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Evolution of development perspectives of e-commerce in Azerbaijan

Student: Rafig Mammadli
Scientific supervisor: Anar Jafarov

UNEC SABAH
Azerbaijan State Economic University

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Introduction

In the globalizing world, the importance of trade is increasing. It is impossible to imagine modern times without internet. The widespread expansion of information and communication systems in the modern world and the development of the Internet network all over the world have led to the emergence of new tools in the economy. Traditionally, trade expresses the sale of products and services, and e-commerce is an electronic version of it. Increased interest in the global network has led to the development of "electronic commerce" (hereinafter, e-commerce), which opens new ways for the provision of products and services. E-commerce is a modern form of trading over the internet. "E-commerce" provides for electronic business communication through information and telecommunication technologies. E-commerce is an online service, trading and buying of goods. E-commerce means that the business of providing commodities and providing services is intended to be carried out among individuals through the Internet without any physical interference or physical contact. Countries are now eager to boost e-commerce since most of the developed countries are traded through the Internet. People have begun to make online purchases online losing time and energy, it is more advantageous than shopping in stores.

CHAPTER 1. EVOLUTION OF E-COMMERCE AND ITS METHODOLOGICAL ASPECTS

1.1. Emergence and dissemination of e-commerce

Over the last few years, all enterprises in the world have undergone significant changes in their business information systems. Large investments have been introduced in the enterprise resource planning system, but they are still struggling to make effective business decisions and to obtain the information they need to ensure the sustainable development of businesses. The Internet is the most popular means of transferring various data. Users can find all types of information in a shorter time compared to the traditional method that consumes more time. The spread of the Internet anywhere in the world, along with business, helps to create different kind of environments in people's lifestyle. Actually, Internet is a crucial condition for the existence of E-commerce. Electronic commerce or e-commerce has been identified as the capacity to carry out transactions entailing the interchange of goods and services between different parties using electronic techniques and tools (Yonah, 1997). The expansion of e-commerce has made new changes in our lifestyle, especially in shopping behaviour. Buyers can simply buy products and services like magazines and airline tickets online.

E-commerce is a type of business or interaction that participants have or will have in electronic form. It involves a large range of activities for email, e-mail, online-based sales, and web marketing. Roger Clarke, Director-General, said that e-commerce (e-business) is described as a business with the help of electronic devices and telecommunications, trading in goods and services through electronic commerce (ecommerce) electronic devices and telecommunications. From the above-mentioned definition, we can say that e-commerce is often used in a broader sense and is basically the same as "electronic business" notion. In other words, e-commerce envisages the purchase of goods, services and other financial transactions, both at the place of departure and through the interactive process, through information and

digital technology. Here 'transactions' comprise the specification of the goods and services desired and the purchase commitment.

The main different types of e-commerce are:

- Business-to-business (B2B);
- Business to-consumer (B2C);
- Business-to-government (B2G);
- Consumer-to-consumer (C2C);
- Mobile commerce (m-commerce).

B2B e-commerce is just determined as e-commerce activities between different companies. This is the kind of e-commerce which is engaged in interconnection between and among businesses. Approximately 80% of overall e-commerce is of this sort, and most of the expertst foresee that B2B e-commerce will proceed to grow more quickly than the B2C segment.

The B2B market consists of two basic components: e-frastructure and e-markets. E-frastructure is the construction of B2B, primarily involving of the following:

- Logistics – warehousing, transportation and distribution;
- Application service providers – hosting, deployment and management of the packaged software from a central provision;
- Outsourcing of different functions in the e-commerce process, such as Security Web-hosting and customer care solutions;
- Auction solutions - software for the transactions and keeping of real-time auctions in the Internet;
- Content management software, for managing and delivering website content; and Web-based trading opportunities.

E-markets are just defined as an online place where buyers and sellers cooperate with each other and guide transactions.
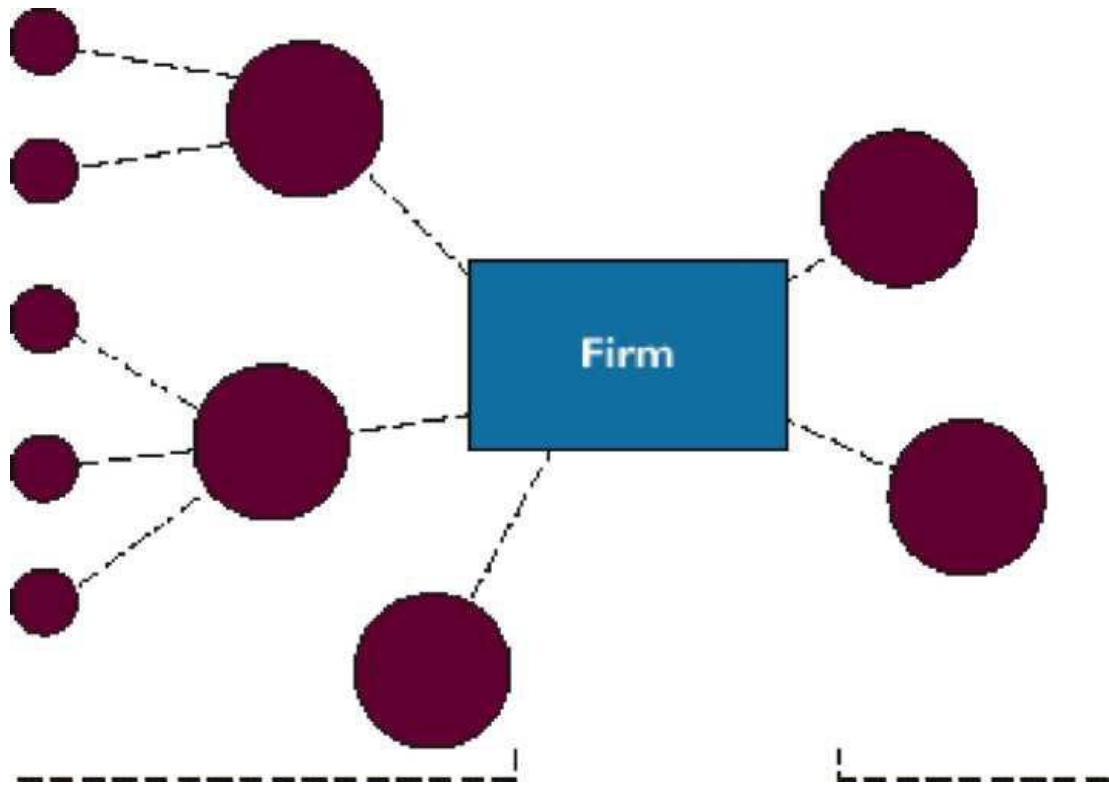
Image 1.1. Suppliers and Distributors

B2C - Business-to-consumer type collects data from e-commerce, or to trading customers and companies; access physical goods (eg. books or consumer goods) or information content (digital content such as electronic material or software or e-books); and information for buying products on the electronic website.

B2C ecommerce decreases operating costs (especially search costs) by enabling consumers to increase data and find the most competitive prices for products or services.

B2C ecommerce also reduces entry barriers as the cost of storing and maintaining the website is cheaper than building a "brick-mortar" structure for the company.

In the case of information products, B2C electronic commerce is even more attractive because firms keep your factor from the value added of the physical distribution network. In addition, it is even more likely to deliver information to countries with a growing and robust Internet population.
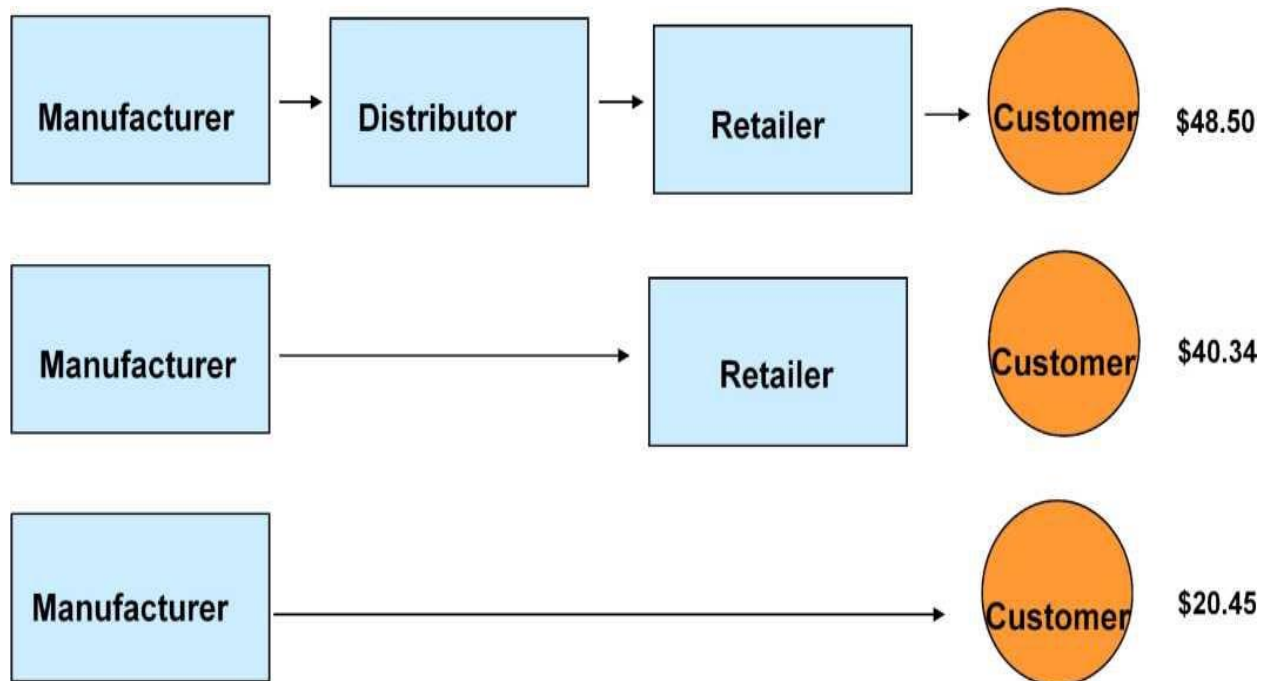
Image 1.2. B2C model.

