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Diploma Thesis

Effect of e-commerce on small-sized companies in the Czech Republic

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Declaration

I declare that I have worked on my diploma thesis titled " Effect of e-commerce on small-sized companies in the Czech Republic" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the diploma thesis, I declare that the thesis does not break any copyrights.

In Prague on date of submission

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Abstract

In modern conditions, one of the most important areas in the development of the regional economy is e-commerce. E-commerce is rapidly gaining momentum in the economic sphere, which very quickly penetrates into all areas of human activity. Currently, e-commerce is in a stage of intensive growth, which will continue for several years. It includes electronic data interchange, electronic money transfer, electronic commerce, electronic payment systems, electronic marketing, electronic banking and electronic insurance services.

The economy, today, is focused on using the latest productive technologies and mastering the achievements of scientific ideas. New trends contribute to the emergence of an information environment that is replacing the traditional economy. Within the framework of such realities, the economic side of the life of society is subject not only to changes in its content, the need for modernization is realized, including in virtual reality.

The purpose of the thesis is development of directions for improving the use of e-commerce tools in the activities of small businesses in the Czech Republic.

In accordance with the set goal, the following tasks are solved in the work:

- study the theoretical aspects of e-commerce;
- conduct a study on the impact of e-commerce on small business activities in the Czech Republic;
- assess the impact of e-commerce on small businesses in the Czech Republic.

Keywords: e-commerce, economy, impact, project, e-commerce companies, Czech Republic, small businesses.

Vliv elektronického obchodu na malé podniky v České Republice

Abstrakt

V moderních podmínkách je jednou z nejdůležitějších oblastí rozvoje regionální ekonomiky elektronický obchod. Elektronický obchod rychle získává na síle v ekonomické sféře, která velmi rychle proniká do všech oblastí lidské činnosti. V současné době je elektronický obchod ve fázi intenzivního růstu, který bude trvat několik let. Zahrnuje elektronickou výměnu dat, elektronický převod peněz, elektronický obchod, elektronické platební systémy, elektronický marketing, elektronické bankovníctví a elektronické pojišťovací služby. Ekonomika se dnes zaměřuje na využívání nejnovějších produktivních technologií a na zvládnání výsledků vědeckých myšlenek. Nové trendy přispívají ke vzniku informačního prostředí, které nahrazuje tradiční ekonomiku.

V rámci těchto realit je ekonomická stránka života společnosti vystavena nejen změnám jejího obsahu, je realizována potřeba modernizace, včetně virtuální reality. Účelem diplomové práce je vývoj směrů pro zlepšení využívání nástrojů elektronického obchodování při činnosti malých podniků v České Republice. V souladu se stanoveným cílem jsou v práci řešeny tyto úkoly:

- Studovat teoretické aspekty elektronického obchodování
- Provést studii o dopadu elektronického obchodu na aktivity malého

Podnikání a posoudit dopad elektronického obchodu na malé podniky v České Republice.

Klíčová slova: elektronický obchod, ekonomika, dopad, projekt, společnosti elektronického obchodování, Česká republika, malé podniky.

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1. Introduction

The relevance of research. In modern conditions, one of the most important areas in the development of the regional economy is e-commerce. E-commerce is rapidly gaining momentum in the economic sphere, which very quickly penetrates into all areas of human activity. Currently, e-commerce is in a stage of intensive growth, which will continue for several years. It includes electronic data interchange, electronic money transfer, electronic commerce, electronic payment systems, electronic marketing, electronic banking and electronic insurance services.

The economy, today, is focused on using the latest productive technologies and mastering the achievements of scientific ideas. New trends contribute to the emergence of an information environment that is replacing the traditional economy. Within the framework of such realities, the economic side of the life of society is subject not only to changes in its content, the need for modernization is realized, including in virtual reality [1].

One of the first authors who paid due attention to the theoretical side of the issue, and who created the first definition of e-commerce, is the American economist David Kozier. He is a researcher looking at e-commerce using the example of e-commerce. D. Kozier considers the structure of traditional trade to be the basis of e-commerce, specifying that the use of electronic networks gives it flexibility. He believes that e-commerce and e-commerce are of equal importance. At the same time, L.S. Klimchenya defines e-commerce as an integral part of e-business, and describes e-commerce as an integral part of e-commerce [3].

O. A. Kobelev considers e-commerce to be the main and very important part of e-commerce, describing it as "entrepreneurial activity to carry out commercial transactions using electronic means of data exchange."

E-commerce as an Internet trade is considered by Western economists such as D. Amory, I. Goldovsky: "E-commerce means the sale of goods, in which at least the organization of demand for goods is carried out via the Internet."

S.V. Pirogov speaks of e-commerce as "a technology for performing commercial transactions and managing production processes using electronic means of data exchange."

In the scientific community, today, there is no single point of view on what areas of human activity should be included in the concept of "electronic commerce". As a rule, it is strongly associated with trading operations carried out via the Internet. A broader approach assumes that the concept of "electronic commerce" refers to any transaction on the transfer of ownership or the right to use goods and services, made through the use of electronic means of communication. A feature of transactions made through the network - the Internet is the identity of the electronic signature and similar accounting documents on paper [2].

E-commerce is an integral part of the modern economy. The Internet offers customers more and more opportunities to purchase goods and services, and commercial organizations are increasing their presence in this network when doing business. Total global sales in the consumer e-commerce segment alone surpassed the \$ 3 trillion mark in 2019. dollars and is characterized by steady growth.

The e-commerce market in Europe reached 900 billion euros in 2019, Russia ranked fifth in terms of the e-commerce market after the UK, Germany, France and Spain, while the share of Czech Republic amounted to about 10.3 billion euros in 2019 with an increase 35 % compared to 2018. These numbers show that the e-commerce phenomenon has very bright prospects.

E-commerce as a type of activity gives companies an advantage over competitors by minimizing the time and cost of transactions. Let's highlight the main criteria for e-commerce:

- the use of modern electronic payment systems as analogues of real money;
- transactions are carried out through the use of modern information technologies;

- uniformity of operations performed by the user and the possibility of measurements and auditing by a provider or a third-party organization;
- property rights and assets are in both traditional and digital electronic forms [4].

At present, such types of e-commerce as trade in all kinds of audio-media content, provision of information and reference services, online stores and provision of banking services have gained the greatest popularity [5].

Taking into account the Czech Republic reality, it is possible to identify the main obstacles to the development of e-commerce:

- a limited circle of Internet users in Czech Republic, many of them prefer to shop in regular stores;
- oversaturation of Internet sites contributes to the loss of potential customers;
- security of financial transactions;
- confidentiality of information;
- poor staffing of Internet specialists - marketing and advertising professionals affects the poor quality of their services.

The success of projects in the field of e-commerce is determined by the level of development of telecommunications in the country and the availability of access to the Internet for the majority of the population. According to these indicators, Czech Republic companies are only slightly behind those of foreign corporations.

Several companies have started developing web applications specifically for mobile Internet users. This entails the creation of simplified web pages that allow customers to find what they are looking for. Because these pages are easier to navigate than regular web pages and can be accessed from almost anywhere, some projections say that the mobile web will become a powerful e-commerce tool.

Despite a growing number of successful e-commerce companies, a large number of websites do not live to see their potential. This is due to two main reasons. Firstly, most websites offer a truncated e-commerce model, which means they don't give the customer the opportunity to complete the entire sales cycle. The sales cycle has four phases. First, consumers ask questions about the product they want to buy. Second, they collect and compare responses. Third, the user makes a purchase decision. If a purchase is made, then the fourth phase begins - the formation of a payment order and execution (delivery of goods or services). The problem is, many websites don't provide enough information or options for all four phases. For example, a site can provide answers about a product, but does not answer the questions that the consumer has in mind. In other cases, the consumer is informed of where and what he wants to make a purchase, but is not given an adequate variety of payment options.

The second problem arises when efforts are not properly integrated into the corporate organization. In most companies, e-commerce is viewed as part of an information system rather than a business function. This is a major source of disruption because the employees who actually make the products and services are not directly responsible for their online sales. One promising trend is that more and more companies are beginning to decentralize power in order to separate online stores into a separate business unit, so that store employees are responsible for selling within the corporate network.

E-commerce has been developing rapidly in recent years, more and more electronic payment systems appear, such as Yandex Money, Webmoney, Qiwi. An increasing number of citizens are using cashless payments instead of cash. Already now there is an active campaign on the part of banks, encouraging them to make purchases using their electronic cards, offering various bonuses for this. Perhaps, in the future, the need for cash will disappear altogether, and any person will be able to purchase and pay for goods and services he needs using specialized web services, and money will exist only in electronic form.

Three European countries account for the largest volume of the online trading market: Great Britain, Germany and France, but the countries of Eastern Europe are also developing rapidly.

Ecomhub presented the most popular European marketplaces:

1. Allegro

Allegro is the largest Polish marketplace and number five on the list of the most visited online markets in Europe. With 13 million active users, Allegro is a good opportunity for B2C brands and professional resellers to enter Poland's thriving 10-billion-euro online marketplace.

The only obstacle is the language - Allegro only works in Polish, so product lists and customer support need to be localized.

Allegro describes itself as the largest shopping centre in Poland. It has a significant share of the electronics market - 62%, home and garden - 74%, and fashion - 46%.

2. Asos

ASOS is one of the largest online Fashion Stores in the world with sites in the UK, Europe, USA and Australia. The company targets young salespeople. Noticing the growing trend in the clothing markets for promising designers and designer fashion, she opened her own marketplace.

ASOS sells over 80,000 products and introduces 2,500 to 7,000 new products every week. He ships to over 140 countries from fulfilment centres in the UK, USA, Europe and China.

In 2017, Asos.com brought in nearly £ 2 billion a year and became the UK's leading online clothing website. Since March 2018, he has also unveiled his mobile app, which has 10 million downloads. The app allows users to upload images of clothes they like and get a range of matching or similar items that are in the range. ASOS claims that 58% of purchases in the UK take place on mobile devices.

