ინოვაციური ეკონომიკა - INNOVATIVE ECONOMY

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PROBLEMS AND PROSPECTS OF E-STORES DEVELOPMENT IN GEORGIA

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ეკონომიკის დოქტორი, პროფესორი, ბათუმის შოთა რუსთაველის სახელმწიფო უნივერსიტეტი

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Abstract

The article presents the Electronic-business development trends in the world. It also provides Georgian Electronic Stores in the classification depending on the types of goods and services. The paper deals with development problems of Georgian electronic stores. The creation of the Internet network, and rapid development of information technology, systems and advancing their interactions led new directions formation of E-business. Business activity in the Internet is much effective than traditional business activities. For companies, operating business using the internet means transferring the business activities in the electronic network. The company uses traditional methods by using e-business and adds them virtual opportunities. Major direction of E-business are electronic stores, which largely determine its development and growth dynamics. It should be noted that the development of electronic stores in Georgia is revealed by its problems related signs, when around developed countries, namely the United States and the European Union it is defined by the accumulation of experiences and achievements in the context of the analysis.

Keywords: e-stores, e-business, technologies, communication, mobile device.

ანოტაცია

სტატიაში განხილულია მსოფლიოში ელექტრონული ბიზნესის განვითარების ტენდენციები. ასევე მოყვანილია ქართული ელექტრონული მაღაზიების კლასიფიკაცია საქონლისა და მომსახურების სახეობების მიხედვით. სტატიაში განვიხილავთ ქართული ელექტრონული მაღაზიების განვითარების პრობლემებს. ინტერნეტის ქსელის შექმნამ და სწრაფმა განვითარებამ, ინფორმაციული ტექნოლოგიების, სისტემების, მათი ურთიერთქმედებების სრულყოფამ საწყისი მისცა ახალი მიმართულების- ელექტრონული ბიზნესის წარმოქმნას. ბიზნესის წარმოება ინტერნეტის გამოყენებით გაცილებით ეფექტურია ტრადიციული გზით ოპერირებსთან შედარებით. კომპანიისთვის ბიზნესის წარმოება ინტერნეტში წარმოადგენს საქმიანი აქტივობის ნაწილის გადატანას ელექტრონულ ქსელში, ე.ი. კომპანია იყენებს რა ბიზნესის ტრადიციულ ხერხებს ელექტრონული ბიზნესის მეშეეობით ამატებს მათ ვირტუალურ შესაძლებლობებს. ელექტრონული ბიზნესის უმთავრესი მიმართულებაა ელექტრონული მაღაზიების შექმნა, რომლებიც მნიშვნელოვანწილად განსაზღვრავენ მის განვითარებას და ზრდის დინამიკას.

საკვანძო სიტყვები: ელექტრონული მაღაზიები, ელექტრონული ბიზნესი, ტექნოლოგიები, კომუნიკაცია, მობილური მოწყობილობა.

During the E-business development, in information technology and economic fields latest innovative approaches are emerging. In the developed countries of the world, powerful stimulus of their socio-economic development is an e-business. According to the consulting company Forrester Inc, in the United States in 2012 internet sales amounted to 226 Billion dollars, while in 2016 they grew by 45% and reached to 327Billion dollars [1].

It is noteworthy that the world e-business market is rapidly changing. First in Georgia electronic stores prototypes appeared in 2001 but then, it was just e-business development efforts in the country and most of them were limited to advertisements for trade. Georgia currently has about 350 electronic store. Unfortunately, user activity is observed only in some store, which has many different types of activity problem. Customers don't visit the rest of the Georgian electronic stores or visits once a week.

In Georgia, a major online trade directions are: Electronic devices (computers, mobile phones), automobiles, clothing, shoes and software. We can divide electronic stores problems in two groups:

- An information communication technology development problems.
- 2. Functioning problems of the existing electronic stores.

From the first groups problems we can distinguish the following major factors:

Problems.

• In Georgia, lack of the number of Internet users. In Georgia, only 45% of the population is an internet user. At the same time, most of the users visits the network for entertainment and not for any products or services purchase purpose [4, p.244].