B2G - Business-to-government e-commerce, or B2G is normally determined as commerce between public sector and companies. This applies to Internet access for government procurement, licensing procedures, and other government-related transactions. This kind of electronic commerce has two features: First, the public sector takes a pilot / lead role in e-commerce building; Second, the public sector's procurement system needs to be more effective.

Web-based buying policy improves the transparency of the procurement process (and reduces the risk of infringements). At the same time, the B2G is as usual as the government's integral part of the overall e-commerce market. Electronic procurement systems have not been developed.

C2C - From consumer to consumer, e-commerce is merely trade between individuals and consumers.

The increase in e-commerce such electronic markets and online auctions is characterized by vertical industries where firms / businesses can offer from many suppliers for what they want. Perhaps there is great potential for the development of new markets.

C2B - Transactions from the consumer to the business include a reverse tendering that enhances the consumer's ability to operate. A competing airline company is a concrete example of this when offering the best travel and ticket deals in New York City in San Franciscoto the customer.

There is small amount of information about the relative size of the global C2C ecommerce. Nevertheless, C2C figures on popular C2C sites such as eBay and Napster show that this market is quite wide. These sites gain millions of dollars every day in sales.

M-commerce - (mobile trading) is the purchase and sale of goods and services through wireless technolog, for example, handheld devices such as mobile phones. Japan is a global leader in m-trade.

While the content of the content with wireless devices becomes faster, safer, and scalable, some believe that m-commerce will overcome the wireline ecommerce as a method of choice for digital telecommunication. This can be true for the Asia-Pacific where mobile phone users are compared to Internet users.

M-trade-affected areas include: Mobile banking, including financial services, including brokerage services (including buying and selling of stock, can be made and displayed on the same hand).

Service change, invoice payment and account review will be carried out by all telecommunication devices; The service / retailer is given for customers to order and pay; and information services that include entertainment, financial news, sports figures and traffic updates to a mobile device.

E-commerce or electronic commerce is the buying and selling of products or services through the Internet. In modern times, the idea of living without e-commerce seems to be unusual, complex, and disturbing. Whereas a few decades ago, the idea of e-commerce was not available. Ecommerce was introduced a half century ago and, to these days, continues to evolve with new technologies, innovations and also thousands of new businesses entering the online trade market every year. The convenience, safety, and user experience of ecommerce has improved exponentially since its inception in the 1970's.

1960 – 1982 - Electronic Information Exchange (EDI) has been the cause of electronic trade. EDI could replace fax documents and traditional mail with digital transmission from one computer to another. Online traders could transfer invoices, orders and other business transactions using a data format which met the ANSI ASC X12, the dominant group of standards in North America.

Once an order is sent, it is checked by VAN (Validated Network) and after that, it is sent to the buyer's order processing system. EDI has enabled data transmission without any human intervention. Michael Aldrich, an English innovative inventor, and entrepreneur, is known for his advanced online shopping development. Aldrich, his wife and Labrador, complained during a weekly supermarket shopping trip, came up with this idea. In 1979, Aldrich linked a television to a transaction processing computer with a line and created what he devised, "teleshopping," which means shopping from far.

1982 – 1990 - It was apparent from the outbreak that B2B shopping would be more commercially profitable but B2C would not be favorable until the later

extensive use of PC's and the World Wide Web, which means Internet. In the year 1982, France introduced the predecessor to the Internet, called "Minitel".

The Internet service started to use a Videotex terminal machine which was connected through telephone lines. The utilization of Minitel was free to phone subscribers and united millions of users to this network.

In 1999, approximately 9,2 million Minitel terminals had been dispensed and were combining over 25,1 million users in thatmachine interrelated network of devices. The Minitel system climaxed in 1991 and gradually decreased after the fortune of the Internet after 3 years. Finally, France Telecom declared its shutdown of the Minitel service system, in 2011. Unfortunately, this was not what they hoped for Internet.

90's To Present - In 1990, Tim Berners Lee, with his friend Robert Cailliau, release a suggestion to set up a "Hypertext project" called "WorldWideWeb."
In the same year, T.B.Lee, using a NeXTcomputer founded the initial web server and created the primary web browser. After a short period of time, he made the web on Aug. 6, 1991 as a publicly accessible service. When Berner's Lee came to a decision that he would undertake the responsibility of integrating hypertext to the Internet, by doing so, this process led him to develop URL, HTML and HTTP.

The National Science Foundation, by removing its restrictions on the commercial use of the NET in 1991, the Internet and online trade experienced remarkable increase. In September 1995, the NSF started to charge a fee for domain names to register. At that time, almost 120,000 registered domain names were available and after 3 years this number went up to over 2 million.

First of all, there were too many hesitations and concerns about online shopping but the progress of a security protocol – the Secure Socket Layers (SSL) – encryption certificate by Netscape provided safety which means to transmit data over the Internet in 1994. Web browsers were able to verify and decide whether a site had

an affirmed SSL certificate and according to that, could determine if a site could be reliable or not.

From the mid-nineties to 2000's experienced vast improvements in profit-oriented use of the Internet. Amazon, the biggest online retailer in the world, started business in 1995 as an online bookshop. Currently, Amazon presents not only books but MP3 downloads, DVDs, CDs, video games, computer software, electronics, apparel, food, furniture, and toys. One of the superior characteristics of Amazon's website is the feedback feature which includes a rating scale to evaluate a product. Customer reviews are now thought the most efficient social media tactic for managing sales.

Another big success story belongs to Ebay, an online auction site which was launched in 1995.

In addition, 1995 was the inception of Yahoo before Google in 1998, two major research engines in the US. These lucky web guidances commenced their own e-commerce branches with Google Shopping and Yahoo! Auction, in the following years.

PayPal, Global e-commerce company began its services in the year 1998. The company is an acquired bank that performs payment processing for online vendors, auction sites, and other commercial users. It enables customers to send, receive, and maintain money in different currencies all around the world.

Since more people started working online, there was a need for secure communication and operations. In 2004, the Payment Card Industry Security Standards Board (PCI) was established to ensure that businesses are in compliance with various safety requirements. The organization was created to develop, expand, maintain, disseminate and implement security standards for account information protection. The increasing use of the Internet, tablet devices, and smartphones comes with greater consumer confidence that will continue to grow and expand e-

commerce. Via growing social media in recent years, communication between businesses and consumers has become more attractive, and it has made it easier for online transactions to be exchanged. Internet retailers try to create better content and an effective shopping experience with technologies.

1.2. Importance of e-commerce

Do I truly need e-commerce? This question really comes across with an individual organization and its specific product and service combination. Almost any business can now take advantage of one of the specific e-commerce activities that competitors can do today. Ecommerce is basically a convenience for customers; If you do not serve your products or services using the Internet, but you have competitors, your customers and they do this, the customers will prefer to use them. Let's have a look at the music industry as an example, twenty five years ago being a music customer being involved going into a store and purchasing a CD, and during this time there were a large number of specialized retailers for other kinds of music. Though 25 years ago you can not remember the last time you bought a CD. The convenience of e-commerce websites like eBay, to purchase CDs, and online services like Apple Music, iTunes and Spotify mean that we might have access to all kind of music we wish.

There are some benefits of e-commerce to consumers. E-Commerce suggests the following benefits to customers:

1. Vast range of products and services. E-commerce via the Internet allows customers to choose from a product or service from anywhere in the world from any vendor. For space restrictions, a vendor may only buy goods at a physical store for limited quantity. A virtual store allows you to have a stock of many goods without considering inventory value. Thus, a business also offers many choices for consumers to choose a product of their choice.

2. Convenience. Consumers can purchase any product from anywhere in the world without leaving the workplace or home online. Due to extreme weather

conditions, people can restrict their shopping when needed. E-commerce provides consumers with the convenience of buying goods or services without any physical restriction.

3. Saves money. The average cost of doing business generally falls on the consumer. After removal of cost from sellers, the client is free to pay for intermediaries. Many business organizations offer products and services at a cheaper price to attract customers and fight against competitors. Certain products such as e-books, music audio clips, software are accessed and delivered over the Internet. It saves costs for customers.

4. Saves time. Saving time is one of the main advantages of online shopping. The option for an online product, purchase, and repayment can not take more than 15 minutes; the orders are delivered to customers' doors within a short period of time. It saves delivery time for customers.

5. Adequate information. The Internet is used as a basic tool for conducting e-business operations. The Internet allows buyers to search for product information, compare prices and benefits, and eventually evaluate their value before buying. Through the Internet, customers can clarify their inquiries and track their delivery status when products are sent to them. If you have any doubts about managing your products, customers can easily contact business through the Internet.