3. Cdiscount

Cdiscount is a French marketplace with approximately 8.6 million active buyers and 19 million unique visitors per month. It sells its products in 40 different categories with over 1 billion euros per year.

Since 2018, Cdiscount has begun shipping some goods to Belgium, Germany, Italy and Spain, marking the beginning of its international expansion. Cdiscount's growing cross-border presence drove it to a 15 percent year-over-year increase in net sales.

In the second quarter of 2018, Cdiscount customers placed 5.8 million orders for 11 million items. Currently Cdiscount has 10,000 connected merchants.

4. Emag

Emag is the largest e-commerce site in Romania with over 500,000 unique customers per day. Sellers can list products in over 1600 available categories.

The platform currently unites 3,500 merchants and over 1.4 million products. Over 100 million euros in revenue and over 1.9 million orders for marketplace partners. The highest sales are generated in the categories of car accessories, home and decor, baby products and toys, fashion and sports.

5. Flubit

Flubit is the largest UK marketplace. Catalog of over 70 million products by category including home, garden, toys, books and electronics. It positions itself as a direct competitor to Amazon. It currently has 1,500 UK and Irish vendors.

In November 2019, Flubit was ranked 10th most valuable venture capital-backed e-commerce company in Europe and 2nd in the UK.

In 2018, Flubit.com was acquired by the well-known blockchain technology company MonetaryUnit. According to the post, at the time of the deal, this made Flubit.com the world's largest marketplace capable of accepting payments in cryptocurrencies.

6. Fruugo

Fruugo, a UK-based marketplace, is available in 32 countries and has over 25 million active users. Sellers register once to sell in all markets available in the portfolio. The site supports 22 currencies and 17 languages.

The Fruugo marketplace works with hundreds of free-of-charge retailers to offer translation, customer service, marketing and currency exchange services. The retailer only needs to complete the order.

Compared to European competitors, Fruugo is a relatively young marketplace, but it expects 200% growth in the next few years.

7. Mobile.de

Mobile.de is a German marketplace for the sale of cars to businesses and consumers. The site has clients from all over Europe and is the largest car market in Germany.

Its platform allows you to buy and sell used and new cars, motorcycles, motorhomes and vans, as well as trucks, commercial and utility vehicles. The company's platform also allows users to search for dealers, as well as find financial and insurance services.

The company was founded in 1996 and is based in Kleinmachnow, Germany, but has been operating as a subsidiary of eBay Inc. since 2004.

8. OnBuy

OnBuy is based in the UK and operates in 36 countries. Positions itself as an alternative to Amazon.

OnBuy currently offers 300,000 real-time products in a wide range of categories including books, DVDs, clothing, furniture, consumer electronics and toys.

The marketplace was launched in November 2017 and reached a million live goods in just six months.

9. OTTO

OTTO is the second largest online retail store in Germany and claims to be the largest online store for Fashion and lifestyle products.

Initially, he started as an offline brand, but now 90% of his products are sold online. There is also a marketplace where he sells goods himself and allows him to sell to third-party sellers. The company has 9 million active customers and reach

45% of all German households. For market sellers, OTTO provides the largest e-commerce opportunity in Germany after Amazon.

10. PriceMinister

PriceMinister - was founded in 2001 and is the leading French marketplace with 22 million buyers and 9 million monthly visitors. This is equivalent to one third of all Internet users in France. It was bought by Rakuten in 2010 and has grown steadily since then. It now operates in 20 countries and receives an average of over 30,000 orders per day, making it the second most visited e-commerce platform in France (after Amazon).

PriceMinister has 130 million products and 5,000 active sellers.

11. Real.de

Formerly known as Hitmeister, Real.de is Germany's third largest online marketplace. It sells millions of products in 5,000 different categories, including furniture, media, music, electronics, kitchenware, household and garden products, sports equipment, cosmetics, baby products, and car accessories.

Real.de offers delivery to 30 countries around the world, has 10 million monthly visits and 6.5 million customers.

12. Zalando

Zalando is a German marketplace that has expanded into a pan-European player. This is especially noticeable in Germany, where it boasts 95% brand awareness among adult shoppers, but in recent years it has also expanded to other countries and opened fulfilment centres in Sweden and Belgium in 2017.

The latest numbers say they have 20 million active shoppers and a 7.4% market share in Western Europe's \$ 42 billion Fashion market.

Zalando sells over 250,000 products from 2,000 brands.

2. Objectives and Methodology

2.1 Objectives

The degree of development of the research problem at a given point in time. Aspects of the influence of e-commerce on small companies have been widely studied both in domestic and foreign scientific schools.

Object and subject of research. The object of the master's work is the system the impact of e-commerce on small businesses.

The subject of the master's work is level analysis the impact of e-commerce on small businesses in the Czech Republic.

The purpose and objectives of the study. The purpose of the thesis is development of directions for improving the use of e-commerce tools in the activities of small businesses in the Czech Republic.

In accordance with the set goal, the following tasks are solved in the work:

- study the theoretical aspects of the e-commerce;
- conduct a study on the impact of e-commerce on small business activities in the Czech Republic;
- assess the impact of e-commerce on small businesses in the Czech Republic.

2.2 Methodology

Chronological boundaries of the study. The chronological boundaries of the study correspond to the period from 2017 to 2019.

Theoretical and methodological basis of the research. The theoretical and methodological basis of the master's work was the work of domestic and foreign scientists-economists, as well as specialists in the field of macro and microeconomics.

The information base of the master's work was composed of:

- 1) statistical database of the Czech Republic;
- 2) data from information and analytical agencies;

3) materials of scientific and scientific-practical conferences and reports on the problem under study.

4) Internet resources.

The methodological basis of the study is represented by both general methods of scientific knowledge of economic phenomena and processes, as well as private scientific ones. In particular, the collection, processing and generalization of factual and statistical material is based on the use of methods of strategic, marketing, comparative, economic analysis. The complex use of these methods made it possible to obtain the most complete representation on the theoretical and practical aspects of the research topic under consideration.

Information base characteristics. The information base of the research is based on the materials of scientific and practical works of domestic and foreign scientists and economists.

Research methods. In the process of working on the dissertation, the author relied on the works of scientists dealing with problems of general economic theory and the theory of Internet economics, the theory of structural transformations and management of socio-economic systems, economics and management of the service sector. During the dissertation research, general scientific methods of cognition (analysis and synthesis, induction and deduction), dialectical and historical-logical methods, as well as methods of comparative analysis, generalization, systematization, economic analysis, methods of formal modelling of the studied processes and other private methods of adopting managerial solutions.

Study structure. The structure of this study consists of an introduction, main part, conclusion and a list of references.

3. Literature Review

3.1 Theoretical aspects of e-commerce

Currently, there is no universally accepted definition of the terms e-commerce, e-commerce and e-business. Often these concepts are used as identical. Meanwhile, e-commerce, initially not limited to transactions of purchase and sale and the transfer of funds through computer networks, covers a wider range of commercial relations, which does not allow to identify the concepts of “e-business” and “e-commerce”.

The problem of defining the essence of the term "e-commerce" is also that when translating, many authors combine the terms "electronic commerce" and "electronic trade" into one concept and translate (and, accordingly, use) as "electronic commerce" (and not " e-commerce "and" e-commerce "respectively). It is obvious that the understanding of such global phenomena as "electronic commerce" should not change from author to author, and in this case, it becomes obvious that it is necessary to introduce a unified translation of foreign terms [1, p. 4].

In the scientific and educational literature there is also an opinion that the use of the terms "electronic commerce" and "electronic commerce" should be with a certain degree of convention. According to experts, it is impossible to use the type of communication as the dominant concept in the definition, since e-commerce and e-commerce imply the conclusion, first of all, of commercial transactions through telephone, telegraph or telex communications. The latter do not differ much from transactions concluded in the traditional form through postal, telegraph, teletype, telex exchange of letters. In addition, when regulating this phenomenon, it is necessary to take into account the possibility of the appearance of new data transmission technologies. A similar concept of a broad approach to future technical improvements in the field of messaging is reflected in the Guide to Enactment of the UNCITRAL Model Law on Electronic Business (1996), which states that the Model Law is intended not only for application in the context of

existing electronic, optical or similar means of data transmission, but also to take into account the latest technological developments [2, p. 28].

Indeed, data transmission methods such as electronic data interchange, e-mail, etc., being technological aspects of electronic business in general and commerce in particular, tend to be transformed into more complex technical methods. The process of penetration of e-business technologies in all areas of economic relations continues to this day. Therefore, when defining e-business and e-commerce, data transmission methods should not be exhaustively presented in the definition. It is enough to indicate an approximate list of such methods with the proviso of their broad nature. It is this approach that will make it possible to develop a universal definition that does not require subsequent changes associated with the development of the technologies under consideration [1, p. 4 - 5].

Such outstanding experts of our time as M. Castells, D. Kozier, R. Baumer, etc. expressed the view that e-business includes e-commerce, and e-commerce is one of its types. In this regard, the following definitions of these terms seem to be the most logical:

Electronic business is a business activity that uses the capabilities of global information networks to transform internal and external communications of a company in order to create profit [3].

E-commerce (from the English e-commerce) is a sphere of the economy that includes all financial and trade transactions carried out using computer networks, and the business processes associated with such transactions [4].

Electronic commerce (English e-trading) is the implementation of trade and procurement activities via the Internet, a component of electronic business along with electronic exchange of information, electronic capital movement, electronic marketing, electronic banking, automated supply chain management, etc. [five].

Let us dwell in more detail on the formation and development of such a sphere of the economy as e-commerce and its contribution to the achievement of global economic and political integration.

