

THE MINISTRY OF EDUCATION OF THE REPUBLIC OF AZERBAIJAN

AZERBAIJAN STATE UNIVERSITY OF ECONOMICS

INTERNATIONAL GRADUATE AND DOCTORATE CENTER

MASTER DISSERTATION

ON THE TOPIC

**“ELECTRONIC COMMERCE MARKET IN AZERBAIJAN AND ITS
COMPARATIVE ANALYSIS”**

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BAKU – 2019

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**“Electronic commerce market in Azerbaijan and its
comparative analysis”**

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AZƏRBAYCANDA ELEKTRON TİCARƏT BAZARI VƏ ONUN MÜQAYİSƏLİ ANALİZİ

Xülasə

Tədqiqatın aktuallığı. E-ticarət, bütün dünya üçün aktual məsələdir. Əlbəttə ki, e-ticarət yeni ticarət növüdür, lakin müəyyən prinsiplər baxımından ənənəvi ticarət üsullarına bənzəyir və tez-tez eyni üsullardan istifadə edir. Beləliklə, hər mənada e-ticarət yeni və ənənəvi reklamlar üçün ticarətin alternativ üsulu deyil, informasiya-kommunikasiya texnologiyalarının inkişafı ilə paralel olaraq yaranır və ticarətə kömək edir.

Tədqiqatın məqsəd və vəzifələri. E-Ticarət insanların internetdə müəyyən sistemlərdə real və ya virtual mal satın aldığı bir prosesdir. Bu tədqiqat işinin əsas məqsədi aşağıdakılardır:

1. Elektron ticarətdə mövcud tendensiyalara baxmaq və onları izləmək.
2. Ölkəmizdə e-ticarət sahəsində fəaliyyət göstərən şirkətlərin vəziyyətini araşdırmaq.

İstifadə olunmuş tədqiqat metodları. Bu tədqiqat işində məlumat toplama metoduna, müşahidə metoduna, statistik metodologiyaya və digər üsullara əsaslanaraq tədqiqat aparıldıq və dissertasiya yazarkən həm kəmiyyət, həm də keyfiyyət üsullarından istifadə etdik.

Tədqiqatın informasiya bazası. E-ticarətin cəmiyyətdə rolunu öyrənmək üçün əsas məlumat bazası tədqiqat zamanı insan davranışıdır. Bununla yanaşı tədqiqatın informasiya bazası Azərbaycanın hüquqi sənədləri, Statistika Komitəsinin məlumatları və digər məlumat mənbələrindən təşkil olunmuşdur.

Tədqiqatın məhdudiyyətləri. Tədqiqatın məhdudiyyətlərinə əsasən mövzuya dair geniş informasiya bazasının, iqtisadi və statistik göstəricilər məhdud olması və Azərbaycanda bu yöndə fəaliyyətin yetəri qədər yüksək olmaması aiddir.

Tədqiqatın nəticələri. Bu gün, e-ticarətə ən böyük maneə təhlükəsizlik problemlərindən qaynaqlanan narahatlıqlardır. Nəzərə alınmalı olan digər bir məsələ alıcılar üçüncü tərəflərdən internet vasitəsilə ötürülən məlumatlara daxil olma riskidir.

Nəticələrin elmi-praktiki əhəmiyyəti. E-ticarətin inkişafı ölkəmizdə ənənəvi ticarət sahələrindən əlavə internet vasitəsilə də alış-verişə marağın artırılmasına səbəb olmuşdur. Elektron ticarətin inkişafı ölkənin iqtisadi artımına da irəliləyici təsir göstərəcəkdir.

Açar sözlər: Elektron ticarət, qlobal elektron ticarət şirkətləri, Azərbaycan

ABBREVIATIONS

GATT	General Agreement on Tariffs and Trade
GATS	General Agreement on Trade in Services
TRIPS	Agreement on Trade Intellectual Property Rights
EDI	Electronic Data Interchange
eWTP	International Electronic Trading Platform
MAI	Multilateral Investment Agreement
MITI	Japan Ministry of International Trade and Industry
SNS	Singapore Network Service
ICT	Information Technology
RSS	Rich Site Summary
RDF	Site Summary
SME	Small and Medium Business

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INTRODUCTION

The relevance of the research topic. In the globalizing world, the trade day is rising day by day. E-commerce is a topical issue for the whole world. The widespread use of e-commerce software, especially in western countries, in America and Japan, is now widely used in Azerbaijan. Of course, e-commerce is a new type of trading, but in terms of certain principles it resembles traditional trading methods and often uses the same methods. Thus, in every sense, e-commerce is not an alternative method of trading for new and traditional ads, but is created in parallel with the development of information and communication technologies and helps trade. Designed to conduct research to promote digital marketing, advertising, sales, and other areas to achieve the results of the dissertation research.

Level of studying the issue. E-commerce is a new field, and there are very few extensive literature on it. But this is one of the areas where learning is essential for the current state of society. The development of e-commerce has contributed to the development of inter-country economic relations in the modern world. As this process develops, people have been more focused on this topic in their articles, articles, and suggestions for development. Although the e-commerce area is not broad enough, there are numerous articles and resources available on it.

Purpose and tasks of the research. E-Commerce is a process where people purchase real or virtual goods on certain systems on the Internet. In short, e-commerce is an electronic version of trading. Currently, many companies carry out shopping with this tool. The development of electronic commerce in the modern era revealed some of its positive and negative features. The main goals of writing this dissertation are as follows:

1. Look at current trends in electronic commerce and monitor trends.
2. Investigate the current situation of companies operating in the field of e-commerce in our country.

3. Comparison of e-commerce between Azerbaijani companies and world companies, presenting positive and negative aspects and making proposals in this direction.

Object and subject of research. The main objects of this research are websites and social networks, since these tools play a key role in direct electronic commerce. Subjects of research are people and e-commerce is governed by the opinions and suggestions of people.

Research methods. In this thesis, we will conduct research based on data collection method, observation method, statistical methodologies and other methods.

When writing the dissertation we used both quantitative and qualitative methods. Both qualitative and quantitative analysis have enabled more information in the research process. The public method usually begins with a hypothesis or theory-based data collection, and descriptive or inappropriate statistics are applied. Surveys and observations are common examples of statistical unity.

In this dissertation, we conducted research on data collection method, observation method, statistical methodology, questionnaire and other methods. Data collection is a process of gathering information from all relevant sources to meet the research problem, test the hypothesis, and evaluate the results.

Research database. The main information base for learning the role of e-commerce in society is human behavior during the research. The key factor in the transition from real trade to virtual commerce has been the availability of Internet access. As a result of the sharp rise in Internet access, people began to process some of their processes in virtual reality, and one of them is trade. Also, e-commerce has been reflected in social networks. Recently, the ease of integration with e-commerce has been the basis for small entrepreneurs to focus on this area. In this research, the basis of the database was e-commerce in foreign practice. By comparing e-commerce in foreign practice and comparing with Azerbaijan, it is possible to find ways of development of the e-commerce sector in Azerbaijan and to identify the positive and negative aspects of its development.

Research limitations. The main constraint in the research is that e-commerce does not have a broad official database in Azerbaijan. The scarcity of e-commerce statistics has prevented mathematical analysis in the study. Also, determining the interest of people in e-commerce has also restricted potential entrepreneurs that they could not determine which area would be profitable for e-commerce and could not track the consumer. But in recent years this process has changed, the availability of online shopping sites and social media pages has overcome these obstacles and the availability of a number of logistics companies has increased interest in e-commerce in the community. This was due to the low availability of products in local stores, price comparison and a number of factors.

Scientific-practical significance of the results. E-commerce is a development that allows for more efficient use of resources in macro and microeconomic units in developing countries. Developing countries' assessment of these capacities depends on the elimination and promotion of legal and institutional barriers to e-commerce. Developed countries, in particular the United States, are a few steps ahead of developing countries in e-commerce and they protect these advantages. Therefore, as in any case, developing countries are facing a difficult race.

The only way to make progress in this area is to apply the models of world leaders in Electronic Commerce, for example, the United States, the People's Republic of China. The increase in e-commerce in these countries has resulted in a joint venture in business management, technology development and innovation. The e-commerce market can be the largest e-commerce market in the Caucasus region over the next five to ten years.

Structure and volume of dissertation work. This research consists of an introduction, three chapters, conclusion, 3 tables and 2 pictures. In work - 72 pages of text. During the work on the thesis 35 sources were used.

CHAPTER 1. THE CONCEPT OF E-COMMERCE AND ITS THEORIES

1.1. The definition, properties and development process of e-commerce

The initiation of commercial transactions via the Internet is an integral part of the globalization activities in the world. Recently, developed countries are moving towards the new stage of development - the creation of an integrated information society. The initiation of commercial transactions via the Internet is an integral part of the globalization activities in the world. Recently, developed countries are moving towards the new stage of development - the creation of an integrated information society. New changes in the field of entrepreneurship activities are carried out in electronic activities or in the implementation of electronic commerce.

Electronic commerce is understood as the realization of commercial transactions by using electronic communication tools. Contracts on such commercial transactions are carried out in a virtual environment without the use of traditional data carriers. As stated in the considerations related to electronic commerce, the most important difference of electronic commerce from traditional trade is that the displacement of goods is done through the internet network.

The realization of the activities in the business environment is coincident with the 60s of the last century. In the last decade, the transactions made in this way have been started to be implemented not only in the banking sector but also in other fields. It should be noted that internet network has become the most important tool in the realization of such radical changes in modern business operations. The fact that this new innovation, which is called e-commerce has emerged, has created a necessity for the regulation of the newly established relations and the reconciliation of technical, economic, financial and legal norms. In the opinion of experts, the necessity of solving the mentioned problems is mostly due to the change of technologies and the globalization of economic relations.

There are different definitions about e-commerce. Some of these are as follows:

- According to the World Trade Organization (WTO), ve electronic commerce is the production, advertisement, sales and distribution of goods and services through telecommunication networks. -

- According to a definition made by the Organization for Economic Co-operation and Development (OECD), iletil electronic commerce is all business transactions involving persons and institutions based on the processing and transmission of digitized written text, sound and image. -

- Japan Electronic Commerce Center (ECOM) made another definition in 1996, Electronic commerce, all kinds of computer networks, the design of the product, the production and promotion of commercial transactions and all kinds of activities such as payment is to fulfill. Bir

As the main features of electronic commerce, we can list the following (Elibol, Kesici, 2004)

- The first feature of e-commerce is the virtual environment.
- It is one of the most important tools that make it easier for enterprises to integrate into the world.

- It has 7 days of the week and 24 hours of infrastructure.

- Eliminates restrictions on time and communication.

- By helping globalization, it provides access to all kinds of information, products and services that can be shared over the internet from all over the world.

- Although there is a lack of mistrust towards electronic commerce, this problem has been overcome thanks to new technologies developed every day and the reliability of e-commerce has been proven by statistics.

- It is almost impossible to predetermine consumer mass and market share that can be reached through electronic commerce.

The history of electronic commerce, which dates back to the 70-80s, was used in many different ways, but was not very useful and widespread. In 1950, the concept of data processing was first introduced. In the 60s, small computers began

to create markets for new businesses. In the third development zone, personal computers now went on the market, and HP, Intel, Microsoft, such as today's giant companies helped to the market.

It is possible to say that electronic commerce has emerged as a result of the development and spread of the internet. We know that electronic commerce is the trade in virtual environment. In our societies, the use of internet, the concern of saving time and the desire to choose easily increase the behaviors such as the increase in behavior in the future. It allows us to say that it will become more widespread.