Electronic commerce has many positive and negative features. Below, let's note the advantages and disadvantages of electronic commerce, even in short.

Advantages of E-Commerce:

1. The greatest advantage of E-Commerce is that it allows customers to shop anywhere in the world at any time, regardless of time and place.

2. Enables users to learn about your products and services more easily and quickly.

3. Your business can reduce your costs. In other words, the online store built on the Internet requires less cost-savings than physical stores and minimizes extra costs.

4. It enables business owners (sellers) to do what they can not do in real life.

5. E-commerce does not require special consent (license). When conducting electronic commerce in the areas where the special permit (license) is required, the seller (supplier) must obtain special permit (license) for that activity in the manner prescribed by law.

6. E-commerce facilitates the development of electronic payment services and the growth of non-cash turnover.

At the same time, there are a number of deficiencies in e-commerce:

1. There is no chance that customers will be able to see and investigate the product live on the Internet. However, firms are trying to eliminate this rate by making improvements in informing and creating better customer experience.

2. The problem of security in e-commerce remains a major problem. Potential customers are averse to using credit card over the Internet. This threat has been eliminated thanks to the services that make it easier to make alternative payment systems and credit card payments more widely spread lately. Virtual shopping companies are using extensive security and safety standards such as SSL and SET to secure credit card information and confidentiality.

3. The customer who purchases the product has to wait for the delivery time. To prevent this, Amazon.com, one of the world's largest online trading sites, has begun to use airtransmission services.

E-commerce has some advantages for organizations:

• Through e-commerce, organizations can broaden their market to national and global markets with only minimum capital investment. The organization can easily find more customers, best suppliers and business partners anywhere in the world.

• Ecommerce helps organizations to decrease costs for creating, distributing, acquiring, and managing paper-based information through digitalization of data.

• E-commerce develops the brand image of the firm.

• Ecommerce aims to provide better customer service to the organization.

• E-commerce helps to simplify business processes and makes them faster and more effective.

• E-commerce diminishes paperwork.

• E-commerce boosts the fruitfulness of organizations. It backs up "pull" type supply management. In the "pull" type supply management, when the demand comes from the customer, the process commences and is used only in a timely manner. Advantages to Customers • It provides 24x7 support. Clients can get information about their products or services anytime and anywhere.

• The application of e-commerce provides users more chances and faster delivery.

• The ecommerce program offers users more choices to compare and select low-priced and better variants.

• A customer can review reviews of a product and see what others have purchased or can view other customer reviews before making a final purchase.

• Ecommerce provides virtual auction options.

• It provides easily available information. A buyer can review the relevant detailed data within seconds, rather than delaying for days or weeks.

• E-commerce raises competition among organizations and as a consequence, organizations give significant discounts to consumers.

E-commerce has also a variety of advantages to society:

• Customers should not travel on a product to make a shopping, so it brings about lower traffic on the road and less air pollution.

• E-commerce reduces the initial cost of products, so middle income people can afford to get their products.

• E-commerce enabled rural areas to access services and products online, which otherwise are not available for them.

• E-commerce helps government to deliver low-cost and up-to-date public services like health, education, social services.

E-commerce web design allows customers to access products and services within 24 hours. It affects your business and helps you to reach potential customers. Most people have less time and e-commerce can easily earn more as they can make online purchases. With the help of an ecommerce website, people can opt and

purchase their favorite products at any time. They can easily make payments by credit card or other payment options shown on the website. When it comes to looking for gifts for your family or friends, an e-commerce shopping cart is what people choose on these days. We can say that everything people desire is available on internet. You only need to visit the webpage, choose a product, add it into your shopping cart and pay afterwards. The order will be timely delivered. Another feature of an e-commerce site is to keep an item on the 'Wish List' and then purchase it. E-commerce website can save an item on the 'Wish List' and then pay and buy it. So, as you saved in the list, you do not have to go through the product repeated search procedure. That's why e-commerce websites are quite user-friendly. Those who are interested in the shipping of products and related issues to it, this is how it works. The process of buying everything is online, and sometimes there are doubts about the timely delivery of the products. If the desired product is not available or delayed, you can complain about the 'Return of Goods' section. The required actions will then be taken to get what you ordered. An e-commerce website also lets customers write their own product and service comments after they received them. In this way, the owner of the website receives a feedback. They can use this feedback to amend the services and make them moru qualified. Customer – company interaction also helps business owner in the long-term. Thus, development of e-commerce is highly essential in today's competitive business environment.

The basic hindrance now faced by the policy makers and others is lack of accurate indicators about electronic commerce and distinct guidelines and agreement on the definition of e-commerce. So, a number of significant efforts have been made to globally accepted rules and methodologies for measuring e-commerce at the international level, such as members of the Asia-Pacific Economic Cooperation (APEC) and the European Union (EU). Potential social and economic benefits from electronic commerce, as well as the existence of existing information, will reflect the role of e-commerce in their economy. E-commerce is the most essential application of new communication technologies. Manufacturers, traders and consumers can now

come to the market more quickly and learn more. E-commerce has entered into business in many ways. E-commerce has drastically decreased operating costs associated with purchasing, selling, operating, inventory and financial costs. The introduction of e-commerce through the development of the website expands the potential global market and sales revenues, product, potential new customers, services and geographical areas. During the period of non-financial benefits, e-commerce significantly helped to improve human resources and timely, quality of services, customer contentment and some other indirect outcomes. The importance of electronic commerce depends on assessment and evaluation. It is important to evaluate e-commerce information because it's not easy. Available data is collected by various organizations using the many concepts and methods used by the assembly team. In the lack of reliable information, politicians, governmental bodies and business communities can not make decisions that reflect the changes that e-commerce brings. Using accurate and relevant information on e-commerce, politicians and researchers will be able to critically analyze e-commerce's labor market, market structure and functionality, changes in goods and services distribution, and change in customers' competitive advantages in global competition. This makes it possible to make rational decisions about politics and investments in the E-commerce sector. Ecommerce potential is particularly pronounced in markets where reductions in buyers and sellers require reducing costs, increasing efficiency and reducing delivery time.

Two important issues that hinder the growth of e-commerce are the securities and tax environment. As discussed above, there are two types of delivery methods when customers order through e-commerce transactions. One is via mail or courier, and the other one via online. The main concern of tax authorities is online. That is, if someone receives digital goods from other countries and does not pay with full payment through the Internet, including payment and delivery, it will not be taxed. In most countries, the traditional tax principle is based on the fact that a transaction involving a particular person in a physical location, where goods or services are

available to customers.The notion of 'permanent establishment (PE) is used in different tax regulations will specifically identify whether the transactions or operations compose a taxable presence or not in the country belonging. During the e-commerce period, there are no frequent face-to-face customer relationships; no worker or human intervention, and no physical place where the seller or customer can be identified.

Supply Chain Management (SCM) is described as the control of materials, information, and also finances as they move from supplier to manufacturer, to wholesaler, to retailer and to consumer. It comprises the integration and coordination of these flows both among and within companies. The aim of any efficient supply chain management system is to provide goods and services to the next link in this chain.

SCM has three main streams: The product flow from the Supplier to a customer, including the movement of the goods, as well as the return of any service or customer needs; Information flow covering delivery of transmission and renewal status; and Financial flows which are composed of loan terms, payment schedules and consensus and ownership agreements.

Some SCM applications are based on an open-source model that supports data sharing inside and outside the organization, and is commonly referred to as a large enterprise and covers major suppliers, manufacturers, and end-customers of a particular company. Shared information is placed on a variety of websites and companies in a variety of database systems or data warehouses. Sharing this information with "upstream" (with a company's suppliers) and a "downstream" (with a company's customers) allows SCM programs to improve the time-market of products and reduce costs. It allows all parties in the supply chain to better manage existing resources and plan future needs. A diagram shows how e-commerce has improved supply chain management.
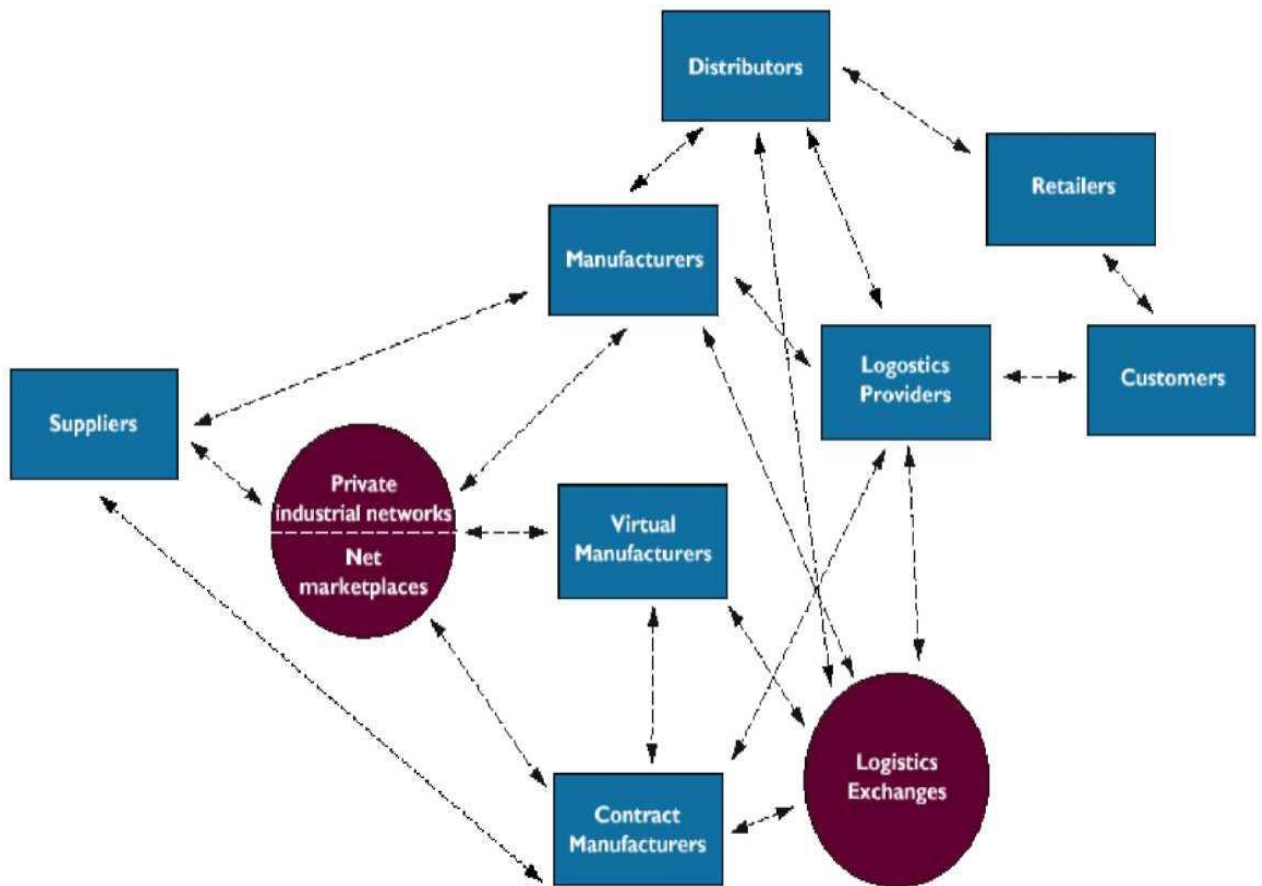
Image 1.3. Relation between e-commerce and supply chain management.