The last decade of the 20th century was a period of radical changes in the world economy, changing the traditional ideas about economic, political and cultural values. The catalyst for these changes was the explosive development of information technology.

It is impossible not to notice that the world economy today is becoming more and more virtual in nature - virtual banks, shops, libraries, stock exchanges - all this is already the reality of the day. New information systems have led not only to qualitative changes in the movement of financial and real investments, commodity flows, in production management, but also to the internationalization of almost all segments of the market, culture, education, household, human values and relations. The Internet, as the most striking manifestation of new information technologies, has become today a symbol of a new world, new political and economic decisions, a symbol of modern man. The development of the information society contributed to the emergence of the "Neo - economy" - the economy based on knowledge [6, p. 125].

Hundreds of billions of dollars are invested annually in the so-called "new economy". In a broad sense, the "new economy" is understood as the economic reality, including the forms, methods, mechanisms of organization and functioning of trade, production and financial life, the service sector of the late XX - early XXI centuries in post-industrial countries. Its main provisions were revealed in the works of such economists as J. Schumpeter, F. Hayek and F. Maclup. The economy of the new format is an economy without geographic and national borders. In the "new economy", factors such as knowledge, know-how and technology are given key importance. In conditions of a shortage of resources and thanks to the opportunities opened up by information technologies, the economic role of knowledge increases, which makes it the main resource for development. As a result, we see that the number of those employed in the production, processing and distribution of information exceeds the number of those employed in material production [6, p. 127].

Occupying an important place in the "new economy", e-commerce radically changes the organizational principles of functioning and points to new horizons of efficiency in trade, production and, in particular, finance. In a very short period of time, e-commerce has changed the nature of the market, provided new driving forces and key success factors, both for individual companies and for the entire states of which they are residents. E-commerce has eliminated all economic, cultural and social boundaries, creating a single space, and providing the opportunity to conduct both business and interactive communication from different parts of the globe in real time. Intelligent information technologies are at the core of the modern world economy,

The huge advantage of the global network lies in the fact that the Internet opens up its vastness and opportunities to absolutely everyone, and equally. Intensive competition among players in this market contributed to the disappearance of barriers to entry. Thus, not only companies from industrialized countries, as it was before, but also representatives of developing countries gain access to the global e-business market. By reuniting a wide range of suppliers, consumers, investors, government agencies, e-commerce is helping to drive larger and more efficient businesses. Companies are endowed with much more independence in the implementation of their direct functions. Many products, such as computers, cars and all kinds of electronic gadgets do not have a clear national identity, since they can be assembled in different parts of the world. As a result of the interaction of economic processes at the global level, the role of supranational institutions is increasing.

Many economic figures, including Castells, believe that e-commerce makes a significant contribution to reshaping the situation in the international division of labour due to the widespread knowledge of supply and demand in the market, prices, conjuncture, various competitions and tenders. This kind of "transparency" of the e-business market gives newcomers a chance to become leaders, overtaking the already firmly entrenched Internet giants in the market [7, p. 77 - 85].

Due to the fact that a feature of e-business is an individual approach to each participant in commercial activity, companies try to conduct particularly thorough marketing research to quickly respond to changes in demand, take into account the preferences of various consumers and solve problems of both economic and social nature. In case of disputable situations, specialized public associations for the protection of consumer rights are always ready to help buyers.

The influence of e-business on the world economy is also manifested in the modification of electronic payment systems by creating new services, increasing the list of services provided and expanding the geography of their implementation. The most widespread electronic payment systems are in Western Europe, the USA, China, Japan, where the issue and circulation of electronic money is more or less regulated.

Despite this, e-money lending and Internet banking are gradually becoming the norm for users from other less developed countries.

The accelerated development of e-business has facilitated the simplification of foreign trade and customs clearance. The system of electronic data exchange and the use of electronic customs declarations have led to a significant reduction in costs by reducing the time for registration and rewriting, in the event of an error [8, p. 232 - 233].

The role of the state in the development of e-business should not be underestimated. The power of the state can both "stifle" the development of information technologies in the country and accelerate the process of technological modernization. Taking, for example, countries such as the United States, China, India, South Korea, one can "with the naked eye" notice that it is states that have become the main factors contributing to the development of broad and protected markets by supporting technological development, funding research programs, development of normative documents regulating and "shedding light" on commercial activity on the Internet. That is, "neo-economics" or, as it is also called, "information economy" is formed not only due to the impact of such a motivational element for companies as profitability, but also thanks to the actions

encouraging competition on the part of government agencies. Government support is largely due to the colossal economic impact of e-business on the country's economy. It consists in the dissemination of information technologies in various fields of activity, increasing the transparency of trade, rational allocation of resources, simplifying international payment and settlement transactions, increasing the competition of goods and services by reducing prices, as well as developing new and improving old models, increasing export and import opportunities. , GDP growth, and, accordingly, an increase in the welfare of the population [9, p. 181].

Analysing all of the above transformations in the global economy caused by the rapid growth of electronic business, it is difficult to believe that its formation began a little more than three decades ago, which, in comparison with the history of other sectors of the economy, seems to be an insignificant period of time. Already at that time, many experts were inclined to think that in the near future, almost all business would be conducted using the Internet. As time has shown, they were not mistaken in their predictions. The emerging broad opportunities were felt not only by the existing "business sharks", such as IBM, but also by many start-up companies. This is not only convenient, but also extremely profitable, because instead of huge trading floors, you can get by with a small office, with a staff of several people. Internet technologies available over time to everyone and everyone gave a chance to join the e-business for everyone. [10, p.56]

It should be noted that the first systems and methods of e-business owe their birth to the emergence of automated banking operations, technologies for automating the sale of air tickets, plastic cards, and the construction of automated systems for enterprise resource management. The use of computer technology to automate economic processes was facilitated by two main factors:

- rapid economic growth in the United States, which led to the formation of a large middle class, and, as a consequence, the intensive development of large-scale production to meet the growing needs of citizens;

– the emergence of the first, rather cumbersome and very expensive computers, capable of handling significantly increased volumes of information about orders, sales, production, materials and financial flows.

E-commerce started primarily where it could be easily applied. In 1960, American Airlines and IBM began developing the Automated Flight Reservation Procedure (SABER) for flights. This system had benefits for both company employees and consumers. SABER has made air travel more accessible to ordinary citizens, helping them navigate the ever-increasing number of fares and flights. Due to the automated process of calculating tariffs when booking seats, the cost of services was reduced. The airlines, in turn, maximized their profits by manipulating prices, subject to availability. In 1964, the system could reserve seats for 26 thousand passengers per day. Also, mid 60s. marked the emergence of credit cards, made of plastic with a magnetic stripe applied on them (magnetic cards), which made it possible to automate financial and settlement operations [11, p. 32 - 35].

In the early 70s. electronic document exchange (EDI - Electronic Document Exchange) and electronic signature appeared - opportunities that have found their application in the banking, insurance, transport and trade spheres. EDI is an effective means of communication between business partners by transferring business data from one computer system to another. Since the essence of the EDI system is the exchange of structured, standardized information, its main advantages are considered to be economy, i.e. reducing the volume of paper workflow, efficiency and accuracy [9, p. 71].

In the 70s. the UK and Sweden have begun to consider developing a similar set of standards for data exchange. This is how the international system of standards Tradacoms appeared. The presence of two systems of standards, American and European, not only did not simplify international commerce, but also, on the contrary, complicated active interpenetration across the ocean. This situation did not suit business, as a result of which a movement to unify standards

began. Attempts were made repeatedly, but the final unification never happened. For electronic data exchange, a more promising opportunity has arisen - the possibility of data exchange via the Internet. Over time, more modified systems of standards have appeared, such as: EDIFACT, OBI, and the use of EDI systems has significantly decreased due to the that they only allowed access to a small number of standard messages and potential partners. Thanks to the initiative of the US public sector, a new version of EDI systems has been developed, integrated with the Internet [13].

During this period, the first electronic transfer and clearing systems CHIPS and BACS appeared in the USA and Great Britain to service commercial non-cash transactions. In 1971, the NASDAQ stock exchange, now known to almost every financier, appears in the United States, on which today about 3,700 companies and corporations from around the world are listed and traded, and the volume of traded shares is the largest in modern history. But initially the NASDAQ exchange was considered just an electronic quotation system that did not bring buyers and sellers together. Focusing primarily on high-tech companies, the exchange attracts large investors, tempted by the high volatility of the resource [7, p. 12 - 14].

In the mid-90s. Internet banking appeared. It is not surprising that he began his formation in the USA. It is believed that the reason for the emergence of Internet banking was the restriction on banks' placement of their divisions in other states. Given the mobility of the population, banks urgently needed to develop a system that would allow them to retain their existing customer base. Today, Internet banking is called one of the most technologically and financially advanced segments of Western e-business. Internet banking systems allow you to control bills, pay for utilities, buy and sell non-cash currency, pay bills for using the Internet, mobile communications, transfer funds through bills, etc. The total number of banks

There are currently three tiers of internet banking:

- informational, presented in the form of a site with a list of services provided and tariffs for them;
- communication (e-mail, account statements, information on the status of accounts);
- a fully functional transactional bank, authorized to perform all financial transactions, except for cash withdrawals.

In addition to three levels, there are two models of Internet banking: physical and virtual banks. The first model is used by Dutch-bank, Bank of America, Citicorp, Wells Fargo, which make about 70% of payments via the Internet [12, p. 86 - 87].