Parties and tools of electronic trading. The parties of the electronic commerce can be both public and private organizations. These organizations have many important duties such as the establishment of the necessary telecommunication infrastructure, and the realization of appropriate hardware and software projects. We can list the organizations that may be the parties of e-commerce as follows:

- Buyers, sellers, manufacturers,
- Brokers,
- Insurance and transport companies,
- Non-governmental organizations, universities, approval bodies,
- Undersecretariat of Foreign Trade and Customs,
- Industry and Trade Ministry,
- Other public institutions and organizations.

All kinds of technological products facilitating the activities of individuals carrying out commercial transactions over the Internet are known as electronic commerce tools. While counting the tools of electronic commerce, it will be sufficient to mention the most used ones today:

- Telephone, fax,
- Television and digital television,
- Electronic payment and money transfer systems,
- Electronic data interchange (EDI),

- Internet, intranet, WAP, GSM.

1.2. The effects of electronic commerce on the modern world

Work and trade activities that can be done by using closed and open networks can be listed as follows.

- Electronic exchange of goods and services,
- Production planning and production chain creation,
- Promotion, advertising and information,
- Ordering,
- Agreement/contracting,
- Electronic bank transactions, transfer of funds and sending the bill of lading,
- Clearance,
- Production and shipment monitoring in electronic environment, public procurement,
- Joint design development and engineering,
- Electronic money transactions,
- Electronic stock exchange and stock exchange,
- Retention and monitoring of commercial records,
- Reliable third-party transactions, such as digital signatures, electronic notaries,
- Taxation in electronic environment,
- Protection and transfer of intellectual, industrial and commercial property rights

It is inevitable that each existing phenomenon will have an effect on the objects in which it is related. In this sense, electronic commerce has both positive and negative effects on the basis of both individual and social and legal entities. The following two headings list the major ones.

Positive effects of electronic commerce. The positive effects of electronic commerce on the objects in which they are related are the following

(<https://present5.com/electronic-payment-systems/>):

1. Electronic commerce activities help organizations to achieve intensive communication, enabling them to reach their customers and their competitors more comfortably.

2. It helps to save time.

3. Electronic commerce helps organizations to be flexible, respond quickly to changes in their environment, and adapt to new market conditions as a result.

4. It provides institutions with the opportunity to cope with their competitors because they provide a cost advantage in production activities.

5. It also reduces transportation expenses for customers.

6. By accelerating information sharing, it enables customers to be aware of the issues related to goods and services and to make comparisons with competing products.

7. As a result of the spread of e-commerce, a large number of new jobs and tasks have emerged.

Negative effects of electronic commerce. In addition to the positive aspects listed above, there are some negative aspects of this approach. However, it is important to find out the situation that is intended to be achieved by eliminating these negative effects or by making them positive effects.

1. It is thought that electronic commerce will deepen the economic differences between developed and developing countries.

2. Electronic commerce will eliminate some of the issues involved in traditional trade and will cause some significant changes in the structure of institutions, resulting in insufficient employment and unemployment.

3. It is not possible to control the Internet. Since the electronic commerce is done in the virtual environment, it will be affected from this feature of the internet naturally.

At the moment, these negative aspects are addressed to solve the problems that will cause doubts in the consumer. By eliminating these negative factors, we can ensure the development of electronic commerce.

1.3. Rules and parties of e-commerce and the formation of a business model based on them

Electronic commerce can be done in different business models. Individuals or institutions who want to work in this field should be familiar with the mentioned models and must have the characteristics. Below are some of the key e-commerce business models described:

1) Business to Consumer (B2C) - As is evident, the purchase of goods and services takes place between companies and consumers. It is one of the most widely used models. For example, Amazon is based on this model. The model has 3 major sub-areas as is Retail, Auctions and Consulting. 3 Special products are the most demanding category of the model.

2) Business to Business (B2B) - The model has benefits in areas such as stock and logistics. For example, it helps to save on inventory costs. In addition, there are benefits such as decreasing input costs, rapid deployment, and high customer satisfaction. Businesses do not only exchange products but also information in this model.

3) Consumer to Consumer (C2C) - refers to the model in which consumers carry out trading transactions with each other. For example, eBay operates on the basis of this model. Consumers can easily make purchases on these platforms without having to undertake significant obligations.

4) E-commerce between the public and the public administration (B2G: Business to Government). For example, the electronic tax payments of the institutions are evaluated within this context.

5) Consumer-Public Administration e-commerce (C2G: Consumer to Government) This model includes the consumer actor rather than the actor of the previous model. Some procedures such as e-signature, e-notary, electronic taxation of consumers and such operations constitute an example for the transactions in this model. (<https://www.researchgate.net/publication>)

Rules in electronics trade. There are some important rules that make it successful in electronic commerce. We can list a few of them as follows (Torlak, 2013):

Phase effort-Not only in the electronic environment, but in all areas, most of the success goes through a lot of effort. However, the fact that the change in the electronic environment is very fast has made this a necessity. It is very important to keep e-commerce sites constantly organized and interesting. Because this field is becoming more and more common every day, a new site emerges. It is possible to maintain and maintain its position and to differentiate from its competitors in every sense.

1)Choosing the right product-In this case, it would be best to conduct a good market research.What products do competitors offer? Which products are more preferable? The product which is presented as a result of the market research by asking such questions will most likely give the desired results.

2)The graphical user interface of the site-The first impression is very important when logging in to the website. It is impossible to say that a long time customer will stay on the first page as a confusing image. Therefore, the quality and convenience of the site's graphical user interface can be navigated, the site is so remarkable and the customer will be inspiring confidence. It is important to remember that the priority of e-commerce sites is the interaction with customers. To give an example about this, we can say the pictures used in promotions. It is necessary to pay attention to be of high quality and at the same time low capacity.

3) Site advertising-At this point, search engine optimization is involved. Search engine optimization is a work for site promotion, and it is done by shifting the site to highly recognized search engines. In this case, the keywords used in site headings and links must be carefully selected. In this way, the site will attract attention by taking the first place in the search results.

4)According to customer demands-Considering that the commercial activities performed in electronic environment are less costly, we can say that the products and services sold in such environments are lower than normal prices. Customers generally prefer the option of high quality and low price. In this case, the distribution service in electronic commerce as a quality indicator comes to mind.

Therefore, satisfying customers by providing low price and adequate level of

services is also very important in e-commerce.

- Renewal-Regular updating of the site, some products need to be put on showcase at different intervals. In this way, the customer involved will have a positive impression on the site every time they encounter innovations.

- Future-oriented behavior-One of the points that are effective in achieving success is that the positive behaviors towards the customer should be done continuously, not once. In this way it is possible to connect the customer to himself. The loyal customer is one of the most important sources for an organization. For this purpose, acting as a planned and future-oriented customer relationship gives the company a long-term competitiveness.

- Patience-As is the case in traditional stores, it is necessary to pass a certain period of time to be recognized in e-shops from the moment it was established. Customers need to be aware of the store first and then they need to be interested. In this case, not to be hasty and to be patient is very important.

- Recognition of trust-Perhaps the most important issue in the electronic environment is trust. Because the virtuality, the buyer and the seller does not come face to face. It is so important to stand out in this concept is undoubtedly a competitive advantage means.

For the users, the process of sales on the internet, the need for sales, search for solutions and the order is made through a process. The ordering of goods and services is the first step in the realization of the sales transaction. The customer has to pay the price of the goods or services that he likes on the internet. The main methods used in making payments on the future of marketing on the Internet are the following (Yenipınar and Gölcü, 2003):

- 1.Credit card: Credit card, which is the most used payment tool in internet shopping, is an extension of the payment method used in traditional direct marketing methods.

In this method, for example, from catalog to order marketing by telephone; A valid credit card number is given in the order of goods and services, the vendor will investigate the validity of this credit card, if the card account is eligible to pay,

the related holder is collected from the account and the transaction is completed by the delivery of the goods or services to the customer.

Similarly, when shopping on the internet, the order form in the relevant Web pages is ordered and the order of goods or services is ordered and the transaction is completed by taking the cost of goods or services from the account linked to the credit card number specified by the customer.

The fact that the credit card has a standard payment infrastructure all over the world and the width of the user has made it the most widely used method of payment on the internet.

In order to prevent the capture of credit card information by third parties during shopping, SSL and SET protocols are used to encrypt this information, thus ensuring shopping security is easy.

2. Electronic Credit Card. With the completion of the study, which is known as the SET Protocol (Secure Electronic Transactions), it is expected that there will be a significant increase in purchases made with credit profitable transactions. In line with the development of Electronic Information Security Systems electronic credit cards are designed to eliminate problems such as incorrect payment and rejection of the transaction. At the same time, the complete elimination of the security problems will be possible with electronic credit cards. According to the system that is currently being worked on, on the internet marketplace vendor and customers will be able to shop using two types of keys. Accordingly, in order to have information about a credit card of any member, it is necessary to know the private and public keys and also to obtain the cardholder's password.

In the Netherlands and Portugal, the projects on electronic profits have reached the final stage and will be used in a very short period of time. In the name of ChipKnip in the Netherlands, the project carried out with 10 banks and 50 thousand people gave successful results. In Portugal, the system consisting of 40 thousand terminals serving 170 thousand users is still in use (Kircova and Pinar, 2000).

3. Automatic Teller Machines and Cash Dispensers. Automatic teller machines, the first time in the 1960s, began to be used, users were only able to withdraw money. As a result of rapid technological developments, it is now possible to deposit funds from ATMs, to obtain information about account status, to transfer funds between accounts, to take check book, to remove travel checks and to withdraw credits to a certain amount (Uzunoğlu, 2002).

4. Point of sale terminals for electronic funds transfer: One of the stages in the evolution of systems involving the transfer of funds through automated machines is the electronic fund transfer (EFT). In this system, the idea of transferring money from the users' own bank accounts to the bank accounts of the users via the use of terminals that are operated by a card has been the basis for the payments made at the points of sale. Based on the same technology that forms the basis of credit cards, ATMs or account cards, a fund transfer system has been created from the point of sale. In short, this system is operated by using a card or by transferring funds between the buyer and the seller through an electromagnetic machine. In this system, a computer connection is established between the workplace and the bank. Transactions are carried out without using paper or documents. The system records the sales data related to the payment at the points of sale to a cassette or computer files. Develops new techniques in this field. These techniques are exemplified by laser reading. The most interesting feature of EFT transactions is the irreversible nature of payment. The second feature is the fact that the payment will be finalized only after processing in the EFT center. The third feature is that the payment message can be sent to the system only to be credited. The fourth feature is that it is a system based on reconciliation. Today, EFT transactions are preferred in more cash flow and are due to the speed of superiority compared to other alternatives. However, this superiority is a bit more costly for the users than other alternatives (Yenipinar and Gölcü, 2003).

5. Electronic Money. The future of shopping on the Internet is very closely related to the development of an easy to use, fast and simple and secure payment system. Due to the inadequacy of credit cards, a new payment system has been

started to be developed with the help of electronic money (digital money/cybercash). According to this system, the customer can buy the electronic currency in exchange for his money in the bank for use in shopping on the internet.

6. Electronic Check. Electronic check is a payment system that enables electronic sites to accept and process payments as checks. The electronic check was developed in the US by the Financial Services Technology Consortium (www.fstc.org) using a markup language called SDML (Signed Document Markup Language).

In the electronic check system, payments are made by entering the required information of the bank account information to the electronic commerce site without a credit card. In a sense, the user makes a payment by paying checks to the trading site. The systems in the Bank clear the transfers every day and check whether the necessary conditions for the completion of shopping in the said account are sufficient and inform the electronic commerce site with encrypted channels. These transactions can also be carried out by financial institutions called the clearing center. Although it is an easy-to-use system, the systems required for more widespread use must be accepted by the financial sector. This service has not yet been implemented by any institution in our country. Electronic checks are designed as a virtual counterpart for those who do not want to pay cash in e-commerce. There is no difference between the electronic check and the actual check mechanism. The electronic check includes information such as the name of the payer, the name of the bank, the account number of the payer, the name of the recipient and the amount of the withdrawal. Unlike the real one, a digital signature is used. A digital signature is a cryptographic system that is created to provide security in a networked and non-face-to-face transaction. An information that is encrypted with this system consisting of two key passwords can only be opened with these keys. In this way, payments and agreements are protected. Therefore, it is a system that is different from the signature we currently use (Uzunoglu, 2002).