1.3. Organization and application of e-commerce.

Planning for E-commerce - Sales transactions are required online that you look at your business needs and information technology (IT) requirements and the options available to you in order to give a form an e-commerce implementation and fulfilment strategy. Here are some questions to consider:

1. Is e-commerce really the right choice for my business? If so, why?

2. Who are our competitors online and I have to know how well established are they?

3. What do I need the e-commerce store to do – i.e. are there straightforward categories and sub-categories or do I need extra functionality?

4. Do I need the shopping cart to be mighty to do anything behind taking payments?

5.What possibility or knowledge base do I need to set up an e-commerce website?

6.How will I increase traffic to my online shop?

Table 1.1

Setting Goals and Objectives

Goal Setting Examples	Examples of Objectives
Use Internet to expand business	• Within 60 days, be able to communicate my company name, its benefits, prices, customer list, products and services to new prospects.
Expand sales outside local area	• Build international presence by creating listings in international directories within 6 months. • Create national sales affiliate teams to help promote e-commerce website within 45 days.
Sell $xxxx per month to existing clients	• Design a cross-sell program and referral reward program to existing clients, assess in 9 months.
Reduce direct marketing expenses from flyer distribution and promo catalogues	• Introduce last minute alert program through text messaging or email campaigns.
Enhance customer service	• Implement a live chat service from the e-commerce site to be accessible 24/7.

Selecting a Web Developer - **Do-It-Yourself (DIY) options** - Should you opt to make website with a web developer or try to create your own e-commerce enabled website? For those just starting out in business with a limited budget, there are many site builders (for example, Shopify www.shopify.ca, Canada Cart www.canadacart.ca) that allow you to make a storefront to sell your products online, create security for online transactions, and to outsource for shipping. As your business needs development, maybe you want to consider hiring a professional to take you to the future level.

On the second hand, you need to do an investigation before you invest your money and time in e-commerce. These are mainly the same things to think if you were planning to start a brick and mortar store and they are together urgent in the virtual world.

Research your site builder (your) or developer choice options.

Complete a Strengths, Weaknesses, Opportunities, Threats (SWOT) analysis of your marketplace/industry, both on and offline.

Take a market analysis - Who are your customers and competitors?

Consider marketing and sales strategies – How is your product or service to Internet marketing?   Goal, style, scope, domain name, hosting and e-commerce. Understand the online presence of e-commerce and everything that takes place in the timing of each step. Some items to consider below:

- Assessment and Metrics: Define the methodology for assessing the implementation of the program and the method of valuation.

- Logistics: Evaluation, payment options, delivery options and return policies.

- Review and Update: set some review dates; A regular update schedule to keep your site fresh and current. Always address need the guests.

- Upfront Costs: If you are buying a software or have a developer customized for you, understand how much advance costs are involved to start online sales.

- Ongoing Costs: Be aware of ongoing costs, including the cost of shipping, shipping, warranty, hosting, web hosting and site updates.

Selling Online Using Your Own Website – Setting Up an Online Store - This section describes those who are online buyers on your website. To process an online transaction you need three things:

1. Shopping Cart with wide products offer

2. Secure Server Service

3. Payment Processing by every currency

These three requirements are described in more details below.

1. Shopping Carts - The shopping cart is watching what the user chooses from the website before starting the checkout process. An online shopping cart consists of three parts:

• Product Catalog • Shopping List • Checkout and Payment System

The product catalog contains all the information needed to deliver any product to the customer and completes the online sales process. Information to be included in the product database usually includes price, personal identification number (PIN), picture or other multimedia information, product choices and options.

A shopping list (a list of selected products) allows users to watch the things they want to buy. The shopping cart is usually used to display the items selected for the customer's shopping. The cookie must be enabled on the user's computer for the proper shopping cart to work properly.

Checkout system allows customers to select products by pressing the "add to Cart" button and then pay for these products.

2. **Secure Server Service** - A secure server provides protection against the loss or alteration of personal data security.

Protecting Transaction Information
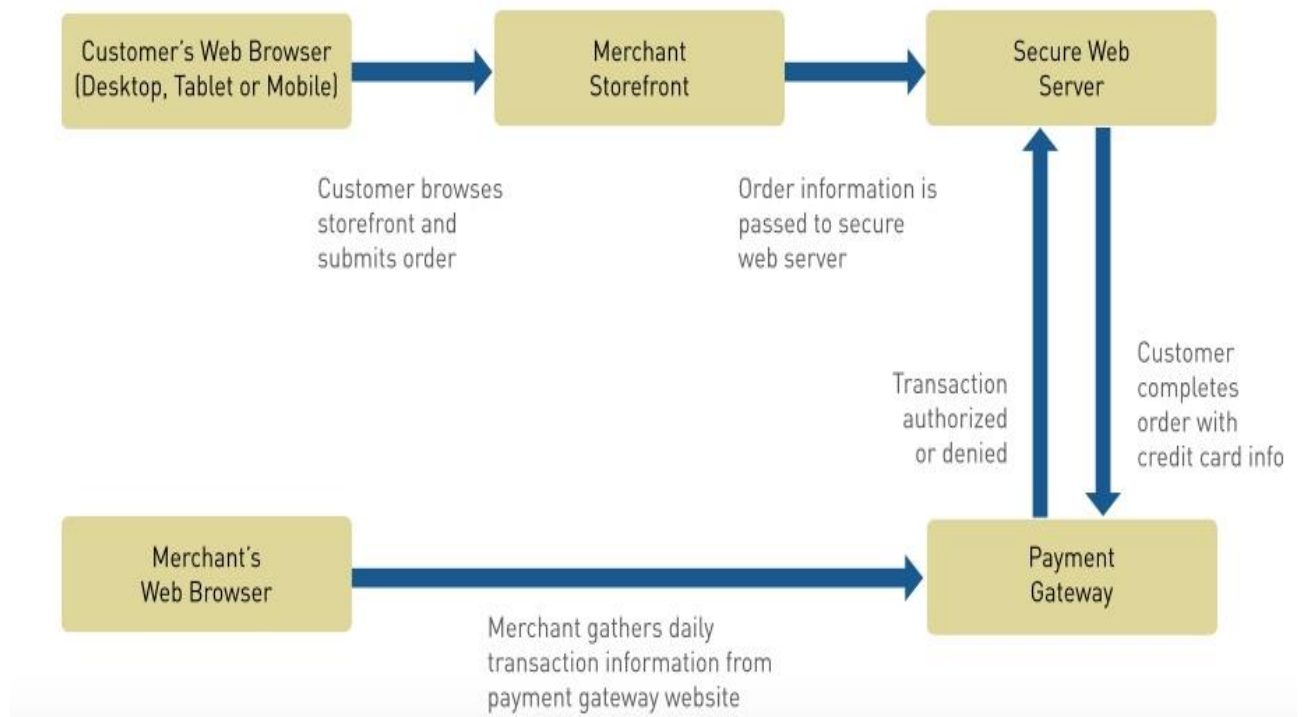
Image 1.4. Protecting Transaction Information

Protecting Transaction Information - Security Socket Layer (SSL) is the most widely used technology for secure online transactions. SSL encrypts all data (or codes) between the shop's server and the customer's computer. It is very different for coding any information exchanged as credit card numbers for third parties.

Shopping carts are not involved in the entire operation. They transmit information to a payment tree (that is, what the customer ordered).