In the 90's. in developed countries, the growth of activity in the field of Internet commerce is becoming noticeable. Electronic bookstores began to appear, selling books, CDs and DVDs, stores of medicines, jewellery, etc. American developers were the initiators of the creation of the first online stores. In 1994, Stanford University graduate students Jerry Yang and David Filo created the Yahoo! directory of Internet resources. Until that time, there were no convenient tools for searching and classifying Internet resources. On the day that Yahoo! on the stock market (April 12, 1996) their price reached \$ 33 at a par price of \$ 12 per share. Currently, the market capitalization of Yahoo! is \$ 27.98 billion. In 1994, Jeff Bezos, who started his career as a programmer, founded Amazon. naming it after the deepest river in the world. On July 16, 1995, the Amazon online store opened its website. Initially, only books were sold on the site. The store's turnover in the first week of operation was \$ 5,000, a month later not only Americans, but also residents of 45 other countries of the world were buying books on Amazon.com, and by Christmas the sales volume reached \$ 1 million. Later, video games, clothing, furniture, software, and more appeared in the assortment, allowing Amazon to become the world's largest online service for the sale of consumer goods in terms of turnover. An active marketing policy allowed the

company to take a leading position in this market segment [13]. Initially, only books were sold on the site. The store's turnover in the first week of operation was \$ 5,000, a month later not only Americans, but also residents of 45 other countries were buying books on Amazon.com, and by Christmas the sales volume reached \$ 1 million. Later, video games, clothing, furniture, software, and more appeared in the assortment, allowing Amazon to become the world's largest online service selling consumer goods in terms of turnover. An active marketing policy allowed the company to take a leading position in this market segment [13]. Initially, only books were sold on the site. The store's turnover in the first week of operation was \$ 5,000, a month later not only Americans, but also residents of 45 other countries of the world were buying books on Amazon.com, and by Christmas the sales volume reached \$ 1 million. Later, video games, clothing, furniture, software, and more appeared in the assortment, allowing Amazon to become the world's largest online service selling consumer goods in terms of turnover. An active marketing policy allowed the company to take a leading position in this market segment [13]. software and so on, which made Amazon the world's largest online consumer goods service by turnover. An active marketing policy allowed the company to take a leading position in this market segment [13]. software and so on, which made Amazon the world's largest online consumer goods service by turnover. An active marketing policy allowed the company to take a leading position in this market segment [13].

On September 4, 1995, the eBay Internet auction was opened, created as a non-commercial project by the programmer Pierre Omidyar. It was not possible to gain popularity immediately. On the first day of the auction, not a single visitor came to the site. However, a year later, the growth rate of the number of sellers and buyers reached 70% per month, and after 10 years, on average, every two minutes through eBay, one diamond ring was sold, every minute - for three hours, five handbags and one car. eBay is the largest online auction today, with hundreds of millions of registered users and 30 branches around the world.

On eBay you can buy and sell everything that is not prohibited by law - from small trinkets to works of art. In 203, the company's capitalization amounted to 69.28 billion dollars [11, p. 48 - 49].

1995 was also remembered for the fact that this year the first Internet bank Security First Network Bank was opened in the United States, all of whose operations were carried out exclusively in the virtual space. The bank did not have and does not have any physical branch for customer service, i.e. all banking operations are carried out only on the Internet. Exceptions are made only in emergencies, when the client can contact the bank staff by phone. This significantly increases the competitiveness of the bank, allowing it to reduce the cost of banking services. In accordance with the agreement concluded between the bank and the client, the client has the right to make 20 free payments per month, and a commission of \$ 0.5 will be charged for each subsequent payment. To receive cash, the client can use the bank's ATMs, however, no commission will be charged. During the first year and a half of the bank's existence, more than 10 thousand client accounts were opened, and the bank's assets reached \$ 110 million with a monthly increase of 20%. The first virtual bank in Europe is the Advance Bank, a subsidiary of the Dresden Banking Group, which began operations in 1996.

Listing the most important stages in the formation of e-business, one cannot fail to mention the creation of the most successful search engine in the world. Nothing less than the dedication, hard work, scientific talent and lust for experimentation of Google's founders Sergey Brin and Larry Page have paved the way for the search engine's long-term success. Google processes over 200 million queries daily in 80 languages. The staff of the company today exceeded 5000 people living in 15 countries of the world. Before the 2010 crisis, the company's capitalization exceeded USD 180 billion. There is even a new verb “to google” or “google” in our vocabulary, meaning to search for something on the Internet. [14, p. 65 - 70].

The e-business is currently experiencing rapid quantitative and qualitative growth. Quantitative growth implies an increase in the volume of sales of goods and services through the network, the evolution of e-business methods, due to the need to better meet the needs of suppliers and buyers.

There are three main trends in the qualitative growth of e-business:

- convergence;
- expansion;
- improving the quality of service.

As for the expansion of e-business into new industries, it is understood as the coverage of an increasing number of types of economic activities by e-business tools, as well as an increase in the number of enterprises operating in the information space. Marketing of farm products can be cited as an example of expansion. Agriculture is a fairly conservative activity, so the introduction of new technologies in this area is taking place at a slow pace.

Improving the quality of service implies the creation of new efficient delivery channels to the recipient, which will make purchases in online stores even more comfortable. These trends are aimed at the long term and will continue to manifest themselves more vividly, contributing to the merger of real and electronic business in all industries into a single multi-channel business model focused on the maximum convenience of customers. It is important to understand that the existing trends do not proceed independently, but harmoniously complement each other [21].

Economic activity carried out through the Network can be mainly classified in four areas: "Enterprise-Enterprise" (Business-to-business - B2B), "Enterprise-Consumer" (Business-to-consumer - B2C), "Consumer-Consumer" (Consumer-to-consumer - C2C) and Consumer-to-business (C2B).

B2B occurs when legal entities act as sellers and buyers. That is, this is a sector of the e-business market that works not for the end, ordinary consumer, but

for another business. Speaking about the B2B model, two aspects of its use should be emphasized. On the one hand, the B2B model occurs when two or more enterprises simply carry out different transactions with each other. For example, businesses can submit deals over the Internet, receive quotes from their suppliers, enter into contracts, and receive and pay bills.

On the other hand, a characteristic feature of advanced e-business systems in the B2B sector is the long-term association of companies in alliances, which reduces the cost of their activities. Such alliances are inherent in the collective nature of the use of information regarding product prices, supply status, inventory, etc.

Different enterprises and participants in this market segment each pursue their own goals, but everyone can benefit from the introduction and use of the B2B model. When implementing the B2B model, supplier enterprises will benefit from the sale of their products, technologies and knowledge, and in the future from the implementation of the accompanying functions of the e-business process according to this model. Businesses-buyers, in turn, will be able to select suitable products and suppliers in one place, the ability to reduce prices for goods, high speed and quality of service. For all participants in general, the advantage lies in the emergence of new prospects for the development of commercial activities. Intercompany commerce on the Internet is carried out through the organization of trading platforms where companies can act as customers,

The B2B model encompasses a wide range of transactions, encompassing wholesale, purchasing of resources, technologies, services, manufacturing parts and equipment, and financial transactions between enterprises. For this reason, the B2B direction is the most promising area of e-business. According to the Organization for Economic Cooperation and Development, the B2B market is 10 times larger than the B2C market.

The most popular e-business model today, B2C, takes place when an enterprise sells its goods and services to ordinary consumers. One example of the largest B2C venture is Amazon.com, a US FMCG retailer with over 30 million

customers worldwide. The B2C type of electronic commerce makes it possible to equalize the opportunities in access to goods and services between consumers living in large cities and remote regions, provided that the problem of Internet access, as well as access and payment in the corresponding region, is solved.

For the successful development of the B2C system, it is necessary: a wide range of users to form sufficient consumer demand, the development of the Internet in the country, electronic payment systems, fast and well-coordinated work of the delivery service, appropriate legislative regulation of this type of business, customer confidence and, of course, a sufficient amount of funds from buyers [17].

There is a fundamental difference between B2B and B2C. Unlike B2C, when using the B2B model, transactions are carried out with a wide range of counterparties. This means that any subcontractor of the enterprise has the ability to view the current needs of the enterprise in the corresponding goods or services and immediately respond to the generated request. Thus, he can plan delivery, determine the timing and methods of delivery, issue invoices, and all the necessary information, as a rule, is entered into the resource management system of the enterprise.

In the case when some consumers interact with other consumers, the C2C direction takes place. Consumers can easily transact among themselves and grow their online presence with the help of a provider. This model allows people experiencing certain restrictions to conclude transactions at any time convenient for them; as a result, overhead costs are reduced, which, in turn, saves the end user money. A striking example of this trend is the eBay auction, which revolutionized the concept of C2C by introducing the necessary procedures for servicing e-business directly between consumers in the format of auction auctions on the Internet. At such auctions, some individuals put up bids for the sale of certain goods and services, while other individuals respond to them with counter bids for purchase.

In the C2B sector, consumers set their own prices for various goods and services offered by enterprises. This sector is the smallest and most

underdeveloped e-commerce sector. The most striking example of a company specializing in the application of the C2B direction model is the American company Priceline.com, which allows customers to set their own prices for certain goods and services. She acts as a broker who finds a supplier willing to sell a product at that price. An example of C2B commerce can also be the sites of recruiting agencies, where individuals post their resumes, and personnel services of enterprises and companies have the opportunity to find the necessary employees. [21]

It is generally accepted that e-commerce is only applicable to business entities, but this is a misconception. Recently, the Internet has been increasingly used in government. In this regard, a new concept "e-Government" has appeared in the economic vocabulary, that is, the use of modern information technologies by the state. Modern experts believe that the state has all the characteristics of a large corporation. It has a budget, expenses, income, it has shareholders and, at the same time, clients - citizens who are interested in making public services as cheap and accessible as possible. And in accordance with this approach, the state, like a large corporation, should strive to take into account the interests, first of all, of its shareholders, changing the operating models to more technological and efficient ones. The active use of information technologies in public administration will accelerate the interaction of government bodies with each other and with citizens. Also, with the help of information and communication technologies, state bodies can increase the efficiency of administrative management, both in the internal hardware environment and in the regulation of social processes.