7. Smart Card. Another payment tool that can be used in e-commerce is

the smart card. The smart card is a card based payment instrument and is a plastic card with a special microchip instead of the magnetic strips on credit cards. With this chip, it is possible to load all kinds of information including a plastic card, electronic money. In the case of purchase of goods and services by a smart card loaded with money, the amount of money charged to the card is reduced. The card can also be re-filled when the card is reset. Smart cards are often used for certain purchases in closed systems.

8. Other Payment Ways. Apart from the above mentioned payment tools, a number of payment tools have been developed. These can be listed and briefly explained as follows;

- Escrip: It is a system for some special low-level payments such as donation payments.
- IPIN: A system that reflects Internet spending on ISP bills,
- PCPay: A system based on Smart Card,
- ECharge My Phone: A system integrated with a phone bill,
- First Virtual: A system where a third organization collects and distributes payments to related parties.

No matter what payment system, every information security system must support the following five principles: identity, reality, validation, confidentiality, non-payment and non-acceptance (Uzunoglu, 2002).

In the present century, the domestic markets have reached saturation, increasing the tendency of homogenization in consumer preferences, specialization in the economy and especially the increase in the supply of goods and services, increasing the quality expectations in consumer satisfaction, the emergence of marketing and e-commerce on the internet, pushing the marketing policies and strategies of the enterprises to a structure compatible with these developments. .

The one of the main problems of e-commerce is factors which effect to e-commerce. These are the following:

1) Trust factor. One of the most important factors affecting the purchase of users is the trust in the brand and the website. In order to make online purchases,

personal information needs to be entered. In the end, they need to trust their site by entering their personal sages so that they can shop with peace of mind. For this, more attention should be given to safety procedures and information should be provided to protect the site.

2) Easy access within the site. As much as it is necessary to provide trust, it is also very important how useful an e-commerce site is and how practical it is when making transactions. The main goal here is to find out what the visitor is looking for with a minimum click from the moment they enter the site, to get the transaction done and to get to the result (purchase). When the user becomes a member of the site, the activation of the account, the future of the products to determine the address, entering the credit card information in a comfortable and fast way, the visitor on the site is so pleased with the result and effective in shopping. At the same time, keeping the category tree simple for this practicality, enabling the visitor to find what he is looking for in a short time and minimizing the options will affect the purchasing process positively.

3) Visual Quality. Another important part of the factors affecting the purchase is the quality of the photographs used on the site. Properly drawn product photos are both visually pleasing and useful for the prestige of the site. Because the quality of the photo will have a great impact on sales, we should not resort to cheap methods to reduce costs.

4) Product Content. If we give brief information about this issue, we know the importance of the information about the product. Of course, while paying attention to the customer's attention will not forget the information. Adding information such as delivery time, payment options, reviews of purchasers about the product will be useful to inform customers about the product. The warranty and return conditions on the product must also be indicated in a descriptive manner, with no question marks.

In the past, marketing managers have considered consumer behavior to be synonymous with the purchase decision, which causes sales actions. However, nowadays, as a requirement of the contemporary marketing philosophy, it has been

necessary to examine the behaviors before and after the purchase, therefore the exchange action has gained richness and depth.

1. Consumer behavior, on the one hand, with the effect of the individual's individual needs, motives, learning process, personality, perceptions, attitudes and beliefs; On the other hand, it occurs with the influence of the socio-cultural factors such as culture, social class, reference group and family in the society where the person is a member. In addition, the marketing efforts of enterprises will have an impact on behavior. Various factors such as social, psychological and personal qualities have strong effects on the consumer's decision to purchase. These are factors in which the marketer cannot control, but has to take into account the impact on purchasing decisions. These factors can be listed as follows.

(<https://tr.scribd.com/document/87533265/Factors-Affecting-Consumer-Behavior>).:

1- Social Factors: Culture and subculture, social class, reference groups, roles and families.

2- Psychological Factors: Motivation, perception, attitudes, learning and personality.

3- Personal Factors: Demographic and situational factors.

Factors that affect consumer behavior can be subjected to a dual separation. According to this distinction, the factors affecting consumer behavior are divided into two main groups as individual and social factors and the factors within the psychological factors mentioned above are mentioned in social factors. In addition, we can add the internet, which is the miracle of the twentieth century, to the factors affecting consumer behavior.

Factors affecting consumer behavior will affect the consumer's decision-making process and hence the purchase decision.

Social Factors. Social factors that need to be considered while examining consumer behavior are very diverse. The main social factors that affect consumers' purchasing decisions are culture, social class, reference groups, relations and family. Culture is one of the factors that affect consumer behavior in electric commerce.

1)Culture. Culture is the social environment in which individuals live in a broad sense. In other words, culture is a set of attitudes and values common to a group of people and influences and determines the perceptions and reactions of people in this group. Culture refers to the combination of custom, value, attitude, belief, morality, art and symbols. There are many definitions of culture, but the common points in all are that the culture is learned, shared, passed from generation to generation, and processed by social organizations.

What we eat, drink, wear, life style, methods of evaluating our leisure time, behaviors of others to other people, expectations, reactions from others and problem solving styles, etc. are shaped by the culture we receive completely. Culture is a mixture of ethics, art, symbols, beliefs, customs and traditions of the value system created by people. Since the person is mixed in culture, he does not understand that his movements are affected by culture after a while. However, when a different culture is entered into, or together with one of the different cultures, the effect of the culture is revealed.

Culture affects not only every movement of individuals, but also directly affects the purchasing behavior of consumers. All activities carried out by individuals are guided by culture, and most purchases are made in order to meet the basic needs of individuals, to provide physical comfort or to carry out activities that constitute their cultural life. The emergence of the Internet has affected the culture closely. As the spread of the Internet brought about the shrinking of the world, it facilitated the learning of cultures more closely. As in traditional marketing, the effect of culture on internet marketing is also felt. The purchases are usually in accordance with the culture of that country or environment. Nevertheless, while developing marketing strategies on the Internet, it is necessary to develop a marketing mix compatible with different cultures.

2)Family.The person is affected from his family environment from his infancy. The effect of the family on consumer buying behavior varies depending on various factors. (The number of children in the family, women's employment, settlement, etc.) In addition to who makes the actual purchase in terms of creating

the marketing mix, it is also important who influences the purchasing decision. It is useful to know what the roles of women and children in the family are and how they change. For example, in western societies, participation of children in decision-making process enables direct marketing activities of people who are active in marketing. they have to do for the head of the family / decision maker. Family structure is one of the most fundamental factors affecting consumer buying behavior. In other words, family structure, relationships among family members, etc. can determine who, what, when and how. For example, the shopping habits of a nuclear family and the purchasing habits of a large family vary and the decision maker in these family structures is usually a different person. Whether a computer has a computer or not is connected to the internet will affect the family's buying behavior. Because, by making a comparison from the websites, various evaluations can be made and the prices can be made on the internet by making comparisons.

3)Social Class. The same values refer to relatively homogeneous groups that adopt the same interests, the same lifestyle and behavior. A number of common qualities, not one or two variables, determine the social class (type and source of income, occupation, value provisions, professional success, etc.), but there are no definite limits between social classes; people may move to the upper class or fall into the lower class. Social class distinction is useful in marketing, especially in market segmentation. Since the tastes, behaviors and purchasing decision processes of each social class differ, differentiation in the products, supplementary services and promotional activities offered to different target markets should be taken into consideration. The concept of social class can be analyzed in terms of consumer behavior:

1. Consumption structures,
2. Purchasing structures,
3. Expenditure and savings structures.

When examining these points for social classes, some important differences were found. For example, while computers and the Internet previously used mobile phones, most people are now able to use them. It is determined that among the

members of the upper class, products and stores with more prestige and symbolic values are preferred. But when we look at the phenomenon of marketing on the internet, we see that there are more time factors. In other words, those who prefer this place generally take into account the factors of not losing time to visit shops, ordering tickets to the cinema and sending money from the bank. However, the reasons we listed may be an example for the middle class. On the other hand, while the credit card is an alternative form of cash payment for the upper group, the use of credit cards for sub-groups is a tool that allows them to buy things without purchasing power.

4)Reference Groups. Any group of people affecting the attitudes, ideas and value judgments of the person is defined as the reference group. Although these groups can be classified in several respects, there are two main groups:

The first group is the close circle of the person, especially the family. Close friends, relatives, neighbors, colleagues, occupational and other related persons and organizations that affect the person in face-to-face relationships. Face-to-face advice and advice can be more effective than advertising.

The second group is the group in which the person is not a member and not in contact with the person. Famous cinema stars, famous athletes and so on. These are the values and behaviors, attitudes and behaviors of the groups and people who are taken as examples by children and young people.

Marketers are influenced by this sampling and imitating phenomenon, especially through advertising campaigns that show famous stars and athletes using their own manufactured brands. The importance of reference groups and groups in terms of marketing is based on directing consumer preferences and behaviors. If the consumer has no knowledge of the use of a good or knowledge of the property, he/she will be more inclined to take some examples.

Shopping is a social pleasure as well as a situation where social risk reduction and exposure in the shopping group is influenced by knowledgeable and expert people. E-mail groups can also serve as an example in internet marketing. The internet offers people the advantages of mirc, chat with web camera,

friendships are established and help the reference group to expand. Person exchanges information by reference group, learns new things.

Individual Factors Individual factors will be examined under five main headings. These include a sense of personality and distance, perception, values, beliefs, attitudes and religion, mental process and learning and education.

- Personality: The personality of the people is shaped not only by the nature but also by its surroundings. Depending on the value judgments of the society, certain personality phenomena are suppressed and some are revealed. Personality can affect marketing activities and may also cause some disagreements in job interviews. For example, in some societies, individuals are raised outward. (Italy) In some societies, individuals are encouraged to be quiet, calm and calm. (United Kingdom) When the employees of these two different communities come together, they may have a different attitude to each other's behavior, which may negatively affect business negotiations.

Personality characteristics can also affect which store the consumer is going to shop from. The consumer's self-confidence may also depend on which store to choose. For example, the less self-confident consumer can choose more self-confident consumer prestige stores when choosing a more traditional building and a nearby store. Such an example is an important area of application in merchandising

- Able to find. Prestigious and exclusive stores should prefer to appeal to a more self-confident market segment. The identity of shoppers will also affect the type of salespersons. Those who are independent can expect to be served by more aggressive salespeople. It is possible to say the same thing as in traditional commerce in internet marketing.

- Perception: Two people may think very differently about the same thing or event; because they witnessed the same incident together, but perceived it differently. Perception is the acquisition of information through the senses on the presence of an event or object. With the perception process, the person gives meaning to the stimuli around him.

The perception of both personal and environmental factors affects consumer behavior in many respects. Among these, especially five issues are prioritized for marketers:

1. Perception of advertising.
2. Product image.
3. Price perceptions.
4. Perceptions of the country of production.
5. Corporate image

Perception is also very important in terms of internet marketing. First of all, the quality, simplicity of the website, and the transition to payment after 2-3 transactions do not give it to the customer and do not lead to complexity. Then the big and small banner or other ads on the site have a great effect on perception. Registration of the site in search engines is very important in terms of finding keywords easily, prestige and recognition of the site. The owners who value these factors earn more customers than others and increase their business more and more every day.

