universal solution, because using someone else's experience in developing models can lead to conflicting goals and objectives in management.

Recently, with the development of the mobile Internet, financial institutions are offering their customers access to bank accounts based on WAP (Wireless Application Protocol) using mobile phones. Mobile operators cannot always provide the necessary level of protection for transmitted or received data

¹Digital 2019: Q2 Global Digital Stat shot. [Electronic resource]. – Available at: <https://wearesocial.com/blog/2019/04/the-state-of-digital-in-april-2019-all-the-numbers-you-need-to-know>.

¹Ericsson Mobility Report June 2019. [Electronic resource]. – Access mode: <https://www.ericsson.com/en/mobility-report/reports>.

when offering customers phones connected to the Internet. This means that financial institutions are not responsible for the confidentiality of customers' payments and can only offer them balances and a list of recent transactions via mobile phones.

The development of financial services in e-commerce has made a significant contribution to the financial and economic sector in recent years as it has paved the way for market participants to enhance their capabilities in many new financial products, services or processes. The diversity of financial services in electronic commerce is assessed as a response of market participants to many changes in international financial, fiscal and regulatory systems. They are also the result of a relentless search for cost-minimization and more flexible financial instruments that can change the composition of capital markets and address the risks associated with a rapidly changing economic environment, technology, competition and the globalization of markets.

Retail payment instruments available in most countries can be divided into four main categories:

- paper instruments. This category includes cash, checks, postal orders, traveler's checks and more.
- electronic means. This category includes direct credit and debit electronic transfers (commonly used for remote payments).
- card payment instruments. These types of instruments include payment (debit), credit and prepaid cards.
- innovative payment instruments.

The choice of payment instrument usually depends on a number of factors: the calculation method, the universality of the system, the availability of technical infrastructure, the share of non-cash payments in the retail system. The choice of payment method depends on the form of payment. One of the features of retail payments is the widespread use of cash by participants in this transaction - banknotes and coins.

The evolution of settlement relations in retail trade indicates a gradual narrowing of the scope of use of cash and the growing popularity of non-cash payments through the transfer of funds through bank accounts. Payments are generally divided into two groups: credit instruments and debit instruments. Each of the payment instruments listed above has a number of unique advantages for both payers and recipients.

Thus, given the variety of technical means applied to electronic money, it can be assumed that in each of the two forms of payment mentioned above, special payment instruments appear, differing in technological solutions. For example, today electronic money transfers can be carried out in the following ways: through a special payment application installed on a personal computer (mobile phone); through a standard web browser installed on a personal computer (mobile phone), which provides access to software on the server of the electronic money operator; through electronic terminals installed for public use, etc.

Sources:

1. Digital 2019: Q2 Global Digital Stat shot. [Electronic resource]. <https://wearesocial.com/blog/2019/04/the-state-of-digital-in-april-2019-all-the-numbers-you-need-to-know>.
2. Ericsson Mobility Report June 2019. [Electronic resource]. <https://www.ericsson.com/en/mobility-report/reports>.