In connection with the emergence of "e-Government", the following e-business models are distinguished: business for government (Business-to-Government, B2G), consumer for government (state) (Consumer-to-Government, C2G), government (state) for government (state) (Government – to – Government, G2G), government (state) for business (Government – to – Business, G2B), government (state) for the consumer (Government – to – Consumer, G2C).

Interactions of types G2G, G2B, G2C include business relations of state bodies at the interstate level, with firms and with individuals, respectively. These are mainly systems of public procurement and provision of paid services. The G2G model is an electronic data exchange between government agencies, departments or organizations. Interactions of types B2G, C2G arise in the event of initiation of the sale of goods, works, services by business structures or individuals. Various electronic trading platforms, auctions, etc. can act as a place for concluding transactions [24].

And finally, the e-business system allows everyone to make money by buying or selling securities and currencies on the Internet. An electronic exchange is a virtual trading platform where the price is regulated by supply and demand, as a result of which it is subject to strong fluctuations. The exchange model is attractive for those markets where demand and prices are volatile because it allows market participants to control the downturns or rises in demand. Users can make transactions through an intermediary in the person of a broker, or independently get access to the exchange's trading system using electronic communication networks [25, p. 179-186].

All current e-business models are just the beginning of an era of amazing discoveries that show us new facets of the human mind in the field of information and communication technologies.

Modern society is at a stage of development when there is a rapid spread of information technologies, and, as a result, changes in many aspects of socio-economic life. One of the most significant achievements of information technology was the emergence and development of the Internet. Today, the Internet has become the most important channel for global commerce. The positive trend associated with the increase in the number of Internet users, the emergence in virtual spaces of more and more opportunities for business transactions, undoubtedly indicates the growing role of e-business in the world economy. Offering an ever-wider range of products and services, e-commerce is a powerful

tool that unites states, industries, businesses and individuals into a single community [21].

With the advent of the Internet, people realized they had endless opportunities to communicate and do business around the world. Having occupied its niche in the market, e-commerce has not only simplified and reduced the cost of the previously existing actions of manufacturers, sellers and buyers, it has made a radical change in the relationship between the consumer and the companies offering their goods and services.

The biggest and most important benefit of e-business is that it enables the interested company or individual to reach a global market. It serves the needs of both national and international market. Your business is no longer geographically constrained. Through e-business, even small businesses can access the global marketplace to sell and buy goods and services. When doing business in this way, there are also no time restrictions, since e-commerce makes it possible to carry out transactions 24 hours a day and even on holidays and weekends, which in turn significantly increases sales and profits.

Today, online business - The Internet has become so popular that more and more people are changing their cramped offices and factory premises for a workplace in front of their home computer. This type of activity gives a huge advantage, because it allows you to work as much as your desire and patience allows. Internet commerce gives the person the right to choose what time his working day starts and how long it lasts. In addition, you can conduct business on the Internet from home and office, sitting in an armchair or relaxing somewhere on the seashore. However, not everything is so cloudless, since e-commerce is not a source of quick money, but a job that requires enormous dedication. Considering the fact that information technologies continue to develop and cover more and more new industries, it can be assumed that the main areas of e-business distribution include: trade, marketing, pre-sales work, financial, insurance and banking operations, product development, service and support, transportation, transportation and supply, accounting, taxes, customs, etc.

E-commerce in relations with customers implements the principle of maximum satisfaction of their needs. It is based on three "pillars": a constantly updated database of offers of goods and services, the organization of mutual settlements for goods and services, and, finally, the management of delivery channels [21].

For sellers, the benefits of e-business are primarily:

- low entry barriers to e-commerce;
- expanding the business coverage area, attracting additional categories of clients, including foreign ones;
- round-the-clock work of the store any day of the week and any time of the day;
- competitive prices due to the elimination of overhead costs for renting a sales area;
- growth of export capital, provided that this is not impeded by legal restrictions;
- cost reduction by reducing transport costs, storage costs, personnel costs, costs of informing buyers about the essence of the services provided;
- lack of spatial restrictions (by the number and size of product shelves or storage facilities);
- high rate of return;
- removal of geographical restrictions, both for consumers;
- mobility, that is, the ability to quickly respond to market changes;
- creation of new lines of business;

- obtaining up-to-date financial information and analytical reviews;
- elimination of intermediaries.

Thus, e-business allows enterprises to get rid of the old hierarchical structure, flexibly carry out internal operations, simplify interaction with other companies, making a choice in favour of the best counterparties, and quickly respond to customer requests [17].

The buyer has no less advantages from participation in the electronic business. He has the opportunity to slowly, at any time, while at home, select the desired product, evaluate its characteristics and compare with other offers. After all, the assortment and prices are much easier to compare when it comes not to standing in queues, but to a simple click of the mouse button. In addition, customers can view reviews other customers have posted about products purchased from a specific e-business site, which can greatly assist in purchasing decisions. Payment can be made using one of the currently available methods (using electronic payment systems PayPal, Authorize.net., Egold.com, Webmoney.ru), immediately receive a confirmation of the placed order by e-mail. And most importantly, very often goods offered in online stores are significantly cheaper than in regular stores. This is due to the fact that the fixed costs of Internet shops are extremely small compared to traditional retail [18, p. 126].

Conclusions:

1. Electronic business, of course, has many unique features that distinguish it favourably from normal commercial activities. However, nothing is perfect, therefore, along with the advantages, e-business also has some inherent inaccuracies, such as, for example, the limited number of people using this revolutionary system. The Internet still has not touched the lives of a large number of people, either due to lack of knowledge or due to mistrust. A huge number of people still do not use the Internet to conduct financial transactions. Some simply refuse to believe in the authenticity of completely impersonal business

transactions. Many fears the requirement to disclose personal and private information for security reasons.

Another limitation of e-business is that it is not suitable for selling perishable goods such as food. People prefer to buy such goods in the usual way. As a consequence, e-commerce is not suitable for these business sectors.

2. Waiting for the delivery of ordered goods can also be very long. It can take a lot of phone calls and emails to get the items you want, but it can be even more difficult to return a product and get a refund [22].

In addition to all of the above, the significant disadvantages of e-business include:

- inability to touch, try on the ordered goods;
- problems of relationships with consumers, since not everyone wants to communicate only in a virtual form;
- insufficient standardization of technologies for access to the electronic market;
- problems with order fulfilment during busy periods of purchases (for example, on holidays);
- the vulnerability of the company related to the availability of information about it and about products on the website;
- the possibility of penetration into the system of computer viruses and hackers;
- contractual and legal problems caused by imperfect legal framework;
- financial problems such as customs, tax collection and electronic payment systems;
- not always sufficient safety of the operation;

– cultural problems such as insufficient user skills, language barriers, etc. [20, p. 50].

So, evaluating all the pros and cons of e-business, it should be noted that its main advantage is its great potential, which outweighs all the disadvantages. Today, e-commerce is the driving force behind the foreign trade of superpowers such as China and the United States. The experience of these countries should be nothing more than a support for the active involvement of local companies, both large and small, in e-commerce.

3.2 Aspects of the impact of e-commerce on the activities of small businesses

The development of a modern state is characterized by a constant transformation of economic development, improvement and modernization of national production using digital and information and communication technologies.

Currently, with the development of a new technological order, caused by the "Fourth Industrial Revolution", digital commerce is gradually beginning to replace the "traditional" one. As a result, a special type of "product" appears, which is its digital form. In addition, there is a very active blurring of boundaries between goods and services, with an increase in the share of the latter in the economy. This trend is due to the fact that modern goods acquire new qualities, i.e. they trade with a mandatory set of services, which become the main object of trade. The development of digital trade makes it possible to reduce the number of intermediaries between the consumer and the producer, which also leads to changes in the chains of creation [1].

If we turn to statistics, in gross terms, trade in services accounts for about a quarter of the total volume of world trade, and in terms of value added, this figure is about 50% [6].

The digitalization of the economy, like any process, has both positive and negative sides. The indisputable fact is that in almost all countries of the world digitalization is recognized as an effective mechanism of economic growth, realizing the positive impact of technology on the efficiency, quality, cost and

effectiveness of various activities (economic, foreign trade, public and even personal) [5].

Due to the intensity of the digitalization process, existing sectors of the economy are being modernized and new ones created using the latest achievements of science and technology; it becomes possible to integrate ideas, actions, initiatives and programs related to digitalization into national, regional, sectoral strategies and development programs, which further leads to the transformation of existing spheres of life into modern and more effective ones [23].

It should be noted that due to the development of digital technologies, there is a simultaneous formation of a capacious domestic and foreign market and production, which means that this is an incentive to strengthen economic competitive interaction between countries [8].

We can agree with the conclusions of analysts and experts of the Eurasian Economic Commission that the business structures of countries that are not involved in the digitalization process are beginning to lose their competitiveness, since improved logistics is one of the key factors that determine the competitiveness of companies. As noted in the Report on the Development of Digital (Internet) Trade of the EAEU (2019), “in the context of intensifying competition and the growth of cross-border trade, countries that have not been able to integrate into modern models of organizing the supply and provision of supporting services do not receive competitive advantages. The cost of delivery of their products is higher, and the quality of services is lower than that of competitors who have mastered digital channels” [2].

The use of the latest technologies not only increases the efficiency of the transport network and warehouse goods management. Most importantly, automation reduces the costs of most transport service processes. Digital technologies also create certain challenges for traditional logistics markets, since not only small and medium-sized businesses (most often start-ups) enter there, which can allow them to offer more flexible price solutions for delivery using new technologies, but also large companies, especially those operating in high-tech

industries. Global trade and transport hubs are actively being created, which are catalysts for the development of adjacent territories and are “hub distribution centres, which provide various services for transshipment and picking of goods, storage facilities, providing digital services, etc. ” [2].