- Learning: There are significant differences in the way people think and learn. People in different cultures approach problems differently. The British, for example, attach great importance to detail, methodology and situational factors, and the Germans solve problems with the help of system approach and systematic processes. When people from different cultures need to work together and solve a problem, these different thought structures can lead to conflicts in communication. The Internet has made learning more enjoyable and easier. Unlimited information resources are as easy and comfortable as touching a button. As our century is the century of knowledge and technology, it is always profitable to get knowledge earlier and apply it to life. It is possible to say the same things in internet marketing. Through learning, a suitable option can be found by comparing it in terms of price, product and quality. The fact that the internet is open 24 hours is likely to make a serious contribution to learning.

- Values, beliefs, attitudes and religion: Beliefs and attitudes in foreign markets are a sensitive issue that businesses should pay much attention to. The product offered to the local market should not contradict the beliefs and attitudes of the society. In India, the cow is not eaten from the sacred corn. Therefore, it would be pointless to try to sell a food in the Indian market with veal. In India, McDonalds had to replace the beef with chicken in its main products. Similarly, in a Muslim-dominated society, it is not expected to sell a lot of pork-containing foods and create a significant market share. Care should be taken to ensure that marketing activities, in particular promotional efforts, are consistent with the beliefs and attitudes of society. It should be noted that some colors have different meanings in certain cultures. It is useful to do detailed researches before making any color preference especially in advertising and packaging. For example, the white color, which represents purity in the majority of Western cultures, means mourning in China. Brides in China wear a red wedding dress, not white. In the Southeast Asian region is the light blue mourning color. The Pepsi Cola company, who did not pay attention to this, changed its boxes and refrigerators to light blue and saw that their sales were falling and had to return to the old dark blue color again.

Knowing the values that consumers have in traditional and Internet marketing is important not only in product positioning strategies but also in terms of market segmentation strategies. For example, dietary products, fat-reduced or organic foods, environmentally friendly products, have been marketing applications that are produced based on our values and create great opportunities in new market segments. A study has found that values can be an important part of determining the image and design of the store, because the important judgments of the store properties are affected by the values. There are symbols that are sacred, respected or enmityed by societies. Businesses in marketing should investigate whether they have symbols loaded with such meanings and decide whether they should include these symbols in promotional work. For example, the use of a verse

from the Qur'an in a dress design by Christian Dior fashion house has attracted the reaction of the Islamic world.

CHAPTER 2. PRACTICAL ASPECT OF E-COMMERCE IN AZERBAIJAN

2.1. General situation and negative impacts on e-commerce in Azerbaijan

The e-commerce sector in Azerbaijan has started to develop in comparison with the last few years. Despite several unsuccessful attempts, new initiatives have been made. Due to the insufficiency of local sites, sites such as eBay, AliExpress and Amazon dominate the market. Since there are no local sites, orders are made from foreign sources open to service for the country. In general, there is a big gap in this part of the market and the failure still continues. There are also new renewed projects on group purchase. But they don't make big money. Therefore, there are not enough statistics in our country to evaluate the e-commerce market.

One of the most frequently used online payment systems in the country is the web-based Web Money system. Since July of 2010, the company has signed up with one of the Azerbaijani banks to make money transfers easier. However recently developed domestic online payment systems and increased domestic competition in this area. Hesab.az is accepted as the leader in the local market. EasyPay or epay.az, epul.az, million.az, AzeriCard.com and other companies also offer online payment service. It is possible to realize payments and public services payments. The site is comfortable to use and functional. It offers additional bonuses and advantages as long as it is on the market. Security is high. The mobile application is not available.

The following are the most important online payment systems in Azerbaijan:

1. Hesab.az - In the field of payment systems, it is accepted as a leader in the domestic market. The site includes basic payment services such as mobile, telephone, assistant, internet, cable TV, bank / insurance, betting games, philanthropy and the right to education

2. Epay.Az-Site design is not enough and ideal format, there are some use problems. The functionality of the site is good. Registration is simple and it is possible to register with mobile phone number in 3 stages. The payment services

offered are very small. There are only 4 basic service categories: mobile, utilities, cable TV and internet. Mobile application is not available. Security is normal and SSL encryption is available. Mobile phone numbering can be considered as an extra security advantage.

3. MilliON.Az-Usually entering the market with terminal fees (paypoint.az) also offers an online payment service. It leaves a sufficient professional impression. The site is comfortable to use and the site is functional. is one of the most powerful opponents. Safety is good. The mobile application is not available. The basic payment services offered include mobile, telephone, internet, helper, cable TV, electronic wallet, agente network, entertainment, bank / insurance, betting games, payment cards, discount/coupons and travel services.

Digital advertising, which is still far behind the traditional media, has begun to develop more quickly even though the websites are not well developed. Large companies are allocating small budgets to internet marketing. The most advertised sites in internet marketing are newspapers and online news sites. This is due to the fact that they are not a success as an Internet company but rather a continuation of traditional media. In other words, advertising budgets devoted to them are divided into traditional media rather than internet advertising. The high number of advertisement sites on news sites causes sites to turn into ası banner dumps in. However, starting from 2011, news sites started to adapt to the standards by giving up the banner dump but which has become a tradition.

The DST Group, the world-famous Internet group, takes the biggest slice from the advertising cake and uses the lack of local internet companies. 100% of Odnoklassniki from social networking sites, 33% of VKontakte, 100% of Mail.ru e-mail service, as well as 10% of Facebook belongs to DST Group . Placing ads on sites such as Facebook and VKontakte is already possible as er self service Facebook. Azerbaijani companies, especially Facebook, are advertising too much. The other two services where DST owns 100% are Odnoklassniki and Mail.ru also works with different local advertising agencies and has plenty of advertisers.

Unique visitors earn large sums from marketing activities due to their high page views. As it appears, the company makes a profound use of the gap in the market. (<http://webrazzi.com/2011/05/30/azerbaycan-eticaret-onlineodeme-game-advertising/>, access 03.01.17)

The volume of e-commerce in Azerbaijan is increasing day by day due to the increase in the number of internet users in the country and the products offered for sale with industrial and commercial facilities on the internet.

Increasing the ICT skills of the population, confidence in the e-commerce and the mail-handling sector gives a great impetus to making purchases online. The rapid increase in the volume of e-commerce in the country can be clearly seen in the latest statistical data published by the Azerbaijan State Statistics Committee. In the January-August period of 2015, the Committee announced that the volume of retail e-commerce turnover in Azerbaijan increased 2.0-fold compared to the same period last year, Reported 2 million AZN. Thus, 92.7 percent of the consumer goods purchased by the population in the electronic environment was purchased through the trade network of legal entities and 7.3 percent by the individual trade network. Non-food products accounted for 96.5 percent of e-commerce turnover.

According to the Committee, in January-August period of the current year, retail e-commerce turnover in Azerbaijan increased by 16.7% and became 644.9 thousand AZN compared to the same period of 2014. (<http://www.mincom.gov.az/media-en/news-2/details/10909>, 09.05.17)

Although the number of e-commerce sites in Azerbaijan is increasing day by day, it is not less. One of the most important reasons for this is the lack of sales. It is possible to eliminate this situation with marketing campaigns such as advertising, but it is not true that e-commerce sites that do not already have extra budgets spend large sums on advertising. What can be done in such cases depends on site owners' goals and budgets. Even though great efforts have been made to prevent them from occurring, such negative conditions (decrease in sales) have become inevitable in the conditions of the day.

The following 7 headings contain key reasons that negatively affect sales on e-commerce sites:

1) The absence of physical shop addresses in the site - The most missing side of e-commerce is the low trust of buyers in internet stores. People often want to touch the product they will get. It is appropriate to show the physical address of the store or store, if any, on the site or on Google Maps. Even if the placement of the store or warehouse addresses on the site does not always direct the recipients to that address, the presence of such an address will increase the trust of the recipients in this sales channel.

2) Leaving excess budget for brochures, business cards and other print ads is one of the most common problems in advertising in Azerbaijan. If it is desired to increase sales over the internet, the target of the ad should be the internet users. In such cases, traditional advertising methods such as television and radio advertising are inadequate to provide success. In short, rather than directing people who are not active internet users to the internet and then to the existing site, it would be a shorter and successful choice to direct their attention to the mentioned sites by implementing advertising campaigns for active internet users. At the same time, internet ads are often free and cheaper in comparison.

3) The inability to utilize the advantages of Internet ads correctly - we see that there are significant advantages when we compare Internet advertising with traditional advertising methods. Target audience selection, more innovation in the advertisement, the ad can watch the desired time, the number of viewers, the ability to change the ad content at any time and b. These are among the advantages. What is important here is to make the most of the benefits by creating the advertising campaigns correctly.

4) Poor search engine optimizations of sites - this is not only the case with e-commerce sites, but also with sites of well-known companies and major news portals. World experience shows that 70% of all sites traffic is provided by search engine optimization. However, the awareness of these practices is very low in Azerbaijan, even in the title, description and keyword is not shown at all, or is not

used correctly. One of the main reasons for this is a lack of specialists.

5) Lack of site blogs - Creating blogs provides site owners with benefits such as providing customer satisfaction, research, improving search engine optimization, and gaining trust. Unfortunately, many e-commerce sites do not have blogs in Azerbaijan. Excluding just a few sites like FakirShop.

6) Problems in distribution services - In Azerbaijan, technically correct and designed virtual shops were seen to be unsuccessful even from time to time. As we know for sure, the prices in the internet stores are lower than the prices we know. This is because e-commerce spending is low. But low price should not cause poor quality service. Based on the idea that the customer is always right in the virtual environment, the necessary attention and care should be given to the customers. Orders must be delivered at any time and in any way.

7) Site promotion problems - E-commerce sites to achieve the planned return at least one year, sometimes may be expected to wait more. This is because Google does not know the sites that are not over one year old. As is the case for each site, it is necessary to wait for a certain period of time for e-commerce sites to be recognized and recognized. In traditional stores, however, this period covers a few months.

2.2. Economic Efficiency of E-Commerce Efforts in Azerbaijan

One of the most important common problems of the developing countries is the inability to ensure the efficiency in the economy. In other words, there are some problems in the effective use of resources. These problems are generally structural problems that can be addressed through reforms. Direction of limited natural, financial and human resources to the areas where it will be best used (effective sharing of resources), keeping the markets open for this purpose, equal opportunities, transparency, protection of commercial, intellectual and manufacturing rights and establishment of necessary legal, administrative and technical structures for all these are the most important conditions for increasing productivity. While e-commerce is an appropriate tool for reducing and eliminating

barriers to robust competition for developing countries, it also provides great opportunities for supporting SMEs, which are important for each country's economy. E-commerce, above all, does not regard the concept of being close to the market as a superiority for companies in the provision of certain goods and services. Reduced transaction and transportation expenditures due to electronic communications change the structure of trade in goods and services in both domestic and national markets. E-commerce also provides some facilities for physical goods that do not have the ability to provide electronic seal. Various facilities such as supply of raw materials and semi-finished products at the most appropriate cost in the production of these goods, rapid data collection on the inventory information of suppliers, computer-aided supply systems, distribution of the most efficient distribution channels and marketing opportunities in the distribution and marketing of the manufactured goods, are some of the convenience of trade.

The sooner the developing countries start their e-commerce readiness, the higher their earnings will be. Otherwise, it will be more difficult for world trade to move from developed countries to others. Societies that are not able to realize the necessary infrastructure, the administrative and legal regulations in the shortest time, the quantity and the quality of the manpower cannot be ready for the operations in such open networks will be one step behind in e-commerce. Thus, the economic and social impulses of the countries that cannot establish the necessary technical and administrative infrastructures at the beginning would be more than the necessary initial expenditure.