A payment department is a separate service that combines the shopping cart with the financial networks involved in the transaction. When selecting a shopping cart, make sure that the payment network service is up and running. Check with your network service provider to see which shopping cart packages are supported. Payment passwords connect to an ID, so there is no need for merchants' clients to know their credit/debit card numbers.

Cookies are small piece of software that websites store on the users' computers. They have a very wide range of uses, but the important one is to track how people use the website and how to use the website. If your website uses 'cookies', you have to describe how and why this information is used on the website.

Servers are key elements of the Internet - computers that are related to communication lines that provide "services" to text, graphics and multimedia as well as online computers that require information. *(Source: Expedite Media Group, Inc.)*

If you plan to sell online, you will need a Certification for SSL technology to work. Digital Certificate is an electronic medium that helps you to maintain a website. If you want to buy online, how do you know if the website has a secure server?

Search for: A URL address that begin with **https://** as opposed to http://

A browser that notices you that you are on a secure site. Many browsers use a icons (e.g. lock icons) or a   message

3. Payment Processing by every currency. There are have payment processing options:

A. Third party Payment Process

B. Internet Merchant Account.

C. Manual (without internet) Payment Processing.

D. EBPP and On-Demand Payment Gateways

E. RFID & NFC Mobile Commerce Service

What You Should Consider When Choosing a Payment Selection: Payment options (operating fee, installation and monthly repayments). Take the time to figure

out the features offered by each option and price model. Also, consider that there are various payment and features related to merchant accounts. Also, review the redemption fees. Also, review fraud charges.

The privacy of operational information - If you are considering a leasing program through your service provider, check the provider policy to disclose and share information.

Fraud protection - Consider fake fraud protection tools. Merchant accounts typically have many customizable fraud filters that identify and track suspicious transactions. If the bank sees suspicious activity, the transaction may be operated. The overall reliability of Internet provider accounts is much more reliable.

Shop Design - Imagine that you are ready to prepare your own store (using a template) or professional help to design the store. Most design templates are relatively easy to use, but if your time is limited, it can not be a good choice for you. Licensed software packages may include online technical support and step-by-step instructions to assist you in design.

Shopping Cart - Shopping carts are quite different. Features may include progress indicators to help customers understand the places where they are in the process of business, the automated calculation of tax and shipping, customizable design, and deployment.

Product Catalog - Check to see how many products are available to manage online catalogs. Imagine how easy it is to add products and download an existing product database.

Payment Processing Options - (for example, a third party payment process, merchant account, checks, money orders, debit card, RFID). Using RFID (radio frequency authentication) in e-commerce logistics can streamline the ecommerce logistics operation efficiency and monitor the entire logistics management process.

Security Features - (eg, Secure Socket Layer (SSL), password protection, access privileges for site administration, data center security, risk tools that assist ag frauds, etc.)

Product Promotion - Features may include discounts or coupons, gift certificates, discount pricing, volume pricing, autoresponders (automatically sends suggestions via email). Some packages provide cross-selling features (for example, when a user chooses a product, similar or complementary products are recommended).

Affiliate Marketing Module - A low cost way to advertise is a participatory program. Affiliates introduce the store to their website and earn a commission on each sale they generate. All traffic, sales and profit are tracked by the system.

Order Processing - The service provider or software package sends new orders online to email, online or fax, alerts customers for any alterations to the status of alarms, and so on. It can order features such as automatic notification.

Back-Office Integration with Business Processes - If you are a critical part of your e-commerce business, you may want more advanced integration features that connect your e-commerce to your normal business transactions (inventory, ordering, shipping, accounting).

Website Analytics and Report features - They can help you to look at your sales, customers' pages, sites and keywords that you use and your product.

Level of Support. Think about which level of support you will require. Do you need 24/7 support?

Setting up and storing your E-Commerce Website - If you are thinking of opening an e-shop, you should carefully consider some issues such as resources, security, and privacy, shipping, tax and customs, maturity, service, marketing, and

more.

Payment options - Did you install the payment option (if you made online payments)? Payment options include setting up a merchant account or paying for a third party, such as PayPal.
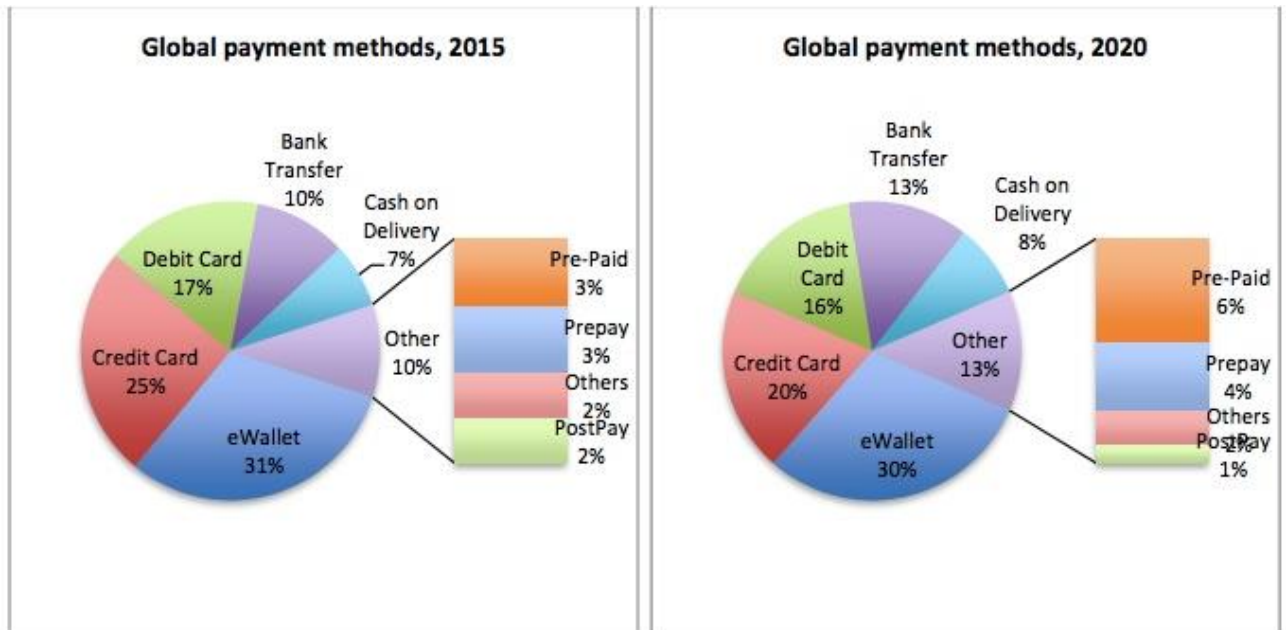
Chart 1.1 Global payment methods (2015 and 2020).

Transactions - Is there a system that receives orders and payments are verified? Did you specify how to fulfill your order? Have you decisive how receipts will be issued? **Shipping -** Have you set up procedures for shipping? Will you be offering to shipping? Will local pickup be required?

Inventory Management Systems - Have you paid attention to automating the Inventory Management System to minimize the mistake of the person and ensure that your website's customers have modern care? You can try existing software packages or have software packages custom tailored to your business and integrated into your website by a professional.

Taxes - Did you take into account the fact that taxes have been applied, especially when sent to other jurisdictions?

Maintenance of e-commerce website - How do you define how your website is maintained and updated? A webmaster can help you keep and update your website.

Privacy and security issues - Is there a secure server and SSL (Secure Socket Layer)?

Does your website have a full description of your company? (e.g. the amount of time you have been in business, address, phone numbers, email, etc.). It is recommended that you give a brief description of your home page. You can provide a more detailed description of the "aboute us" or "company info" pages.Have you clearly explained your policies and procedures with respect to security and privacy? Have you included a description of your refund and shipping policy?

E-commerce website design - Is your ecommerce site easy to navigate? Is it possible to simplify the information on your website? Is it easy for customers to buy online?

Product / service catalog - Is the catalog easy to use? Are the choices easy to identify? Is it easy for buyers to add or remove selected items before buying? Will you need to expand your business needs? Will you need to include flexible pricing options (e.g., discounts, customized price lists) Do you want to be able to cross-sell (i.e. suggest other related products depending on the buyer's options)?

Marketing our e-commerce online website- Have you defined online and offline marketing strategies that people will use to bring customer to your website store?

Following your progress - Have you became clear what kind of information you will get to track your progress (e.g. number of sales, which items sell the most, number of leave producuts shopping carts)? If possible, supply customers with alternative methods of buying orders online. Mention customers of the items they have ordered when they are suitable checkout. Make sure that your e-commerce

website is professional and that item information is easy to find and understand. Practice reliable customer service. Customer contact management program can offer systematic customers additional support and care. It can also help first time buyers in making a buy and help rare buyers become regular clients.

Incessantly provide that usability matches customer expectations as well as their online capabilities.

CHAPTER 2. DEVELOPMENT OF E-COMMERCE IN AZERBAIJAN

2.1. Development of e-commerce in Azerbaijan in modern age;

The formation of "online trading" today has resulted in much easier shopping for people. In the service provided by the Internet, we can make both the buying and selling business more comfortable and fast. There are no people at the moment, anyone you know does not enjoy online shopping. Statistical data shows that online business opportunities in Azerbaijan have increased by 150%. The formation of the above-mentioned trade area led to the emergence of new jobs and some promising areas.