The creation of high-tech production and the modernization of industry with the use of new information and communication and digital technologies, the scale and pace of digital transformations are becoming a priority for the foreign economic development of most states. However, an integrated and systematic state approach to the widespread introduction of digital technologies is needed, only in this case they can lead to a significant acceleration in the development of an open information society as a significant factor in productivity growth, economic growth, and an improvement in the quality of life of citizens. Thus, the digital development of the economy in general, and foreign trade, in particular, involves solving a set of tasks that are designed to have a positive impact on the economy, business, society and the life of the country [3].

In January 2019, at the World Economic Forum (WEF) in Davos, 70 member countries of the World Trade Organization (WTO) agreed to launch a negotiation process on electronic commerce with the aim of developing international rules for its regulation. Among the main measures proposed were: overcoming barriers to cross-border sales, combating spam, as well as guaranteeing the reliability of electronic contracts and electronic signatures, as well as a complete ban on customs duties on electronic transactions [2].

The WTO's interest in developing uniform rules for regulating digital trade indicates that its active development is expected in the future [24].

As noted at the beginning of the study, in recent years, there has been a trend of consumer outflow from traditional shopping centres to online and specialized online offline stores integrated with mobile applications. For example, most major retailers operating in a traditional format, including (Carrefour, Casino, Walmart, etc.), began to reduce their retail space in 2019. In the United States, which is one of the leaders in digital commerce, approximately 3% of purchases were made

through Amazon Alexa in 2019 (according to estimates, online sales of products in the country could reach 20% by 2025) [10].

The development of online trading has become especially relevant amid the spread of the coronavirus. For example, in China, on February 6, 2020, the Ministry of Commerce and the country's National Health Commission published "Guidance for retailers and food service providers to take preventive measures in the face of the spread of the novel coronavirus." As a result, all large and medium-sized online firms began to implement standards for "contactless delivery" of goods. This has resulted in significant growth in online sales. For example, the popular Miss Fresh grocery delivery service has quadrupled the number of online grocery orders compared to the same period last year; 40 million food products were sold. Also, there was an increase in online sales of the leader of Chinese e-commerce JD service Dada, whose sales of fresh products increased by 215 %, in 10 days after January 25, the company sold more than 15 thousand tons of food products. In the new conditions, supermarkets and hypermarkets have found their niche. So, the country's largest retailer Sun Art Retail Group, which manages 486 hypermarkets across the country, closed at the height of the epidemic 80% of its retail outlets, however, the company's profits did not decrease thanks to its own online order delivery service, which operated through a mobile application and the WeChat social network. Another impressive example of online shopping is the popular Chinese retailer Yonghui Group, which operates over 800 supermarkets in the PRC, whose actual transaction volume increased 465% and online sales grew 600% year over year. Of course, there were certain difficulties that online commerce faced during this period - a shortage of couriers, since some of them remained in quarantine, while others demanded more payment for increased risks. Nevertheless, the PRC has once again demonstrated that it is one of the leaders in e-commerce [9].

If we consider the global e-commerce market, then two areas of its development should be distinguished: Web sites and online stores. Analysing its dynamics, it can be noted that in 2019 the global e-commerce market showed an

increase of 17.9% (\$ 3.46 trillion), and the leaders in it are China and the United States, whose combined share is 40% (Fig. 3.1) [7].

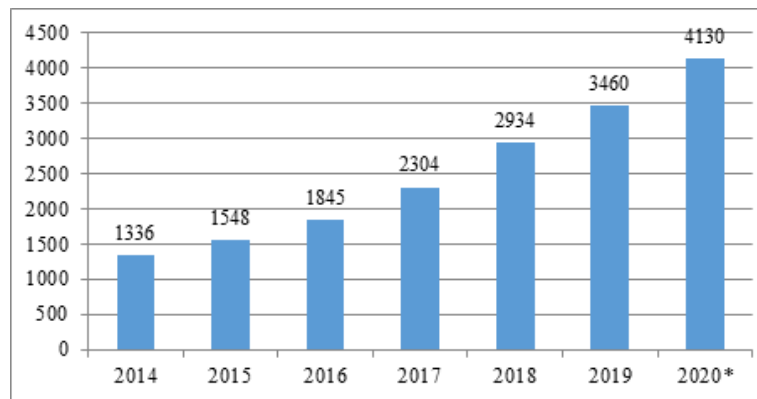


Figure: 3.1 Dynamics of the global e-commerce market, 2014-2020, million dollars (* - forecast)

In addition to China and the United States, the main players in the e-Commerce market in 2019 were also Japan, Great Britain, Germany, the Republic of Korea, France, India, Russia and Canada [7].

Thus, the development of Internet commerce is interconnected with digitalization and is subject to a number of factors that, in a certain situation, can increase sales volumes, and, therefore, satisfy consumer demand and, in general, have a positive impact on the socio-economic development of countries. The expected effects of the development of Internet trade not only within the country, but also with foreign partners for many countries can be: an increase in the export of products and services to the markets of third countries through digital commerce; growth of digital assets, etc. [4]

Special attention should be paid to the development of e-business within the framework of small and medium-sized businesses. The authors Rahayua R., Daya J. in their work investigate the factors that induce small and medium enterprises in developing countries to participate in e-commerce. As factors, 11 variables were identified, which are combined into four groups: technological factors, organizational factors, environmental factors and other factors. The authors conducted a survey of 292 Indonesian small and medium-sized companies, according to the results of which it was found that it was precisely technological

factors (technological readiness, innovative ability of owners, the ability of IT specialists of the company, experience of IT specialists) that are decisive and affect the participation of small and medium-sized businesses in e-commerce [27].

Small and medium-sized enterprises operating via Internet technologies are able to implement new business models and business strategies aimed at expanding their business both nationally and internationally. EU practice shows that over 40% of medium-sized enterprises buy through the Internet and similar channels, and more than 20% of them sell their goods on the same platforms. Roughly 35% of small businesses use the Internet to buy and 15 % to sell [28].

The results of the work of researchers Savrul M., Incekarab A., Senerb S. prove that e-commerce can help small businesses to be competitive in the global market. However, there are several barriers that limit or hinder small business penetration into global e-commerce. The authors argue that their main issue limiting small businesses in the EU to electronic platforms is that their products or services are not suitable for email marketing. In addition, there are logistics and payment problems. Security and legal issues are the latest in e-commerce for small and medium-sized firms. Other issues that prevent small businesses from engaging in e-commerce [25]:

The presence in the electronic environment gives business advantages, but at the same time there are a number of limitations and problem areas in the application of innovations and Internet technologies.

BCG has conducted a survey on the importance of internet commerce in small and medium-sized businesses.

The contribution of the Internet to GDP for the G20 countries ranges from 1.3 % (Indonesia) to 8.3 % (UK). In Russia, it is 1.9 % (third from the bottom). South Korea - 7.3 %, China - 5.5 %, Japan and the USA 4.7 % each, India - 4.1 %, Australia - 3.3 %, Germany - 3.0 % - etc.

The analysis shows that the Internet is a powerful lever for modernizing the economy and increasing efficiency.

Companies are beginning to grasp the power of the Internet.

Internet advertising costs are 11 %, which is still less than in Turkey and Cyprus, but an increase of 28 % is expected.

It is not by chance that companies are transferring their business to the Internet: more than 30 % of companies note a reduction in costs due to the Internet, more than 10% - an increase in labour productivity and 3% savings are realized due to the transfer of document flow to electronic form. A very interesting figure - ROPO is a search for goods on the Internet, and a purchase is in a regular store. In retail, the Internet is transforming sales processes and opening up new channels of communication with customers. The Internet transforms various business processes: sales, logistics, marketing - they all change when doing business online. New business models are emerging that are changing the industry, such as B2B2C. These are companies that help other companies to work with clients [26].

In tourism, the Internet reduces the role of intermediaries, which increases the transparency and efficiency of the market. Users are empowered to make more independent and informed decisions through more complete information.

By the way, in England, in recent years, intermediaries have almost completely disappeared in the insurance industry, since all intermediate steps are being taken via the Internet. This market there has completely changed in just 2 - 3 years. Small and medium-sized businesses especially benefit from the use of the Internet in developing countries.

Here are the top 7 benefits of the Internet for small businesses today:

- customer feedback,
- more effective communication,
- optimization of business processes,
- access to new markets,
- email marketing,
- simplification of the recruitment process;

- lower marketing costs.

Internet - active companies today use the Internet, mainly for advertising in search engines and email newsletters. 10% of active Internet companies sell abroad, 8% of their revenue comes from international sales, 50% are present in several regions at once. It is becoming more and more popular to post customer comments on companies' websites. Let's imagine several international small and medium-sized businesses that are successful on the Internet. One of them in Denmark was engaged in the sale of feed, and in 2017 it gradually began to transfer sales to the Internet. At the same time, the Internet is used both for interaction with customers and for purchases, thanks to a simple and convenient interface. The turnover is growing rapidly.

The Czech company has been selling flowers since 1994, in 2017 it created a website. More than half of orders go through the Internet, about a third are foreign orders. Flowers are bought online at a Dutch auction - this allows you to buy flowers at lower prices and with high quality.

Even such an exotic business as selling worms to gardeners in England, using the Internet, has grown tenfold in just 2-3 years.

How does internet commerce affect small business activities?

First of all, it accelerates the consumer's access to the product and creates a single information space for sellers and buyers. In addition, communities have emerged within the Internet with the trust of their members to each other. The expert opinion of such communities can be used to generate ideas. In addition, they allow you to organize the sale of products even before they are created. The number of such businesses is growing.

The Internet has allowed small businesses to break them down in ways that have never been possible before. Small businesses can now outsource some of their components. As a result of the development of wireless access, more than 70 % of the world's population will be present on the Internet. This will make it possible to

include a large part of the world's population in Internet commerce, which will have a significant impact on the development of small business.

4 Practical Part

4.1 Czech Republic Small Business Analysis

In the Czech Republic (CR), a special role is assigned to state support for small and medium-sized enterprises (hereinafter referred to as SMEs) as the main factor in the country's economic development [27].