The regulations that should be made in a short time in terms of the development and dissemination of electronic commerce are shown below. These arrangements are very important and the fact that neither of them are carried out in a proper manner will have a negative impact on e-commerce (Süleymanov, Eliyev, 2011):

1. Improvement of technical infrastructure, establishment of field name facility systems: Problems arising due to technical infrastructure expose to open

networks and thus negatively affect e-commerce. It will not be possible to benefit from the benefits of e-commerce without the fast, reliable, inexpensive and open-network infrastructure that everyone can use. In this context, it is very important to ensure that the names of domain names are used to establish the network names that will be used by the users, to make them easier to use later, and to ensure the transparency of the field name facility systems and compliance with international norms in order to prevent unfair competition in all these works.

2. Taking measures to protect users or their personal information: It is necessary to ensure the users' trust in the e-commerce system and maintain its continuity. It is very important to ensure confidentiality, information completeness, identity accuracy and ensure that all of these are confident in commercial activities through e-commerce. In addition to that, additional legal and administrative regulations are needed for the protection of consumer rights as in traditional trade.

3. Electronic signature is legally valid: The electronic signature system is a very important system in terms of providing the user and system hazard which is important in e-commerce, as well as the signature function which is an integral part of traditional trade. It is almost impossible to sign business contracts in electronic environment without assuring the legal validity of the electronic signature.

4. Establishment of taxation, payment and delivery methods: It is necessary to pay tax in international e-commerce and to find general solutions for the division of local tax bodies, to create payment instruments, to simplify customs procedures and to harmonize to e-commerce.

5. Realization of measures to protect intellectual property rights: e-commerce, in other words, in open networks, especially computer programs, poetry, novels, stories, pictures, stolen art, such as stealing art, and b. in such cases the protection of intellectual property rights.

The e-commerce activities, which are spreading worldwide, have now taken the developing countries into their domain. Some global companies that are active in this area, especially in developing countries, target their participation by

selecting them. In this section, information will be given on two of these enterprises, especially in Azerbaijan.

Kaymu. Established in 2013, Kaymu.com is an online marketplace offering products using localized C2C and B2C models in Africa, Europe and Asia. Kaymu brings buyers and sellers together and allows them to benefit from the opportunities created by the fixed pricing system. On customers, smartphones, computers, fashion items, clothing, household items, cars and real estate, such as many used or new products can be bought or sold at affordable prices. All transactions on the site is carried out safely and where and when the delivery of customers (<https://www.rocket-internet.com/companies/kaymu>, access 29.04.17).

Established in Nigeria and Pakistan for the first time in January 2013, the site started to operate in 32 countries in 27 months. Kaymu showed a great improvement with the number of workers from 10 to 60 in nine months and in October 2013 it started operations in Ghana and Morocco. In June 2015, Kaymu expanded to Mozambique, Bangladesh, Nepal, Myanmar, Slovenia, Sri Lanka, Bulgaria, Uzbekistan and the Philippines. Currently, it operates in 35 countries, including 17 in Africa and the rest in Europe and Asia. These:

- 1) in Africa - Algeria, Angola, Cameroon, Ethiopia, Gabon, Ghana, Côte d'Ivoire, Kenya, Morocco, Mozambique, Nigeria, Rwanda, Senegal, Tanzania, Tunisia, Uganda and Zambia

- 2) in Asia and Middle East - Azerbaijan, Bangladesh, Cambodia, Myanmar, Nepal, Pakistan, Philippines, Saudi Arabia, Sri Lanka and Uzbekistan

- 3) in Europe - Albania, Bosnia and Herzegovina, Bulgaria, Belarus, Croatia, Georgia, Slovakia and Slovenia

Kaymu adopts eBay's business model. Each country in which it operates has a separate retail website. Kaymu's closest rival is the OLX of Naspers, operating in more than 100 countries and working with the C2C model.

Kaymu is founded by Oliver Samwer and is supported by the Rocket Internet company, known as the platform of establishing internet companies. Rocket Internet takes business models that are successful in Europe and the United

States and apply them in developing economies. Kaymu is one of these models and is created on the basis of eBay's model (<https://en.wikipedia.org/wiki/Kaymu>, 29.04.17).

While sites such as Ebay and Amazon are not available in developing countries, Kaymu is expanding its network in developing countries such as Azerbaijan and Georgia. As stated by the company director Peter Demidov on Azerbaijan, the main feature of Kaymu is that people form a platform in which they can start their own business (in open market format). Anyone on the site may be a seller and there is no need to pay any fees. Kaymu is suitable for a wide variety of groups. The target audience is active internet users between the ages of 16 and 35. Here, individuals, sometimes companies can open their own accounts and buy their own products and buy the products they want. Sometimes it is very difficult for businessmen to open stores that require big money. In such cases it may be more convenient to start by offering products through sites such as Kaymu. Beginners are provided with great support by the site and provided extensive information on the required topics. Kaymu takes on the role of mediator by bringing buyers and sellers together. Restrictions on the products to be traded on the site are not much, and even very difficult to find products can be obtained through the site. The short delivery time is also the main features of the Kaymu. The delivery of the goods ordered by the site is checked and the delivery time is not exceeded 2 days. Documentation issues, such as warranty vouchers and sales contracts, are only relevant to the seller and the buyer. Kaymu tries to have full control over the products sold.

The site also offers a wide range of facilities for sellers who want to sell their products outside of Baku. The site helps such sellers promote their products to a wider audience, creating conditions where they can easily sell to other regions.

Generally, men's and women's clothes are ordered through the site and this constitutes 60-70% of the sales. The other best-selling category is electronic equipment. These include mobile phones, tablets, headphones and so on. Products are included. Because people still don't trust online shopping, the site is committed

to gaining consumer confidence in online acquisition of large volume products. The main goal of the company is to gain the trust of both buyers and sellers and to help them shop online by teaching them activities in this area.

Yalla Classifieds OU (LALAFO). Yalla Classifieds is a company based in Ukraine, founded by Anna Polischuk and Yuriy Mukhin. Previously operating in different countries with different name sites, the company now uses the name s LALAFO as standard. The main purpose of the site is to act as an intermediary between those who wish to sell their products or services and advertisers. The company, which has not yet accepted any advertising proposals, differentiates its business model from other sites. The most important goal of the company is to enter into emerging markets such as Africa and Asia. Currently, the company operates in Azerbaijan, Tajikistan, Kyrgyzstan, Nepal, Afghanistan and Greece. In Tajikistan, according to statistics, the number of Lalafo users is 120 thousand and it ranks within the first 50 steps among the sites. The number of users over Kyrgyzstan is 350-400 thousand and it is among the top 20 sites in the rankings. In the Nepal market, between 5000 and 1 000, in the Afghanistan market, reaching 25 thousand users, the site is ranked in the ranking of the site rating of 1200-2000 in these countries. Greece's rating results are similar to those of Nepal and Afghanistan. Azerbaijan, Tajikistan and Kyrgyzstan seems to be a good choice for Lalafo when we ignore the last three countries. The economic development levels of the countries and the internet are also affected by this situation. At the same time, when we look at the number of population, it is Azerbaijan which is the most successful one of these countries which have approximately equal numbers.

As we know, the ad sites continue to grow in the Azerbaijani market from the day to day and there are sites that are active in this field in the market and now have a business and income model. One of the most important of these sites is Lalafo. Although many criticize that lalafo is a very unsuccessful name at the beginning, it seems that this 3-syllable word has become the memorandum of the language of the people.

Because there are many sites in our country, it is difficult to compete with Lalafo under these conditions. According to Alexa demonstrators, Lalafo is located on the 91st place in Azerbaijan in sites (Picture 1). If we consider the sites of the site as the domestic competitors, tap.az and unvan.az, we can see that they share the 36th and 185th places according to the same rankings. But it should be remembered that the age of the site is important in Alexa demonstrators.

Picture 1. Lalafo condition according to Alexa pointer



Source: <https://www.alexa.com/topsites/countries/AZ>

As a result, it is not possible to evaluate the business efficiency of this company, which succeeded in achieving success in advertising in Azerbaijan. Because, it is not a heartbreaking situation to be defeated by the main opponent in exchange for the money spent. However, it is possible to achieve a reasonable success by carrying out marketing activities in accordance with the national market. (<http://technote.az/az/lalafo-haqqinda-lalafo-az-azerbaycan/>, 29.04.17)

2.3. E-commerce platforms of Azerbaijan origin and B2B e-commerce portal of Azerbaijan

Electronic commerce projects operating in Azerbaijan are generally active in two areas. These areas are real estate trade and automobile trade. The most specific

aspect of such projects in our country is bringing together buyers and buyers. These projects generally benefit from advertising revenues.

In order to investigate the trade of real estate in Azerbaijan, we have examined the web project which is the four most active user in the country. These are real estate.az, dasinmazemlak.az, evelanlari.az and building.az projects.

Emlak.az. This web site offers electronic commerce environment to its users. Those who want to sell their real estate with these and similar projects and who want to rent or rent real estate can come together. Users can search the advertisements placed within the site by filtering the parameters according to their wishes through the user-friendly graphical user interface. After becoming a member, they can log in to the system, place their ads, track the number of clicks and the ratings of the advertisements. The number of users and login to the site (as of 8 May 2017) is as follows (table 1):

Table 1. Login to the site and number of users

Time period	View page	Number of visitors
Last 31 days	117.733	1.951.787
Last 7 days	30.765	422.673
Last 1 day	6.253	64.006

Source: The table was created by the author based on the information obtained by the domain owner Ilqar Pashayev

It has an office in Baku, Azerbaijan. The revenues of the web project consist of two sources. These include on-site ad revenue and premium ad revenue. Premium ad revenue is as table 2.

All payments are made via Visa / Electron or MasterCard with online payment support. Payments in the system are realized through the payment system goldenpay.az. Since this system has SSL protection, there is no danger for users. The user interface of payments and the entire system has an easy view.

Dasinmazemlak.az. It is a company that offers the services of renting and selling of real estate to the users who have been active in Azerbaijan for 4 years.

The business was established in 2013. This web project has a very comfortable graphical user interface. Thanks to this, users can easily search the site according to the criteria they want.

Table 2. Login to the site and number of users

Activity	Price
Advert make premium	20 AZN/10 days; 30Azn/15 days; 50Azn/30 days
Make an add to the front row	2 Azn
To highlight the announcement of filtering	10Azn/10days
Make an announcement urgent	5 Azn
Share the site on Facebook page	5 Azn

Source: The table was created by the author based on the information obtained by the domain owner Ilqar Pashayev.

This project, which has a very large real estate database, is able to provide information about the real estate prices not only within the country but also abroad. The number of advertisements currently in the site's database is as follows:

VIP announcements - 51 announcements, new buildings - 9013 ads, old buildings -4916 advertisements, houses / villas -4096 ads, facilities - 771 ads, land - 638 ads, offices - 185 ads, vineyards - 675 ads, garages - 11 notices, overseas property - 6 properties.

The site does not have very high user traffic. The number of entries and clicks (as of 8 May 2017) is given in the table below (table 3).

Table 3. Login and click numbers

Time period	View page	Number of visitors
Last 31 days	27.913	450.820
Last 7 days	7.906	124.357
Last 1 days	1.523	16591

Source: The table was created by the author based on the information obtained by the domain owner Vuqar Ahmadov

This site is also one of the most widely used sites, along with its designs and additional features from opposing websites.

Also, this site offers a number of suggestions to its users, in addition to real estate purchases.

Users of the site can look at exchange rates without leaving the site and they can make interest calculations easily thanks to the interest calculator offered (Picture 2).