• Low purchasing power of the population.

It is necessary to increase Georgian population revenue and the middle class formation. Nowadays, in Georgia gross domestic product per capita is 5450 USD and with this indicator it occupies the 111th place between the world's 181 countries. This figure is twice smaller than the world's GDP per capita average which amounts 10 700 USD [3].

• Enterprises, organizations and households Computerization and a low level of an internet access.

In terms of internet penetration there is an obvious inconsistencies between Georgia's great cities and rural population. Only 7% of rural residents are accessing the internet daily. 6% access internet at least once a week are included, while in Tbilisi 46% of the population accesses the net daily. In regions low level internet penetration due to the difficult access to the internet providers, service price and connection speed [1].

Poor development of information and communication infrastructure.

This problem is particularly acute in the regions of Georgia. In Georgia only 10.1% of Internet connections are broadband access and speed is more than $4~\mathrm{MB}$ / sec. Basically, local population of Tbilisi has a high-speed fiber-optic Internet connection.

Low level of computer skills of Georgian population.

Use of the Internet for communication and information needs knowledge of the basics. The main obstacle to the use computer for users in Georgia is the lack of skills. More than half (57%) of Georgian population above 18 years of age do not have any basic knowledge for computer use.

Absence of e-business legislation base.

Legislative authority of Georgia adopted a law about "the electronic signature and electronic document" on March 14, 2008. However, so far not received any other significant legal documents, such as: The law about "Electronic commerce", law about "Electronic transactions", which actually create the legal environment in which should be smoothly and successfully developed ecommerce.

 Lack of specialists and experts in the field of ebusiness.

E-business as an independent training of specialists, represents interdisciplinary direction, which arose as a result of the development of information and communication technologies and reflects existing a sustainable trend of the transferring the different spheres of human activity to the electronic environment. Specialists of this sector must have a deep knowledge and practical skills, as information and communication technologies, as well as in the business field. To develop e-business in Georgia it is important that in the country's leading universities to introduce an e-business master's and doctoral programs.

The second group of problems can be divided into 3 factors:

Informational factors

- 1. Low quality images of products in electronic stores.
- 2. Scanning technology (virtual check) and Product seeing technology (3D format) absence.
- 3. Incomplete information about product delivery and payment methods.
- 4. Incomplete information about products and services.
- 5. Various feedback mechanisms (blogs, forums) absence.

Service factors

- 1. The absence of the ordered product in stock.
- 2. Product delivery date violation.
- 3. Commercial point absence, from where the product could be brought.
- 4. Internet store absence in search engine.

Technical factors

- Navigation system complexity on the store website.
- 2. Not working links.
- 3. Low speed of internet store loading from server.
- 4. Poor usability of web site of electronic stores, which distorts potential buyer online attraction.

Subjective factors that impede the development of electronic stores In Georgia, it should be noted the Inter-

net users low confidence and psychological unpreparedness to purchase products via the Internet.

In our opinion, the main directions of Georgian estores development is exclusive and offer unique products in the world online users. Also it is very promising for the development of mobile commerce In Georgia.

Nowadays, in the world one of the most important trend is purchasing by mobile devices. For their owners are created various applications for Android and iOS's bases, which are available in tablets and smartphones from the electronic stores. In the US, 20% of purchase is developed by mobile devices. In Georgia, buyers are also ready to enjoy the same service, but Georgian internet stores do not have a mobile client systems.

E-business share in Georgian economy is very small. It can be said that in Georgia Electronic business is still

in its early stage of development. Unfortunately, adequate attention is not paid to the development neither government agencies nor the business sector. In fact, in Georgian reality, there is not any a well-known e-business projects implemented. It should be noted that the development of electronic stores in Georgia is revealed by its problems related signs, when around developed countries, namely the United States and the European Union it is defined by the accumulation of experiences and achievements in the context of the analysis. In Georgia it is necessary to popularize electronic stores, already existing internet store strategies change and to gain Georgian online customers trust. Electronic stores development and the world's leading trends and experience sharing and quick implementation are needed.

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