Small and medium-sized enterprises (SMEs) represent a significant part of the economy of the Czech Republic. They provide jobs for more than half of the country's working-age population. A competitive SME sector is a prerequisite for the full integration of the Czech economy into the European economic space.

999 182 economically active small and medium-sized enterprises are registered in the Czech Republic, of which 180522 enterprises were legal entities, and the rest, 818 660 - enterprises without a legal entity. The distribution of SMEs by sector of the economy and their share in the total number of enterprises in the Czech Republic is presented in the following table 4.1 [51].

Table 4.1 Distribution of SMEs by sector of the economy and their share in the total number of enterprises in the Czech Republic

branches of the Czech economy	Legal persons (number)	Without education legal entity persons (number)	Total SMEs	share of SMEs in the total number of enterprises in the Czech Republic by industry, %
Industry	29455	124703	154158	99.37
Construction	20019	112137	132156	99.94
Trade	45043	168988	214031	99.93
Public catering	5669	41736	47405	99.95
Transport	6283	37421	43704	99.76
Finance	968	16983	17951	99.83
Services	68599	276031	344630	99.92
Agriculture	4486	40661	45147	99.91

Total	180552	818660	99918 2	99.83
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Source: Data from the Ministry of Industry and Trade of the Czech Republic

As follows from the table, the share of SMEs in the total number of enterprises in the Czech Republic exceeds 99.8%. In total, SMEs employ about 2,018,000 people, which is 61% of the total workforce in the Czech Republic. The distribution of SME employees by industry in the Czech economy is presented in the following table 4.2.

Table 4.2 Distribution of SME employees by industry in the Czech economy (in thousands) [51]

branches of the Czech economy	Legal persons (number)	Without education legal entity persons (number)	Total SMEs	Share of SME workers in total. employed in the Czech Republic by industry, %
Industry	580	73	653	49.25
Construction	177		219	82.02
Trade	322	83	405	75.42
Public catering	58	28	100	86.96
Transport	85	1	113	38.57
Finance	14	73	14	20.59
Services	329	15	402	73.22
Agriculture	97		112	88.50
Total	1661	357	2018	

Source: Data from the Ministry of Industry and Trade of the Czech Republic

Law of the Czech Republic on the Support of Small and Medium Enterprises No. 47/2002, Coll. defines small, medium and small businesses as follows:

1. An enterprise is considered a medium-sized enterprise if:
 - a) the number of employed employees is less than 250;

b) the net turnover for the last closed accounting period did not exceed the equivalent of EUR 50 million, expressed in Czech crowns, or its asset indicated in the balance sheet did not exceed the equivalent of 43 million euros, expressed in Czech crowns.

2. A small business is an enterprise if:

a) the number of employed employees is less than 50;

b) the net turnover for the last closed accounting period or the asset indicated in the balance sheet did not exceed the equivalent of EUR 10 million, expressed in Czech crowns.

3. An enterprise is considered a small enterprise if:

a) the number of employed employees is less than 10 people;

b) its net turnover for the last closed accounting period or the asset indicated in the balance sheet did not exceed the equivalent of 2 million euros, expressed in Czech crowns.

4. A small or medium-sized entrepreneur who starts an entrepreneur, for the first accounting period, independently determines which group of enterprises he will belong to.

This Law also defines areas in which support can be provided; the name of the organizations (governmental and non-governmental) that provide support to SMEs. SME support programs are developed by the Ministry of Industry and Trade of the Czech Republic (MPT CR), which are approved by the Czech Government. The Law of the Czech Republic provides for the procedure for submitting applications for state support, defines the forms and methods of control over the spending of budget funds.

The financial resources of the state budget allocated to support SMEs are included in the budget line of the Ministry of Labour and Social Development of the Czech Republic. According to the Law, the Government of the Chechen Republic is obliged to annually submit to the Chamber of Deputies of the Parliament of the Chechen Republic a report on the development of small and

medium-sized businesses, including an assessment of the effectiveness of the support provided.

Since April 1, 2005, the “Concept for Supporting Small and Medium Enterprises” has been in effect in the Czech Republic. At the end of 2005, the Czech Government adopted the "Export Development Strategy of the Czech Republic for the Period 2006-2010". In 2006, the Ministry of Industry and Trade of the Czech Republic developed the Concept for Supporting Czech Companies for 2007-2013. within the framework of the Operational Programs financed from the structural funds of the European Union. In May 2007, the European Commission approved the Rural Development Program for the period 2007-2013. According to this program, Czech farmers (mainly SMEs) will be able to receive about 4 billion euros. As of the beginning of 2008, about 900 projects have been approved under this program and over 100 million euros have been allocated [28].

SMEs can also receive significant funds through scientific –research works. In 2007, 99.8 million euros were allocated for this purpose, while SMEs received 48.6 million euros. In 2008, more than 100 million euros have already been allocated from the Chechen state budget for scientific and industrial research. Since 2003, Tandem and Impulse programs have been operating to support industrial research and development, and since 2006, Successful Prosperity. For the period 2009 2017 a new industrial research and development program "TIP" was prepared. The aim of this program is to support research and introduce new materials, technologies and know - how into production.

These documents define the goals and priorities of providing support to SMEs, provide for specific measures to help entrepreneurs gain access to consulting, information and advertising services, as well as to capital on preferential terms [51].

In general, government support for SMEs in the Czech Republic is carried out in three main areas:

- 1) Providing information and consulting services, assistance in organizing and holding exhibition and fair events;

2) Financial support for the development of SMEs both from the state budget and from the structural funds of the European Union; monitoring of ongoing projects.

H) Support for SMEs in the export of goods and services.

The Czech Republic has a wide network of state and public organizations that provide information and consulting services. An entrepreneur can receive almost any service, both at the federal and regional levels. At the same time, if at the federal level, mainly, assistance is provided to SME's with the number of employees from 10 to 250 people, then at the regional level support is most often provided to small (up to 10 people) and small (up to 50 people) enterprises. Financial support for SMEs at the regional level is carried out through programs for receiving grants by regions from the European Regional Development Fund (currently there are 23 programs), as well as from the regional budget.

At the federal level, the issues of providing information and consulting services to SMEs are handled by: the Ministry of Industry and Trade of the Czech Republic and the state agencies Czech trade and Czech invest, the Chambers of Commerce and Industry of the Czech Republic, the Ministry of Foreign Affairs of the Czech Republic and its subordinate Czechcenters abroad, the Ministry of Regional Development of the Czech Republic and through the centres included in its structure: for tourism " Czechturizm" and regional development "Euro - info - centre Prague" [51].

To improve the quality of services provided by the state agency Czechinvest, at the end of 2006, the National Register of Consultants (GTRK) was created, which included the best experts of the Czech Republic in the field of private international law, marketing, foreign trade and private entrepreneurship.

The state grants subsidies to provide information and consulting services to SMEs. They pay mainly for consultations aimed at analysing the state of the enterprise, studying its strengths and weaknesses, and introducing new forms and methods of management in order to increase the competitiveness of products.

Support for SMEs in holding international exhibitions and fairs

State support and coordination of advertising and exhibition activities is carried out by the Ministry of Industry and Trade of the Czech Republic in close cooperation with all interested ministries and organizations. Every year the Ministry of Industry and Trade of the Czech Republic approves the list of international exhibitions with the so-called "official participation" of the Czech Republic, which are held with state support. At the same time, small and medium-sized companies receive the right to compensation in the amount of 100% of the rent of the exhibition space, but not more than 100 thousand kroon's (or about 6500 USD), and large (with more than 250 employees) companies in the amount of 50% rent of exhibition space, but not more than 100 thousand kroon's.

Payment of compensation is made after the companies' reports on their activities at the exhibition have been submitted to the authorized director (coordinator of Czech exhibitors). MPT ČR analyses the collected information and develops recommendations for organizers and participants of subsequent foreign exhibitions [51].

In 2019, small and medium-sized businesses participated in 68 international fairs and exhibitions. State subsidies for these activities amounted to US \$ 6.8 million.

All exhibitions in the Czech Republic are divided into categories, the rating of which determines the amount of grants provided. The following categories have been identified for 2009:

Category A—National exhibitions. MPT ČR provides free exhibition space, including necessary buildings and advertising for the national exhibition. The participant bears the costs associated with advertising his own company, as well as equipping with furniture, showcases, etc. A prerequisite is the participation of at least 20 Czech companies in the event;

Category B - general exposition of the Czech Republic (one state presentation at the opening of the exhibition). MPT ČR reimburses the expenses related to the lease of premises in proportion to the number of participants in the

event. Expenses related to the opening of the exhibition, advertising and information materials about the Czech Republic and exhibitors are indemnified. A prerequisite is the participation of at least 10 Czech companies in the event;

Category C - Individual participation of Czech companies in the framework of official presentations. We are talking about international trade fairs, when it is impossible to organize a presentation of the Czech Republic in one place. In this case, funds are allocated for all Czech exhibitors and for all exhibition areas in general, but not more than \$ 4.5 thousand. USA for each exhibitor. A prerequisite is the participation of at least 10 Czech companies in the exhibition.

Category D information and advisory stands (offices) of the Ministry of Foreign Affairs / MPT. In the event that less than 10 Czech companies participate in an exhibition abroad, and the country is a trade partner of the Czech Republic, basically one stand with advertising and informational literature is organized. In this case, MPT ČR only pays for the transportation of this literature to the warehouse.

Category E - when holding trade and political events abroad (conferences for the media, meetings with entrepreneurs, etc.) - the financial contribution made by the Czech side for participation in such events is refunded.

In all of the above cases, in order to receive government subsidies, it is necessary:

- 1) Placing the official logo of the Czech Republic in a conspicuous place.
- 2) Physical presence at the stand of the exhibitor or his representative during the entire duration of the exhibition.
- 3) Sending an application for financing from an exhibitor to the Ministry of Trade and Technology of the Czech Republic no later than 2 months before the start of the exhibition.