Picture 2. Interest calculator

Valyuta	Alış	Satış
USD	1.6850	1.7100
EUR	1.8307	1.9041
RUR	0.0270	0.0300
GBP	2.1636	2.2299

Kalkulyator			
89			
CE	←	%	+
7	8	9	-
4	5	6	x
1	2	3	÷
0	±	.	=

Source: <https://www.dashinmazemlak.az/view.php>

In order to facilitate in site searches, it is possible to search for each ad with its own number. Login to the site and become a member of the anti-bot system, ie, is controlled by anti-spam captcha. Once you become a member place on the site place 15Azn for 1 posting of 50 months; For 1 month and 100 advertisements is 25Azn. The site is active in Azerbaijani and Russian languages.

Evelanlari.az. The website was established in 2014 as a result of increasing demand for such projects. The current project covering real estate properties in Azerbaijan "Internet Media" Ltd. is managed by. The purpose of this project is to provide the quality content of the site to the participants of the real estate market (buyer and seller) and to give them the opportunity to benefit from the extensive opportunities of the site to place their advertisements. Every day about 400-450

new advertisements are sent to both the Azerbaijan and foreign real estate markets. The site attaches great importance to the quality of the advertised advertisements and applies to ensure that the information placed on the vendors is correct and accurate. The advertisements collected daily from vendors and real estate agents are subject to site inspection and are introduced to a large audience via e-mail marketing tools that are posted weekly on the basis of an e-mail address on the corporate pages of the site, such as Facebook, Twitter and Instagram, as well as about 15000 addresses.

Bina.az. It is an online platform for all participants of the real estate market. The project allows buyers to take advantage of the broad base of advertisements on the purchase and sale of real estate. Real estate agencies, construction companies and individuals have been able to provide their potential buyers with an optimum opportunity to deliver their suggestions in a short time.

The project started its activities in 2008 and is now the leading online resource in Azerbaijan's real estate sector. It's not a real estate company. The aim of the project is to create a tool-free and operative connection between the buyer and the seller. Bina.az allows users to place ads on the site. Each user can place 2 ads for free during the month.

Generally, the main objective in establishing legal measures related to electronic commerce is to provide the organization of the mechanisms that enable the establishment and implementation of the activities in this field, to ensure the private enterprise and the free market within the framework of the market and to prevent unnecessary and excessive regulations. At the same time, protection of the rights of consumers during the implementation of electronic commerce, full and timely payment of taxes, compliance with social rules, the expectation of public health, safety and moral principles are also important issues.

In Azerbaijan, a number of legal arrangements have been adopted to regulate the legal and economic relations that occurred during the conduct of the activities electronically. These include electronic document, about electronic signature, can electronic commerce “, the provisions of the Republic of Azerbaijan Civil Code

and Administrative Errors Law on electronic commerce, approved by the decision of the President of Azerbaijan, Development of the National Payment system in the Republic of Azerbaijan The State Program and any other relevant legislation adopted by them (<http://vergiler.az/art-view/867/>, 17.04.2017).

The main issues related to electronic commerce in the Civil Code of the Republic of Azerbaijan can be found in the general provisions of the "Contracts on general provisions", "General provisions on obligations" and "Execution of obligations".

In the Law on Administrative Errors of the Republic of Azerbaijan, issues related to electronic commerce are included. According to article 240.1 of the Law on Administrative Errors (Electronic Commerce legislation violation): According to giving false information to the buyer and authorized state organs by the seller in electronic commerce - from twenty manats to twenty-five man, from fifty-five manat to seventy manats to legal persons and from two hundred manats to legal persons The penalty is up to two hundred and fifty manats. In the case of electronic commerce, the electronic document circulation means that the information provided by the intermediary of the electronic document can be monitored in an active manner or by an individual initiative procedure by the mediator of the electronic document circulation, in order to prove the facts or details, in order to prove the realization of the illegal activity. The authorities are subject to penalties of two hundred and fifty manats in the amount of ninety manats from seventy-five manats and legal persons from two hundred manats. According to the fact that the authorized bodies are not given information about the illegal activity of the buyers, sellers or illegal information in the electronic commerce, or that no information is given to the authorized bodies to provide service buyers and sellers, the real persons are in the amount of thirty five manats and forty manats the authorities are subject to a fine of ninety manats and legal entities are subject to a penalty of three hundred manats. According to the court's decision in electronic commerce or the legal authority on the application of the legal authority by the law enforcement authorities to stop the violations of the service, the information storage service is

shown in the destruction of information, or to them to limit the exit - natural persons from thirty-five manats to forty manats amount, authorities ninety manats and legal entities are subject to a fine of three hundred manats (Musayev, Qarayev, 2013).

The legal foundations of the regulation and implementation of electronic commerce in Azerbaijan, the rights and duties of its participants, as well as the level of responsibilities arising from the violation of the legislation related to e-commerce, are regulated in the law of the Republic of Azerbaijan in electronic commerce Azerbaijan. According to this law, electronic commerce - is the activities carried out for the purchase and sale of goods by using information systems. This law applies to electronic commerce activities in the Republic of Azerbaijan in all other areas except financial markets, especially insurance and securities markets. The law was adopted by the President of Azerbaijan on 10 May 2005, consisting of 5 chapters and 14 articles:

1. In the first section entitled General Provisions, information is given on the basic concepts included in the law, as well as on the scope of legislation applicable in the Republic of Azerbaijan on the field of application of the law and on electronic commerce in general. In addition to this law, which is applied to electronic commerce activities carried out in all other areas except financial markets, the regulations and regulations regulating the relations in this field include the Constitution of the Republic of Azerbaijan and the Civil Law, the law on electronic signature and document, and international agreements that the Republic of Azerbaijan has favored.

2. In the second section, Regulation of electronic commerce, basic principles of electronic commerce and requirements of parties of electronic commerce are included. Basic principles include equality of participants, freedom of will, freedom of immunity and freedom of agreement. In fact, except for cases where a special permit (license) is required for its activity, All information that the buyer offers to the buyer must be expressed in a language or in another language agreed

by the parties, in a way that the purchaser (the customer) does not have any special knowledge.

3. Within the scope of the third section, implementation of electronic commerce, signing of the contract, abandoning the fulfillment of the contract, execution of the contract are covered. Contracts between the seller and the buyer in electronic commerce are signed in the form of electronic documents. The terms of the agreement must be arranged in a clear and definite manner by the purchaser (client) who does not have any specific knowledge, and the contract must be arranged in such a way as to allow him to meet with him and to keep it. The Buyer (the customer) may waive the performance of the signed contract without any penalty and without any penalty within 7 working days, regardless of the type of payment of the good (service, service). Unless otherwise agreed between the parties, the order must be fulfilled by the seller within 30 days of the date sent by the buyer. If the seller is unable to supply the order due to the absence of the goods, the buyer should provide the buyer with information and send the amount back to him within 7 days.

4. The fourth section mainly deals with the level of responsibility in the case of infringement of electronic trade related laws and regulations. Fundamentals of responsibility in the case of violation of electronic commerce and the responsibility of the vehicle 4. The seller is liable for the wrong information given to the buyer and the competent governmental bodies as determined by the law of the Republic of Azerbaijan. Electronic commerce carried out in violation of intellectual property rights and other rights is considered illegal and the reorganization of violated rights is carried out by law. The intermediary is responsible for fulfilling the terms of the contract linked to other participants of electronic commerce. When the agent transmits the information provided by the buyer and the seller over the network or provides access to the communication network, it is not liable in the absence of transmission entrepreneur according to the information transmitted, the recipient of the information and the content of the

transmitted information.⁵ The fifth and finally the last section consists of the final provisions. In this

section, the solutions of the discussions in the field of electronic commerce and the entry into force of the law are included. The final provisions shall be deemed to have entered into force from the date of publication of the law. Debates between participants of electronic commerce can be solved by out-of-court instruments that are not contrary to legislation, especially by using electronic tools. Courts in electronic commerce consider the courts within a set period of time.

The success of Internet marketing is largely dependent on logistic support. Fast, efficient and low cost delivery is the most emphasized feature in sales made either directly on the internet or through physical distribution channels. Considering the speed and ease of use of the Internet, logistics management needs to complete the advantages of the Internet.

In classic trade, there is a loss of orders, a re-order, a re-sending and a cost, time loss, new data entry and thus an increase in customer dissatisfaction. These drawbacks are eliminated by e-commerce.

Internet customer likes the speed, if you have to wait for weeks to order a product, you will never shop again. But since many of these problems are found in many sites, after a few attempts, it will not give up easily after we get the thought that he will reach you in time.

We also make online purchases online with the advancement of technology and every aspect of our lives. As we all know, many large sites do not deliver to Azerbaijan.

That is, we can not order the product we want to purchase on an external site and bring it to our country. There are several companies that offer solutions to this problem. These companies carry your orders to Azerbaijan.

Let's give a little explanation for those who are not familiar with this transportation process. Amazon's example, Amazon does not deliver most of the products to Azerbaijan, and we've found an affordable notebook in Amazon and want to buy it. To do so, we first select one of the following sites and register on

that site. After registering on the site, you will see an address on your profile (address, telephone number, and name) on that site. We then go to amazon.com and order the product, but as the delivery address, we write the address on the site where we registered and we just have to wait. They bring the product from Amazon and deliver it to the store, to the storehouse of that company, and they bring it to Baku. We also go to the office of this company and take our package.

Here are some examples of these companies.

1. Camex.az: The most popular shipping service with offices in Baku, Ganja and Sumgayit. Camex orders orders from the US, UK, Germany, Russia, Hong Kong and UAE.

Camex is the most popular and most customer-owned company, but also the most complaining company. Even in my own order, I have been experiencing a delay of 2-3 weeks. At present, I'm thinking of going to one of the other companies.

2. Starex.az: Company delivers both domestic and international mail parcels. This company is currently registered in Azerbaijan and Turkey and operates in its own offices in both countries.

3. Mover.az: Mover.az employees help order orders from America and Turkey, including sites that do not accept local credit cards for payment, and deliver the bundle within 3-7 business days to the Baku office. Delivery from the United States is carried out once a week, and from Turkey - twice.

4. Kango Express: Sends bundles to Baku within 4-5 business days and sends it to customers every Monday. You can register on the site for free by registering in the US Warehouse and submit your orders on Amazon and other popular or non-popular sites.

5. Ase.az: This company offers a wide range of freight services. It also exports products from online shopping sites, such as other companies to Azerbaijan.

6. Postalon.az: The company offers its users in online stores from USA, Germany and Great Britain. Names are listed on the site. The parcels sent to the

mentioned addresses are sent to Azerbaijan and the buyer receives them from the company's office.

7.Tibiex.com: Any product that is registered on the site and not contradicting the country's laws can be purchased at the address as soon as possible. Once the bags have been imported into the outside warehouse, they go to TibiEx's commitment and are promptly delivered to the office in the country where we live. It is possible to see all the changes in our account, as well as by e-mail.

The development of e-commerce, which has a very high acceleration, will be developed in our country and it will be able to meet the needs of the user. The purpose of this survey is to determine the consumers' reasons for choosing the internet, their expectations from the sites they shop, the problems they have had about shopping.

According to the results of the survey, 7 out of 21 people see the internet shopping as safe, 13 people do not see the internet as secure, 5 people have no idea.

According to the results of the survey, 9 out of 21 people made purchases on the internet. Six out of 21 people didn't shop on the internet and 6 out of 100 people didn't plan to do it in the future.

According to the results of the survey, the most important advantage of online shopping, 21 of the 21 people of the buyer and the seller to bring together to save on transportation costs, 4 of 21 people to save time, 5 people to recognize the price and quality of the answer was answered.

According to the results of the survey, is the quality of the website important when shopping on the internet? 11 of the participants in the question of the quality of the site that attaches great importance to the participants, 6 of the participant give attention to important in the product sold.