The greatest advantage of online trading is that it allows customers to shop at any place worldwide and at any time regardless of their time and place, making it easier and faster to gain access to your products and services. It can also reduce your operating costs, allowing business owners to do what they can not do in real life. According to the State Statistical Committee, in January-March of this year in the country electronic commodity turnover of 10.1 million manat was sold. It is 1.7 times more comparable prices than in January-March 2016. This figure may be more. Because there are certain problems. While the number of Internet users in Azerbaijan is about 6 million, the vast majority of them fall to the urban population, or to the population of Baku, Sumgayit and Khirdalan. These statistics suggest that there is a disproportion in the distribution of Internet users in urban and rural areas. Active internet usage is needed in regions. Internet users are more and more younger

generation, and, of course, they are not an active user of trading transactions. Because e-commerce is directly dependent on the internet, the low interest in the Internet in the regions has a negative impact on the development of this field. Nowadays, as a result of access to the Internet via mobile phones, most Internet users are mobile phone users. This is not a reason for e-commerce yet.

The other reason is that people do not have the e-commerce habits. To create this habit in humans, e-commerce should be given certain concessions and this should last for a while. At least in e-commerce, prices should be lower than traditional commerce so that people are interested in buying e-commerce through e-commerce. One of the main indicators of delay in development of e-commerce in Azerbaijan is that there are fewer plastic cards in the country. Some 80% of plastic cards are issued to citizens for paying salaries and pensions. On the other hand, the population uses plastic cards in most cases to withdraw cash from ATMs. The reason for this is the less perception of the use of plastic cards and the inability to work in the field of lighting. However, plastic cards are understood as a tool of limiting cash circulation and integration into the e-trade sphere in modern times. Just approaching this prism, the development of e-commerce and the increase in the overall trade turnover will depend on the enlightenment work that will be carried out in this area.

Domestic companies should use the maximum online trading. This will allow companies to avoid additional costs, and will also allow them to enter the market of other countries by expanding their export operations and obtaining additional funds. It is expected that by 2020, 64% of global e-commerce will be created by developing countries. The volume of e-commerce in the world has reached $ 400 billion. E-commerce will continue to grow and will reach $ 1 trillion in 2020. For example, "Azexport.az" portal has export orders from 42 countries during 4 months of 2017. In April, the total value of orders submitted to Azexport.az reached $ 29.9 million. In general, within the 4 months of 2017, Azexport.az has more than $ 111 million in export orders.

Thus, non-oil exports increased by 22 percent compared to the same period

previous year. Azexport portal contributes to increase of export. After the launch of Azexport.az, Azerbaijan has increased its productivity on international platforms, including Alibaba.com, by up to 50 times. At the same time, the situation with the representation of Azerbaijani products at international portals is improving rapidly. Because Azexport.az has hundreds of "Made in Azerbaijan" brands on global and regional e-commerce portals.

Despite all this, unfortunately, the fact that businessmen invest in the e-commerce sector is rarely found in the country. Investors in Azerbaijan invest in more construction, different types of trade. We do not see the desire to invest in intellectual business, innovation, and e-commerce. Of course, it also has certain objective and subjective reasons. The businessman thinks that the investment sector should bring revenue within a few months. The businessman is in a position to take the money he has invested in shortly. Electronic commerce is a long-term process. It is necessary to work with entrepreneurs and convince them that, in fact, billions are behind the electronic resources they see. The entrepreneur must see that the apparent work is not actually a picture, but behind it, there are resources. Government agencies, civil society and the media should work together to do this. The entrepreneur should know what electronic commerce will win, what advantages this industry has. Certain positive messages should be communicated so that entrepreneurs are also interested in the development of this field. The first job dealing with entrepreneurs should then be security-related. These messages should be given to the entrepreneur to be trustworthy. Entrepreneurs should be aware that online trading does not have light, gas, water, rent, and other payments, everything is visible over the internet, and they are also interested in this sector. For this purpose it is necessary to enlighten.

In a time of business development in the virtual world, it is important for the Azerbaijani entrepreneur to carry out a number of reforms by the government to develop e-commerce in terms of offering its products to consumers both at home and abroad, raising competitiveness, saving resources and expanding the market

coverage. Because the development of electronic commerce will not only support entrepreneurship, but will ultimately contribute to the sustainable growth of our country's economy.

The potential of e-commerce in our country is much greater. As a result of projects implemented by civil society organizations and private companies, as well as state support, the e-commerce sector in Azerbaijan will develop and become the regional leader in this area.

Technological advances and opportunities create opportunities for e-services in the country, including e-commerce. In general, the work on the "digital transformation", the establishment of digital economy in the country's economy is underway. Online payment systems enable e-services to be upgraded to their disbursements.

Head of Science, Technology and Information Society Development Department of the Ministry of Transport, Communication and High Technologies Isbandiyar Aliyev informed at the 3rd Azerbaijan-European Union Business Forum in Baku, AZERTAC reported.

During the first quarter of 2017, the total volume of electronic commerce increased by 1.7 times. The number of e-commerce sites in the country is increasing from year to year. E-commerce grants are also provided by the State Fund for Information Technology Development.

At present, our country is working to further develop e-commerce and to increase its export potential. The establishment of the "www.azexport.az" internet portal by the Center for Economic Reforms also serves to it. The Ministry of Transport, Communications and High Technologies also closely participates in these processes, in particular, to facilitate the use of electronic signatures by non-residents in order to ensure transboundary electronic services.

"We are closely cooperating with the European Union in the digital economy. We participate in the initiative of Digital Market Adjustment (HDM) within the framework of the European Union Eastern Partnership Program "Adaptation to

Economic Integration and European Union Policy". Within the HDM panel, EU4Digital networks have been set up for Telecom Rules, Trust & Security, eSkills, ICT Innovation, eTrade. Azerbaijan has been selected as a coordinating country for EU4Digital network "ICT innovation" and eTrade e-customs," Isbandirar Aliyev said. Also, the State Fund for Development of Information Technology, which is part of the Ministry, is implementing the project "Strengthening the Development of Electronic Services in the Republic of Azerbaijan" jointly with the European Union. The goal of the project is to support the Government of Azerbaijan in the further development of e-services (E-Commerce and E-Government). The project aims to develop technical specifications for e-Commerce, e-Government, Open Government Information and improve electronic signature and electronic payments, define legal and regulatory frameworks for these areas, and set up a Model of Trust System for the Republic of Azerbaijan.

Today, people are online, and buy online, and can bring them to their homes. More than half of the trade in developed countries is carried out electronically. Here, the main advantage for buyers is to save on extra and time-consuming expenses, and for the cost of maintaining a business entity and retail trade object.

Today, only 3% of all trade transactions in Azerbaijan are carried out electronically. In the US this figure is 75% and in European countries it is 60%. At present, through e-commerce in Azerbaijan, mostly food, restaurants, foodstuffs, perfumery products, small electronic devices, tickets for tourism companies, etc. is ordered.

Entrepreneurs dealing with e-commerce in Azerbaijan say that the population is less likely to buy this method because they do not believe that most people still pay the full amount of money they earn. Another factor that hinders the development of trade in the country is the warranty on goods sold. For example, if a citizen or buyer receives some product by using electronic commerce, and there is no good quality of the product, there is almost no mechanism of return. Because some of those involved

in electronic commerce do not have a concrete office, it is time consuming enough to prove that the goods are back and the goods are poor. Nevertheless, interest in e-commerce is growing in our country.

Recently, Facebook social network laws, populations, and so on. becoming a virtual space with the advertising market, and finally the economy, with extensive market opportunities. Facebook's online shopping center is the world's leading shopping sites - Amazon, Ebay, etc. serious threats to their sites. Because the Facebook-based system is a new generation online shopping mall and has millions of its customers. According to experts, most people in Azerbaijan prefer Facebook to buy online.

According to Farid Ismayilzadeh, head of GoldenPay, who has experience in the sphere of electronic services, e-services help improve the efficiency and quality of mutual relations between the state and the citizen, prevent all possible negative events and increase the state management system to the most up-to-date standards. Also, e-services lead to the needs of citizens, economic effectiveness and openness of the citizen's control. This system creates favorable conditions for organizing information services directly to consumers by using state-of-the-art information technology.

According to Farid Ismayilzade, the tendency of development in Azerbaijan in recent years and the expansion of the use of modern technologies have increased the demand for many online services as well, and every year positive dynamics is observed in this area. Because electronic commerce provides convenience to citizens. However, one of the main goals now is to increase the awareness and awareness of the population on electronic payments and to increase their efforts to form online payment habits.

This year, the global e-trade volume is expected to rise to $ 2.5 trillion, and $ 4 trillion in 2020. Increasing e-commerce reveals that this entrepreneurial activity is efficient and durable. Today, e-commerce is a dynamically developing area of all the world's economies. Unlike traditional commerce, e-commerce forms a form of trading with new commodities and services through electronic means, including the

Internet.

Sales in the e-commerce industry are rising day by day. The interest shown to online sales encourages e-commerce investors. Today, e-commerce companies around the world operate internationally, along with e-exports abroad. In the 21st century there is no room for mediators who do not create value. Thanks to Google, Facebook, and Criteo, it is possible to get direct contact with consumers by removing retailer-importer companies in exporting countries. Today, our country's "Made in Azerbaijan" brand is well-known and it is necessary to turn it into an avant-garde and support the country's economy. However, in order to develop e-commerce, we need to work more strongly in this direction. The e-export platform has made clear what steps are being taken to e-commerce.