Approved by the Azerbaijani President of the Republic of Azerbaijan on 25 August 2008, the Ministry of Economy has been appointed to the implementation of the "State Program for the safe deposit of food with the food products in Azerbaijan in 2008-2015 in the Action Plan on intensifying work in the field of

electronic commerce in Azerbaijan. In order to carry out the performance of this task, it was decided to establish a web portal related to electronic commerce by the Ministry of Economic Development in order to support the free market of businessmen, especially agricultural products producers. This portal is based on the Business to Business model of Azerbaijan as the first electronic commerce portal within the framework of Support to the private sector by the Ministry of Economy of the Republic of Azerbaijan and the International German Cooperation Association. The services provided through the portal enable entrepreneurs to offer their products, expand their business relationships, find new partners and, most importantly, obtain them without cost. Participants in this electronic commercial site have the same rights and the same opportunities regardless of their financial means. The users of the portal are the owners of the capital who accept the operating principles and conditions of the portal, regardless of their activity profile. Users are grouped into two groups as sellers and buyers. Offering all the information in the port in 3 languages (Azerbaijani, English and Russian) provides a wide range of possibilities for users.

The goal is to support the establishment of business relations and to provide free access to the markets by providing local business representatives, their products and services to potential buyers. For this purpose, the portal fulfills the following functions:

1. Informative: Information about the products (services) of the entrepreneurs and their conditions of sale is communicated to the related parties through the portal.

2. Coordination: Portal users can share information with each other through the portal's message service.

3. Direction: Through the analytical block of the portal, the analytical material required for the business activities of the entrepreneurs is presented.

Regardless of the area of activity, all capital owners may become members to use the services of the portal. For this, it is sufficient to fill in the form in the registration section of the portal and become a member. After that, the system is

checked by the controller and access to the portal is allowed. With this, users have access to the portal free of charge, gain the right to access their products (services) and access to the information sources provided (http://b2b.az/index.php?option=com_content&view=article&id=17&Itemid)

CHAPTER 3. THE RESULTS OF E-COMMERCE DEVELOPMENT ON THE WORLD

3.1. Effects Of E-Commerce Development Of World Economy

The World Trade Organization (WTO) is characterized as a forum to liberalize trade in goods and services by removing barriers between countries, to develop new rules in trade-related areas and to establish binding agreements between countries. The main objective of the system is to provide liberal, safe and predictable access to foreigners. The system guarantees the free movement of goods and services to enterprises and provides international marketing opportunities under the conditions of interruption caused by sudden restriction and equitable competitive conditions (Haroon, 2000). The WTO system consists of the Multilateral Agreements on Trade in Goods, the General Agreement on Trade in Services (GATS) and the Intellectual Property Rights Treaties (TRIPS) on Trade in Goods, including the Customs Tariffs and General Trade Agreement (GATT 1994) and its subsidiary agreements.

The WTO also deals with e-commerce arrangements. Topics covered in this context are basically reviewed in 7 headings (Haroon, 2000):

1. The first issue relates to the infrastructure requirements for e-commerce. This focuses on the outcome of the WTO negotiations aimed at liberalizing the trade of information technology products and basic telecommunications services, and also discusses the scope of internet access services in the commitments of GATS members.

2. Secondly, the tasks of the United States and the European Union affecting the transactions on the internet, the WTO General Council's proposal for customs operations of electronic publications and the electronic transmission of customs information about the transport of electronic products, including the subject of market access issues.

3. Third, to look at the results achieved through trade liberalization commitments under the GATS in areas apparently most prominent in electronic commerce.

4. Fourth, the role of the WTO in facilitating trade emphasizes the ways in which the Internet and Electronic Data Interchange (EDI) simplify trade and customs administration.

5. The fifth examines ways of transforming the traditional approach to e-commerce through governmental use of electronic technologies. This issue is linked to the multilateral WTO Agreement for State Aids.

6. The sixth issues include trade-related aspects of intellectual property rights, agreements on trade-related aspects of Intellectual Property Rights (TRAITS), and copyright and related rights for the development of e-commerce in the future, trademarks and the importance of protecting domain names.

7. In the seventh and last issue, e-commerce related regulatory issues and privacy issues are examined.

E-Commerce cannot be made without access to two basic components. The first is the necessary hardware and software, and the second is the networks. Access to the necessary infrastructure for e-commerce must in part be subject to certain WTO rules and specific market access commitments.

In order to expand the trade capabilities of Small and Medium-Sized Enterprises (SMEs) around the world, to reduce barriers and make it easier for the SMEs, 2016 B20 is the President of the Special Task Force on the development of SMEs and the Chairman and Founder of Alibaba Group Jack Ma was established by.

The international electronic trading platform helps SMEs overcome complex regulations, processes and barriers that hinder their participation in global trade. The benefits of increased trade and globalization have not yet reached developing countries and small businesses. From this point of view, the international electronic commerce platform aims to help companies and developing countries who are not fully aware of the trade potential.

The international electronic trading platform has been established not to replace the World Trade Organization (WTO), but to complete its activities. Jack Ma, the founder of the platform, sees this platform as a natural and optimal complement to the World trade organization, which has encouraged a more integrated global economy through agreements that reduce trade barriers over the past two decades. eWTP's vision is that it will be driven by businesses with the support of governments. Businesses can create virtual free trade zones for e-commerce, while governments can create virtual free trade zones for small businesses. These e-centers will help small businesses in one country to sell to consumers in another country through fast customs clearance and logistic access, and eWTP is the '. However, important challenges remain. Some of the biggest barriers to cross-border trade are the diversity of market-specific regulations that products must comply with, the burdensome customs procedures, access to logistics and finance.

General Agreement on Tariffs and Trade. In 1947, this agreement was accepted at the international conference in Geneva and at the same time it became an organization operating on the basis of this agreement. It's a multilateral agreement. In 1948, he started to carry out his activities seriously. The WTO was established in 1947, which includes all the rules and principles of the GATT. As of January 1995, the GATT agreement was also included in its structure. The goal of the GATT agreement is to increase the welfare level throughout the world, to improve trade and economic relations between countries, and to support the developing countries and ensure their participation in global trade. According to the agreement, it is necessary to act equitably in the approach to countries and not to discriminate. It also applies to this product. In other words, the rules applied to both, whether domestic products or foreign, should be similar. There have been 8 sessions within the framework of GATT agreement. Five of these took place in Switzerland and the rest were in France, England and Uruguay. In 1994, the revised GATT agreement was named the new GATT. This agreement, which was created as a result of the regulations, contains more topics than the previous one.

For example, copyrights not included in the first GATT agreement, investment in trade, trade strategies and other new concepts have come up in the new GATT framework.

The WTO Agreement is implemented in four sub-headings. Annex 1 deals with Trade in Goods and Services, Intellectual Property Rights and Counterfeit Trade. Appendix 2, Dispute Resolution Rules and Regulations. Annex 3 refers to Surveillance Trade Policy Mechanisms. Annex 4; Civil Air Vehicles Trade Agreement, State Purchase Agreement, International Dairy Products Regulation and Meat Meat Regulations. The signatory country is deemed to have automatically signed annexes 1, 2 and 3, but additional signature is required for annex 4. (<http://ticaretokulu.blogspot.com/2007/10/gatt-ve-dt.html>, 19.05.2017)

General Agreement on Trade in Services. Although the GATS agreement, which helped them to reach the market and gave them legal validity, was signed in the GATT agreement as a result of long-term discussions between 1985-1995. Since 1995, the WTO has started to host both of them (GATT and GATS). GATS has been continuously developed since its establishment. Even if the foundation stones did not give up, some new provisions were added and removed as a result of various changing conditions. The agreement also deals with what should be done in cases of infringement. That is, if the party publishes the agreement after accepting any of its obligations, the other party may complain to the Arbitration Board of WTO.

Some rules and provisions used in the MAI (Multilateral Agreement on Investment) agreement are also included in the GATS. Here are some of them:

- Care should be taken to apply the same treatment for foreign and domestic investors.
- Equalist approach should be presented in terms of investment and trade opportunities applied between various countries.
- Parties that do not comply with the above two provisions have the same arbitration rules as the MAI Agreement (<http://www.antimai.org/bn/bnpinargats.Htm>, 19.05.2017).

The foreign exchange market refers to the physical and institutional structure in which a country's money is replaced by the money of another country. In this market, the exchange rate between currencies is determined and foreign exchange transactions are completed physically. Foreign exchange trading means that a certain amount is given to another currency in a certain ratio between the buyer and the seller. The foreign exchange market is a mechanism that minimizes the market and exchange rate risk in which a company transfers its purchasing power from one country to another and provides loans in international trade transactions. In these markets, the units we define as foreign exchange market participants are active:

1. Foreign Exchange Vendor: These sellers buy and sell foreign currency at a higher price. The worldwide competition among foreign exchange sellers narrows the gap between foreign exchange buying and selling prices and thus contributes to making the foreign exchange market more efficient in the same way as securities markets.

2. Commercial and investment transaction participants: Importers and exporters, international portfolio investors, multinational companies, tourists and b. this is during the participants. Some of them use the foreign exchange market to facilitate the execution of commercial and investment transactions, while others use them to hedge their foreign exchange risk.

3. Speculators and arbitrageurs: Speculators and arbitrageurs are trying to gain from the trade in the market. Speculators seek profits from exchange rate changes. Arbitragemen are trying to gain from foreign exchange differences in different markets.

4. Central Banks and Treasures: Central banks and treasures not only influence their foreign exchange price but also use the market to obtain or spend their foreign exchange reserves. However, the central banks and treasures differ from all other market participants.

5. Foreign exchange brokers: Foreign exchange brokers are agents that facilitate trade between dealers even if they are not their parent company. For this

service, they demand a small commission and keep hundreds of dealers access through open phone lines. It is the job of a broker to know which dealer wants to buy and sell which currency at any time.

The transactions performed in the foreign exchange market can be considered in the following three headings:

1. Spot processing - A spot transaction requires immediate exchange delivery. In the interbank market, the spot transaction includes the purchase of a foreign exchange with the delivery and the payment between banks. Spot transactions are the most important transaction type of the foreign exchange market. 43% of all transactions in the market are spot transactions.

2. Forward Transactions - Forward or forward transactions are the transactions to which the maturity, price and amount of any goods that will be delivered at a later date are determined by the contract and are contracted. Forward exchange rates can be determined for one, two, three, six and twelve month periods. Time transactions constitute only 9% of all foreign exchange transactions.

3. Swap transactions - The purchase or sale of certain amounts of foreign currency in a single transaction, subject to different maturities at the same time. The reason why a person is doing such a transaction is to invest in a foreign currency by exporting foreign currencies abroad and to benefit from the high interest rates there, but in doing so, to protect himself against a fall in the price of the currency. Swap transactions account for approximately 48% of all foreign exchange transactions.

(<http://www.colorado.edu/Economics/courses/boileau/4999/sec3.PDF>,access 27.03.2017)

3.2. Developments In E-Commerce In Various Countries

First of all, the internet and electronic commerce, which emerge from North American countries such as USA and Canada, is also the biggest development in these countries. These countries benefit from the advantages of being in the first

place and in the current state of electronic commerce in every field and direct the future of this type of trade.

G-7 Countries and the United States (USA). In the G7 countries, it is undeniable that the United States is a leader in electronic commerce. The US government supports private sector studies and eliminates limitations. The Global Market for Global SMEs ticaret project, which is being implemented as a G7 Pilot Project, deals with the advantages and necessity of electronic commerce for SMEs.