What country is targeted is that many things need to be done at the same time, including support for customer service in the language of the country. One of the factors that are important for those who want to deal with e-exports today is that it is a local language that should be placed on a local language site after the site is prepared in the target language. The contact page must have a customer service number in the target country, and the use of the local address is indicated. So visitors to the site think that you are the country's local e-commerce site. In each country, there are companies that already have ready office and correspondence offices. All payment methods must be active. With "Iyzi Co" it is possible to pay with credit card from all over the world. Other payment methods are also mandatory, for example, paying a credit card in Germany is only 7 percent. Meanwhile, Aramex offers a "gate repayment" approach when delivering goods in the Middle East. With "B2C Direct" it is possible to get "door-to-door" sales on Russian and Ukrainian sales. Target country markets are more expedient. Bamilo in Iran, markets such as "Ozone" and "Lamo" in Russia, "eBay" and "Amazon" in Germany. You need to place leaflets on your e-commerce site in your local language for the sales of your sales on the markets. This way the site can attract new customers. Today, it is now heading to the world of Google, Facebook and Criteo. It simplifies online trading and eliminates

borders.

There is a need for electronic trading habits.

At present, almost any item can be purchased through the network. Today, many people benefit from online shopping. Statistical data show that online business opportunities in Azerbaijan are increasing. In this direction, new business areas and a number of professional fields are promoted. At present, our country sells electronic products in millions of manat in a retail trade network. For the further development of this field, there is a need for electronic trading habits in people. In 2020, 64 percent of global e-commerce is expected to be created by developing countries. The e-trade turnover in the world is $ 2 trillion in 2016, and the global e-commerce volume is expected to reach $ 2.5 trillion this year, and $ 4 trillion in 2020. For example, over 4 months last year, Azexport.az received more than $ 111 million in export orders.

2.2. Actions implemented by government to support e-commerce in Azerbaijan;

E-commerce is the last point reached in terms of globalization of international trade. Easier outbreaks are the starting point for an easier, affordable, affordable and affordable international trading platform that has long been used by many international organizations such as OECD, UNCTAD and WTO. Many international standards, norms and practices that do not meet standards will result in non-compliance with e-commerce from the point of view of the respective country.

1. Free trade:

The openness of the world market is one of the most important conditions for e-commerce development. Opening the market in terms of e-commerce means the creation of a transparent, secure, affordable, and affordable infrastructure in the market. In this respect, the country needs to prioritize structural reforms and, in particular, promote the telecommunications sector and its Internet services.

2. Formation of the legal framework of the market mechanism:

i) Taxation: Tax is one of the most discussed topics in e-commerce. The tax disputes are related to direct and indirect taxes. In indirect taxes, the taxpayer's permanent resident address and the taxable income (country-wide) are arguable.

ii) Electronic Financial Transactions: Electronic funding is probably well-functioning component of the existing e-commerce structure. This is the long-term commitment of electronic fund transfer (EFT) and similar banking operations. However, despite these problems, the interference of the third party, these transactions is carried out in an electronic environment without any intervention.

iii) Business Policies and Markets: Stable Trade Policy and Free Local Telecommunications Infrastructure (Telecommunication Services) are crucial factors for e-commerce.

Access to markets is also a matter of extreme concern in terms of quality (services, service providers, etc.), especially in developing countries

iv) Commercial law: It is necessary to harmonize commercial laws and regulations with new conditions created by e-commerce. Issues such as contracts, signatures, legal validity of e-commerce, ease of e-commerce should be subject to the country's commercial law and should be revised as appropriate.

v) Intellectual Property Rights: Intellectual Property Rights; music, photography, as well as other emerging areas such as computer programs. The World Intellectual Property Organization (WIPO) has prepared and implemented two new contracts for the protection of the rights of its owner in the electronic environmentr.

In Azerbaijan, the Law on Electronic Commerce was adopted in 2005. However, since there was no payment system over the internet, the first steps in this area were taken in 2008 in Azerbaijan. In addition, the Action Plan on Implementation of the State Program on Reliable Provision of Foodstuffs in the Republic of Azerbaijan for 2008-2015 was issued to the Ministry of Economic Development (now Ministry of Economy and Industry) on intensifying work in the field of e-commerce in the country. The e-commerce web portal is being created

within the framework of the GTZ's "Private Sector Support Program" in order to support entrepreneurs, especially agricultural producers, to ensure free execution of the assignment. As these portals are put into operation, measures will be taken to raise awareness and training of the public, including agricultural producers and entrepreneurs in this area.

The use of "electronic money" in electronic commerce makes it necessary to carry out tax audits in this area. A number of e-commerce operators believe that their business is in the virtual world and they can not pay taxes. However, according to the tax authorities, the Internet is simply a kind of communication between the seller and the buyer and can not cancel the tax obligations arising from the deals concluded between them.

Transnational operations make additional tax control problems. Experience shows that in many cases, the seller of electronic commerce, that is, the seller of a state, the buyer is a resident of the other state, the location of the server in a third country creates problems with taxation. In this regard, the main task of many countries in the tax authorities is to ensure the documentation of the resident's e-commerce transactions and e-commerce transactions.

The Ministry of Taxes is preparing a package of proposals on taxation of e-commerce in Azerbaijan. At the moment, the ministry is working on taxation of this field in Azerbaijan, which is widely spread worldwide. Some work is being done to study advanced experience in the field of electronic commerce, and the experiences of different European countries are being investigated.

Tax control over paid services through e-commerce and internet resources is strengthened.

According to the information given by the Ministry of Taxes, the Order of President Ilham Aliyev dated 4 August 2016 "On Approval of Directions for Reforms in Taxation in 2016 and Improvement of Tax Administration in 2016" led to

substantial tax reforms this year. Taxation of digital economy is of particular importance during the implementation of these measures.

Electronic commerce is the type of activity that is carried out on the purchase and sale of goods by using technology. In our country, the Law on Electronic Commerce was adopted in 2005. On December 2, 2008, SilverKey Azerbaijan received a special license through VISA and MasterCard, and e-commerce has begun to form in Azerbaijan.

There are a number of legislative acts regulating the legal and economic relations that arise during the conduct of business in electronic form in our country. These include the introduction of e-commerce provisions in the "Electronic document, electronic signature", "On electronic commerce", the Civil Code of the Republic of Azerbaijan and the Code of Administrative Offenses. At present tax control of e-commerce is carried out in general order defined by the Tax Code.

It should be noted that the use of "electronic money" in electronic commerce complicates the tax audit of this area. Moreover, the transnational nature of such transactions creates additional problems for tax control. Practice shows that in most cases, one of the main problems facing e-commerce transactions - that is, the seller is from a state, the buyer is a resident of the other state and the server is located in another state. Experts of the Ministry of Taxes are working hard to improve the legislation and information technology to create a more efficient mechanism for taxation of e-commerce.

In order to arrange tax audits on e-commerce, all internet resources created in the country for commercial purposes should be subjected to taxation and that their income should be reported in accordance with tax legislation. At the same time, identification of the websites used by the persons carrying out this type of activity will be carried out in the tax authority.

Increasing number of Internet users in the Republic of Azerbaijan, measures to stimulate cashless payments, and increasing the number of people making purchases online, show that there is great potential for e-commerce in our country.

In recent years, there has been an increase in the scale of economic activity in the country, as well as on selling electronic commerce over the Internet or through social networks. As it is known, e-commerce is characterized by lower prices for products, since costs are low.

Accounting of taxpayers dealing with electronic trade will also have a positive impact on consumer rights protection. In some cases, consumer rights are violated when buying goods from e-commerce networks. Registration of these taxpayers will facilitate the regulation of relations between the seller and the buyer in the field of electronic commerce.

Last year, the VAT tax applicable to external payments, which has been widely discussed on the Internet, has now been confirmed. The information posted on the official website of the Ministry of Taxes contains information on amendments to the Tax Code that will be enacted in 2017. According to amendments, Articles 168.1.5, 169.1, 169.3 of the Code regulate the application of VAT in a virtual environment. VAT will be applied to payments made abroad for other services except hotel services and ticket booking services.

Participants in e-commerce are legal entities and natural persons acting as vendors, buyers, and e-documents circulation agents during this activity.
In electronic commerce, contracts between the seller and the buyer are bound in the form of an electronic document. The proposal to conclude a contract, including a proposal (general offer) addressed to a group of indefinite persons, may be sent by itself or by a person authorized to act on his or her behalf in connection with this proposal, or via a programmed and automated information system. The terms of the contract should be designed in a precise and unambiguous manner by the buyer who does not have a specific knowledge, and should also be prepared in a form that allows him to familiarize himself / herself with the contract. Certain terms of the contract may be filed with reference to another electronic document, so the contract can not be considered void. In this case, the seller must provide access to the reference electronic document during the validity period of the contract.

The contract is considered to be closed at the moment of the confirmation of the seller's acceptance of the offer by the other party. Unless otherwise agreed by the parties, the acceptance of the electronic document is not considered acceptance of the proposal.

In Azerbaijan, e-commerce is mainly ordered by restaurants, food, perfumery products, small electronic devices, and a small number of tourism companies.
But in recent years, e-commerce has become increasingly popular, and compliance with contractual commitments is becoming more relevant.

The convenience of making payments without leaving the place and the door to your doorstep, transparency of operations, access to products and services from anywhere in the world are among the benefits of this type of trade. Any consumer who wishes to buy an electronic service or product elects a product or service that he or she wants to buy from the merchant's website, including information about their credit card, and the payment amount will be transferred to the seller's bank account. If the payment is made through legally-recognized systems, it is lawful. It is possible to print the receipt after payment. The receipt you receive is entirely legal and can be used as a proof of payment made during disputes with vendors. But in some cases the payment is made in cash, which causes serious problems.

As we know, this form of trading is regulated by a special law, AR Law "On Electronic Commerce". This Law defines the legal bases for the organization and implementation of electronic commerce in the Republic of Azerbaijan, the rights and obligations of its participants, as well as the violation of electronic commerce legislation.

Except for the financial market, including the insurance and the securities market, this Law applies to electronic commerce in all other areas.
During e-commerce, other legislative acts that protect consumers' rights are also applied in addition to the abovementioned law.

Legal regulation of electronic commerce is based on the principles of equality of law, freedom of property, property independence, freedom of contract, freedom of

movement of goods, services and financial resources, ensuring the protection of rights in court. E-commerce does not require special consent (license). When conducting electronic commerce in the areas where special approval is required, the dealer must obtain a license for that activity in the manner prescribed by law.

The seller, who carries out electronic commerce, should allow acquaintances (customers) and authorized government agencies to:

- name of legal entity, state registration, organizational-legal form, address or surname, name and patronymic of physical person, address;
- contact information (telephone, fax, Internet and email);
- Registrant's name, registration number or other identification information, if the seller is registered in the trade registry or other register;
- information on the special permit (license) and the state body that issued it in case of application of special permit (license) for entrepreneurial activity;
- taxpayer identification number (TIN);
- Information on the cost of goods, services and works, and whether or not they have the right to charge the goods (service, work) and their sum.

All information provided by the seller (supplier) to buyers (customers) should be expressed clearly in the Azerbaijani language or in other languages agreed by the parties, clearly and unambiguously by the buyer (customer) who does not possess special knowledge. In some cases, this information is almost impossible and can not be controlled.

Thus, although it is possible to obtain information on sites registered with less domains, it is not possible to find those registered in other domains, which creates difficulties in protecting consumers' rights.

Therefore, every consumer should be careful in such matters.

Work is underway on the project to strengthen e-services and e-commerce in Azerbaijan with the support of the European Union. E-government, e-IDAS and e-commerce standards are being developed within this project.

This was stated by Elnar Asadov, Director of the Data Processing Center of the Ministry of Transport, Communication and High Technologies (MTCHT), at the first international conference on Digital Trade Crossing in Baku, AZERTAC reported.

E.Asadov noted that, according to the Law of the Republic of Azerbaijan "On Electronic Signature and Electronic Documentation," regulation of international cooperation in electronic signature is carried out by MTCHT. Talking about the role of international recognition of electronic signatures in the development of interstate e-commerce, the director of the MHC said that the Ministry of Transport, Communications and High Technologies considers this as a priority and continues negotiations with foreign countries as the relevant executive authority in electronic signature. First, negotiations with Turkey, Iran, Qatar and Ukraine have begun.

Speaking about the introduction of electronic signature in e-commerce, E.Asadov said that electronic signature can be used in internet banking, insurance services, virtual offices, e-procurement, e-contracts and e-payments: "Electronically new generation ID cards will be issued to citizens of the country since 2018 signature certificates will be placed. Citizens who will have more than 8 million 200 thousand electronic signature certificates will, of course, become active participants in e-commerce, "said Asadov.

It has been noted that the National Certification Center is working with 12,356 government agencies, government agencies and municipalities, including 35020 citizens and businesses. It was noted that 41 714 electronic signature certificates have been put into service in 2016-2017, and the number of signing of electronic signature certificates in 2015-2017 is about 23 million.

In our country, the MTCHT Center for National Certification Services has been given detailed information on the activities of the Root Center based on the hierarchical model in the Open Key Infrastructure. It was noted that one of the functions of the center is the provision of advanced certificates for all centers

included in the hierarchical structure. Root Center, which is at the highest level of the structure, regulates the registration and activity of the second-level centers (Authorities Authority, Center for Electronic Government, Certification Center of the Ministry of Taxes and Central Bank Certification Services Center).

2.3. Outcomes of using e-commerce and its future perspectives

One of the most important common challenges facing developing countries is to ensure that the economy does not have the required level of sustainability. In other words, there is a barrier in the optimal use of resources. These are structural problems that can be resolved by the reform policy. Optimal allocation of resources, the maintenance of transparent markets, opportunities, transparency, protection of commercial, intellectual and production rights, and the creation of necessary legal, administrative and technical structures for the purpose of ensuring good governance, financial and resource allocation are important factors for increasing the level of transparency. E-commerce is a convenient tool for reducing and eliminating the challenges of healthy competition in emerging markets, with great flexibility in building the small and medium-sized enterprises that are important to the country's economy through structural flexibility. E-commerce is, in the first place, a factor of "being closer to the market" in the supply of goods and services, leaving the company an advantage. Operating and operating costs, which are reduced by electronic means, also change the structure of goods and services in international markets both locally and internationally. E-commerce also provides some ease of access to physical goods and services that are not available in the electronic environment. Such investments are used for the production of commodities, raw materials and semi-finished products, information about inventory, computerized delivery systems, optimal distribution channels and marketing in production of goods produced (localized, international, custom-made) identification of possibilities, as well as the opportunities that e-commerce brings to the physical transformation of physical goods. Developing countries will increase their earnings even when they are ready for e-commerce.

Otherwise, the world trade will be further strengthened from other developed countries. Public access to infrastructure, administrative and legal arrangements that will not be implemented in the nearest future, and the capacity and capabilities of the company will continue to fall behind the issues of e-commerce. Therefore, countries that do not have the necessary technical and administrative infrastructure, which seem to be very costly, will be more likely to be economically and socially vulnerable to the initial startup. The following are some of the short-term provisions for the development and spread of electronic commerce. These arrangements are very important and the failure to comply with any of them would have a profound impact on electronic commerce:

1. Improving technical infrastructure, forming domain names: As mentioned in the preceding chapters, problems with technical infrastructure are becoming more open, and thus e-commerce is very limited. It will not be possible to exploit the benefits of e-commerce without the use of open, reliable, affordable, cheap and inexpensive infrastructure. In this context, it is important for the users to ensure that the names of the domain names are classified under the name of their website (eg, domain names), to facilitate their subsequent use, and to ensure that the names of the domain name system are consistent with transparent and international standards so as not to allow unfair competition.

2. Obtaining procedures to protect consumers and individuals: It is important to assure and maintain that consumers are trustworthy in the trading system. It is crucial that commercial activities carried out by e-commerce ensure that the integrity, completeness and accuracy of the information, as well as on the merchantability, are factual and that users are guided by these. At the same time, there is a need for legal and administrative arrangements for the protection of consumer rights, as is the case with the traditional commerce.

3. Having legal force of Electronic Signature: An electronic signature is an important system in terms of ensuring that an essential user is safe and secure

in the system, as well as the function of the signature, which is the basic element of the commercial trademark. It is almost impossible to conclude an electronic business contract without asserting the legal power of the electronic signature.

4. Taxation, payment and delivery methods: In particular, it is necessary to find common ways for tax evasion in international e-commerce and local tax authorities, to set up payment arrangements, simplify customs procedures, and e-commerce.

5. Implementation of Intellectual Property Rights: E-commerce, in particular, theft, misappropriation of software such as computer programs, poems, novels, stories, trades and so forth. In cases where intellectual property rights are protected.

The economic effect of e-commerce is that it creates an economic field where there is less of anxiety. This effect is mainly the result of rapidly developing information and communication technologies. Since e-commerce has been using this infra-structure to grow, the impact on economic viability is very high. E-commerce is considered to be a feature that transforms business life into reality with goods and services produced since the revolution in the industry, potentially gathering all producers, suppliers and consumers together. Apart from this, e-commerce is still a new direction, and today's sense of economic and social impacts is justified on the basis of the reality and speculative. There is still no international consensus on the need for e-commerce to be measured statistically. There will be a great deal of confidence in the range of confidence that any means and measure can be measured in terms of future trends.

CONCLUSION

Since the e-commerce emerged, the shopping culture started to change rapidly. Nowadays, people try to buy online more. By this way, the society try to use time and energy economically. As the products in online store is much more cheaper than physical shopping centers, it makes people to change the way they purchase. In Azerbaijan, development of online shopping culture is lower than developed countries, but this indicator rise rapidly in the recent years. People tend to buy electronic products, clothing, home suppliances, accessories and such kind of stuffs online. Although they get their orders late, but in fact, they still enjoy shopping online.

E-commerce still states one of the business manners that take advantage if done the straight way, even if the stock market and commodities fell, but E-Commerce still able to live and receive high transactions. E-commerce has a huge opportunity in the course of business in Azerbaijan. Moreover, it is also introducing new techniques and styles in transactions. Using the broad E-Commerce in the Internet world is actually much more better to bring the favor of the individual or the state.

E-Commerce has undeniably become an essential part of our society. The most successful companies of the future will be those that take E-Commerce seriously, dedicating sufficient resources to its development. E-Commerce is not an IT issue but a whole business undertaking. Companies that use it as a reason for completely re-designing their business processes are likely to gain the greatest benefits. Furthermore, E-Commerce is a helpful technology that gives the customers access to business and companies all over the world.

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