G7 countries are generally fueling e-commerce with their own infrastructures, creating strong control to prevent tax impulses, improving the security infrastructure, legal arrangements and local practices. The G7 organization understands and understands that information and commercial transactions should be secured in terms of security and legal regulations. (Çak, 2002)

The United States is one of the most active and comprehensive employees of the world in electronic commerce and in this context. The importance given to science and technology in the United States has led to the allocation of resources and the birth of the Internet in this country. As a consequence of this, the USA was the most used country in electronic commerce. Of course, one of the most important factors behind the strong US economy is the world's largest economy and the level of success in information and communication technologies that exceed expectations in recent years, the trend towards working with computers and the widespread use of the Internet in all areas.

The principles of government policy in the United States of America in the communications sector are as follows:

1. Encouraging private sector investments through the privatization of state-controlled telecom companies;

2. Ensuring competition for monopoly telephone markets; ensuring that communications are at fair prices; opening foreign investors to markets; and strengthening antitrust applications; (3) flexible, competitive together with technological development. establishing an independent regulatory framework. In this context, policy makers of every country are trying to provide a sense of trust in

efficient and secure electronic commerce systems and take care to create a viable infrastructure. (Kuşçu, 2010)

Australia. When it comes to electronic commerce in Australia, only the monetary benefits it brings are not considered. In this country, great attention to technology, the adoption of modern technologies, and the emphasis on these courses in educational institutions also naturally have a positive effect on the development of electronic commerce. There are a large number of agencies involved in electronic commerce in Australia. One of the most important projects resulting from the collaboration of these institutions is the realization of all public procurement services in virtual environments. The Australian government also controls the activities of the "Tradegate", which is responsible for electronic reporting activities. This organization mainly establishes electronic relations between exporters and importers and Australian customs (Çak, 2002).

Japan. Electronic Commerce Promotion Council of Japan (ECOM) is the organization that supports the organization of activities in this area in Japan (Çak, 2002). ECOM develops applications in all matters related to electronic commerce, exposes errors and researches possible solutions by helping them in this area.

Japan is acting in the future for e-commerce. For this reason, ensuring security in electronic commerce and investigating the different sides of it are the most important issues for the country. To reach this goal again ECOM says its own. Many units operating under the scope of ECOM carry out extensive activities in this regard.

Singapore. Singapore Network Service in Singapore provides services within the framework of the activities of the ECOM organization in Japan. The main objective of this institution's activities is to provide a sustainable competitive power in the area of Singapore trade. Singapore Network Service aims to be able to perform import and export operations for traders through computers with Trade-net service.

Singapore is the world's fastest shipment of goods. There are important studies of different public institutions in achieving this level. In this way, the

duration of customs clearance of the goods imported to the country has been minimized. The success of such a success has a great meaning for a small country such as Singapore.

Brazil. There are two very important problems that Brazil has to deal with in electronic commerce. The first one is the fact that cooperation between the state and the private sector cannot be established on the basis of e-commerce applications in the country. has started in the banking sector. The other is that no central unit for electronic commerce is still established. In Brazil, e-commerce activities mainly cover the banking sector. Even though electronic transactions are carried out in banks, electronic data processing standards have not been complied with in the country even today. There is liberalization in the field of telecommunications. Efforts are underway to shift to the standards of electron data processing in customs. The establishment of the legal infrastructure of electronic commerce also seems to be delayed. And this is an important problem for the country. To sum up, the Brazilian government still lags behind world standards on electronic commerce and is not in a competitive position. In this context, it is necessary to take big steps in order to eliminate the missing points .

3.3. International e-commerce portals

A lot of advantages in the Internet world began to attract the interest of companies and pushed them to carry their own activities to the electronic environment. Nowadays, there are a few giant e-commerce companies that have proven themselves in this field and stand out among their rivals. Below is information about some of the companies that are making big money in e-commerce sector.

E-Bay. Was founded in 1995 by Pierre Omidyar. EBay, which started its activities as an auction site in the beginning, started its first activity with a damaged laser device. Omidyar used the name versiyon AuctionWeb min until 1997 and from this year on, Echo Bay Technology, the name of the site, was selected as the abbreviated version of the company name.

EBay C2C, which has a value of 68.9 billion dollars and a workforce of 36500, is an American-based company that performs its activities on the basis of B2C models. (International Journal of Scientific Research, 2017: 38). Ebay opened to the world in 1999 and started to operate in England, Austria and Germany.

Since 2010, eBay has developed a new mobile application compatible with the smartphone. On the same day, eBay has been able to be one of the most successful companies in the virtual environment. He is still strengthening his position by continuing to innovate.

Alibaba. Alibaba is a Chinese-based company established in 1999 and its founder is Jack Ma. It is an e-commerce business based on the world's largest B2B model. Alibaba supports import and export in China and worldwide, and acts as an intermediary in foreign trade transactions. (International Journal of Scientific Research, 2017).

The site has been operating in six different languages since 2008. The site, which operates in approximately 200 countries, has more than 15 million users. At the same time the site offers products in 27 different product categories. Buyers from all over the world can easily access the portal and benefit from the convenience provided by a thousand. Alibaba is the portal with the highest trading volume among all e-stores in China. When the statistics are analyzed, it is seen that Alibaba has a market share of 53.5%. The main reason behind this success is Alibaba's trust and ease to its users. The portal itself has a payment system called Alipay. At the same time, a tool called My Alibaba is used for the convenience of the members. Tad Trade Manager "helps the information exchange process between buyers and sellers. Alibaba does not need extra human resources in its operations, which in turn reduces transaction costs. By taking advantage of this and other advantages, Alibaba is improving its situation day by day and taking advantage of being the most preferred B2B marketplace in the world.

(<https://www.slideshare.net/ahmetsonmez37/e-ticaret-sektrnde-giriimcilik>, 2017)

Amazon. Amazon is one of the most known and first-tailed e-commerce sites worldwide. The site, named after the Amazon River, was founded in 1994 by Jeff

Bezos. First of all, he started his own business as an online book house and now sells many products from A to Z to make a name for himself. Amazon, which is the largest river in the world, is the largest on its own, and according to Bezos, the Amazon site would be one of the biggest in its field. In fact, we can say that it has reached its desired goal. The company has started to provide services since 1995. Amazon is not only a shopping site, but also a social environment where people share their ideas and ideas. In 1998, 10 different products were added to the product list. Amazon is currently continuing its efforts to become one of the most known electron sellers in the world.

(<https://www.slideshare.net/ahmetsonmez37/e-ticaret-sektrnde-giriimcilik>,2017)

JD.com. JD.com, or Jingdong Mall, is an electronic trading company based in Beijing, China. The transaction volume in China is one of the largest online B2C dealers. With the English version in 2012, it has started to sell all over the world. The company was established in 1998 by Liu Qiangdong and entered the online service in 2004 as the B2C platform first. First, the company that sells magnetic optical disc, then expanded its product range with other products such as electronic products, mobile phones, computers. Jingdong Mall was established in 2007 as 360buy.com; In 2013, it changed to JD.com. One of its biggest competitors was Alibaba.com. The net current value is 6.1 billion dollars and the number of employees is 62,061 (ISPN, 2017)

On 12 August 2015, there are 118 million active users. Between the years of 2013-2014, it grew by 104%. He is one of the biggest players of mobile e-commerce. In August 2014, it reached 13 million 466 thousand monthly active users.

Walmart. WallMart Stores, Inc. The Center is a multinational American company in Bentonville, Arkansas, USA, where discount-oriented stores are managed. It was founded in 1962 by Sam Walton (online service start-up year 2000). According to the Fortune Global 500 list, WalMart is the world's largest company in terms of revenue. It also has the highest number of employees. Her

biggest rival is Amazon. The net current value is USD 144.7 billion and the number of employees is 1.4 million.

Four of the 10 richest Americans in the world are from the Walton family. According to the Bloomberg Billionaires Index, each has more than \$ 30 billion in wealth. Walmart is the US's largest grocery store. 56% of its 279 billion dollars of revenue is obtained from wholesale stores.

OTTO Group. Otto Group (formerly Otto Versand) is one of the biggest players in the world of e-commerce. It was founded in 1949 by Michael Otto. The company's headquarters are located in Germany and France, but continue operations in more than 20 countries. The company started with 28 kinds of handmade shoe catalogs and started to make telephone orders after 1963 and opened its online store in 1995. Nowadays, the company's main product categories include fashion and lifestyle products with a net worth of \$ 16.6 billion and over 50,000 employees. The biggest rival is known as Amazon. Otto Group, the world's largest in the fashion and lifestyle categories, as well as the world's second largest dealer after Amazon. Otto Group, with the motto /2 Trust for Trust e-, is the company that makes payment by the -10 mail order -10 method by paying the first invoice in the world (<http://www.webmasto.com/dunyanin-enbuyuk-10-e-traveling-company/2> accessed 18.02.2017).

Tesco. The co-founder of Jack Cohen, UK-based Tesco PLC, is a multinational company that sells more food and operates as a chain of markets. It is the world's third largest and most profitable retailer. Net value of 7.071 billion euros, online revenue of 83 million euros, the company has over 500,000 employees and more than 6,000 employees in the market of 6,800 stores have more than 500 thousand employees. This is approximately as much as the population of Luxembourg. In 2007, one out of every seven pounds spent in the UK was spent on Tesco (International Journal of Scientific Research, 2017).

BestBuy. Best Buy is a multinational American company that sells under consumer electronics. The company was founded in 1966 by Richard M. Schulze and Gary Smoliak. At first, the company made sales on sound systems and

changed its name in 1983 and expanded its product range within the scope of consumer electronics. BestBuy, whose net value is 13.5 billion dollars and the number of employees is 125.00, became the first company to sell LaserDiscs, the first optical disc storage medium to be used commercially (International Journal of Scientific Research, 2017).

Electronic commerce means doing business electronically. Includes electronic processing and transmission of written text, audio, video format data. Electronic commerce includes many messy activities. These include electronic exchanges of goods and services, instant presentation of digital content, public procurement, direct consumer marketing, and after-sales services. Electronic commerce covers all types of goods and services. Electronic commerce covers a range of different activities, including traditional activities and new events.

CONCLUSION

In the long adventure of humanity from the most primitive to the 21st century, mass media also developed over time. With the development of technology, the means of communication that have developed over time have eliminated the concepts of time and space and gathered people in every corner of the world in a common network.

The rapid development of the Internet has affected all areas as well as a transformation in trade and the concept of e-commerce has emerged.

As a result of the widespread use of the Internet, companies have rapidly turned to electronic commerce in order to provide services on the internet. Trade via the internet has entered a rapid upward trend and a significant portion of world trade is expected to be made through e-commerce in the near future. Today, the biggest obstacle to e-commerce is the concerns arising from the problems that may arise in terms of security.

The legal and social infrastructure for the development of electronic commerce in Azerbaijan is not yet at the desired level. The most important factors for a business enterprise to operate in the country are the establishment of the image of the enterprise in the public sector, and the dismantling of the relations between the state and this enterprise and other inter-enterprise, enterprise and consumer-enterprise and the state. There is no infrastructure to accept such a legal basis as the economic activity of electronic commerce enterprises. In order to achieve improvement in this area, it is primarily to ensure that people trust the businesses operating in this field, and this can be done by regulating the relations of the state legally.

Electronic commerce is a development that provides opportunities for more efficient use of resources in macro and micro economic units in developing countries. Developing countries' assessment of these opportunities depends on the abolition and promotion of legal and institutional barriers to electronic commerce. Developed countries, especially the USA, are a few steps ahead of developing

countries in electronic commerce and tend to maintain these advantages. Therefore, a challenging race awaits developing countries as they are in every issue.

The only way to make progress in this field is to implement the models of world leaders in Electronic Commerce. For example, the United States, the Chinese People's Cümhuriyyeti. The rise in the e-commerce sector in these countries was the result of joint specialization in business management sciences, technology development and innovation. In Azerbaijan, if the local e-commerce enterprises are to specialize in the same way, they may have the largest electronic commerce market in the Caucasus region in the next 5-10 years.

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