In order to effectively conduct official Czech presentations abroad, the exhibitors gather in advance, determine the lists of participants for specific events and, together with the Application for the allocation of funds, send them to the

Ministry of Trade and Industry of the Czech Republic no later than 2 months before the start of the exhibition / fair. If the participant of the exhibition expires 2 months, then he is automatically deprived of state support and the right to participate in the Czech exposition.

In 2019, the Ministry of Industry and Trade of the Czech Republic continued to implement the SME support programs approved by the Government of the Czech Republic for 2015-2020. at the expense of the state budget. These are the programs: "Guarantee", "Market", "Progress", "Consulting", "Design", "Alliance".

The Guarantee program - provides an opportunity for SMEs to obtain guarantees for bank investment and operating loans, upon entering the capital market, by participating in open trading competitions.

Market program - allows you to receive subsidies for certification of SMEs, a soft loan with a fixed interest rate for a period of 5-6 years, as well as an interest-free loan for start-up entrepreneurs with a maturity of up to 6 years.

The Progress program allows you to receive a loan with a fixed interest rate of 3% per annum, for a period of up to 9 years, with a payment delay of 5 years.

The Consulting Program is a grant program designed to train and provide consulting services by freelance consultants [28].

The Design Program is also a grant program to support the incorporation of design into the entrepreneurial strategy of SMEs to increase their competitiveness.

The Alliance program is a subsidized program to support international marketing activities to increase competitiveness when merging from 3 to 25 SMEs.

It should be noted that in connection with the adoption by the European Commission in July 2007 of the "Strategic National Concept" (RSNC) and the allocation of financial resources from European funds for the period 2007-2013, a number of programs have lost their relevance. Programs similar to the state programs "Market", "Guarantee", "Progress", "Consulting" exist within the framework of the operational program entrepreneurship and innovation (OPPI). At

the same time, the amount of funds provided for by the OPPI is significantly higher than under similar state programs [51].

In general, in 2008, about 200 million US dollars were spent from the state budget to support SMEs. Of these, about \$ 60 million was allocated for research, \$ 76 million - for the development of industrial zones, \$ 21.5 million - for the operational programs "Industry and Entrepreneurship" and "Entrepreneurship and Innovation", 10, 7 million dollars for regional programs, 6.8 million dollars - for the participation of SMEs in foreign exhibitions.

The greatest influence on the development of SMEs in recent years has had the Operational Program "Industry and Entrepreneurship" (OPPP).

OPPP - was created by the Ministry of Industry and Trade of the Czech Republic in May 2004 after the Czech Republic joined the European Union. Its aim was to support Czech companies in the manufacturing industry. The program was financed as follows: 2594 — from the state budget, 75% — from the structural funds of the European Union. None of the subsidized projects were financed by 10094. At the same time, the principle was that the entrepreneur paid the entire amount of the project (or a certain stage of the project) independently and only after the completion of the project (or a certain stage), when he documented that the declared goal had been achieved, part of the money was returned to him in the form of financial subsidies.

Each project was evaluated in several stages. The final decision on the allocation of subsidies was made by a special commission consisting of several independent experts, employees of the Ministry of Labour and Technology of the Chechen Republic, and the state agency Czechinvest. In addition to entrepreneurs, regions, cities, and higher educational institutions applied for subsidies. However, in all cases, funds were directed to the processing industry or related services. In total, within the framework of the PPPP, support was provided to about 3,600 entrepreneurs, who were allocated subsidies (the payment of subsidies will be made until the end of 2008) in the amount of about 420 million dollars. USA.

In March 2007, the Government of the Czech Republic approved the final version of the document entitled “Strategic National Concept Framework” (RSNC) and submitted it to the European Commission for consideration in order to receive financial resources from European funds.

In July 2007, the RSNC was approved by the European Commission with minor comments on individual operational programs, which were settled by the end of 2007.

Taking into account the requirement of the European Commission for 15% financing from own funds, as a whole, for individual operational programs for the period 2018-2022 next subsidized financing is planned (see Table 4.3)

Table 4.3 Financing of Small and Medium Enterprises (EUR million) [51]

Operating program name	EU funds subsidies	of	State budget subsidies	of	Subsidies total
Environment	4917.9		867.9		5785.8
Transport	5759.1		1016.3		6775.4
Entrepreneurship and innovation	3041.3		536.7		3578.0
Science and implementation	2070.7		365.4		2436.1
Labour force and employment	1811.8		319.7		2131.5
Training	1815.0		320.3		2135.3
Target program	1553.0		274.1		1827.1
Technical assistance	258.8		45.7		304.5
Regional programs					
Central Bohemia	559.1		98.7		657.8
Southwest	619.7		109.4		729.1
North o-west	745.9		131.6		877.5
Southeast	704.4		124.3		828.7
Northeast	656.5		115.8		772.3
Total	26302.6		4641.6		30455.0

To expand cooperation between the border areas of neighbouring states, there are also cross-border operational programs, for the implementation of which

the following financial resources are allocated from the European Regional Development Fund for the Czech Republic:

- 1.) Czech Republic-Austria 69.0 million euros;
- 2.) Czech Republic-Bavaria 55.0 million euros;
- Z.) Czech Republic-Silesia 67.0 million euros;
- 4.) Czech Republic-Poland 104.0 million euros;
- 5.) Czech Republic-Slovakia 57.0 million euros.

Of greatest interest to SMEs is the Entrepreneurship and Innovation Operational Program (EPI), which, after lengthy and difficult negotiations, was approved by the European Commission. Within the framework of this program, they will be able to solve the most frequently encountered issues of developing their business in practice. More than 500 million euros will be allocated annually under this operating program. It has 6 main directions of entrepreneurship development, which will be implemented through 16 subprograms. Key indicators of the operating program

Entrepreneurship and Innovation” are summarized in the table below (see Table 4.4).

Table 4.4 Key Indicators of the Operational Program Entrepreneurship and Innovation "(in million euros)

Main directions	Subroutine names	Total subsidies for	Grant form
1. Establishment of the company	Start	94.5	Interest-free loan
	Financial		
2. Development of firms	Progress	793.0	Tied loan up to 0.9 million. euro under 394 annuals
	Warranty		Preferential guarantee + fin. support

	Development		Subsidies up to 0.7 million euros
	Information Technology		Subsidies up to 3.5 million euros
	Information Technology		Subsidies up to 0.7 million euros
3. Efficient energy	Natural energy	145.4	Subsidies up to 3.5 million euros
4. Innovation	Innovation	830.2	Subsidies up to EUR 2.7 million
	Potential		Subsidies up to EUR 2.7 million
five. Wednesday for entrepreneurship and innovation	Cooperation	1397.8	The number of subsidies so far not determined
	Prosperity		Subsidies up to 7.0 million euros
	Learning centres		Subsidies up to EUR 5.3 million
	The property		The number of subsidies depends from the project
6. Development services entrepreneurship	Consulting	286.9	Various
	Marketing		Up to 70 thousand euros

The aim of the operational program "Entrepreneurship and Innovation" is to increase the competitiveness of the Czech economy and bring the innovation level of the industry and entrepreneurship sector closer to the level of highly developed European countries.

The main tasks to be solved within the framework of the OPPI are the following [51]:

- improving the business infrastructure;
- support and development of cooperation between enterprises, universities and research institutes;
- development of the activities of enterprises in order to create their own design, innovation, research facilities, pilot production, as well as the creation of infrastructure for enterprises in order to stimulate science and further development of production;
- introduction of innovations of a technical and non-technical nature;
- introduction of new technologies, production processes and the most advanced computer technology;
- creation and improvement of business services;
- development of services aimed at improving the quality of labour resources in order to strengthen the relationship between science and production;
- development of international enterprises and dissemination of the results of their innovative activities;
- improving the quality of labour resources at enterprises, using means of education, raising the level of education and qualifications of workers, promoting the implementation of the best results of practice;
- stimulation of entrepreneurship, creation and development of new enterprises; efficient use of all energy sources and raw materials in accordance with the principles of energy saving.

Total as part of the OPPI in 2019. allocated about 3.5 billion euros, which will be spent on the following tasks:

- The "START" program is designed to implement the entrepreneurial intentions of individuals and legal entities entering the field of entrepreneurship for the first time or after a significant break.
- The following types of support are provided under the START program: Interest-free loans;

- Interest-free loan with financial subsidy (only for small businesses).

The Progress program is intended for the implementation of entrepreneurial projects aimed at developing SMEs with little experience. Support for this program is provided in the form of a targeted loan (as a rule, for the purchase of technological equipment) or the provision of a targeted loan along with a financial subsidy. For energy projects - a preferential loan or a preferential guarantee with a financial subsidy.

The Guarantee program is aimed at implementing investment projects for SMEs, especially in lagging regions. Support form: a preferential guarantee or a preferential guarantee with a financial subsidy.

The Development program is designed to increase the competitiveness of SMEs during their formation, especially in terms of their technical equipment and the introduction of more advanced management methods [29].

The Information and Communication Technologies and Strategic Services program aims to develop competitiveness in the field of information and communication technologies, an informed, knowledge-based society. Raising awareness of new information technologies and communications, supporting projects for the provision of strategic services of an international nature.

Form of support: subsidies, mainly for SMEs.

The Information and Communication Technologies in Enterprises program aims to increase the competitiveness of SMEs through the use, acquisition and distribution of information systems. Support form: grants.

The Ecoenergy program is designed to stimulate entrepreneurs in the field of reducing the consumption of electricity and heat energy, in the wider use of renewable and secondary energy sources. Support form: grants.

The Innovation program is aimed at enhancing the innovation potential of the business sector, especially SMEs, as well as projects of state research institutes, universities, individuals and SMEs aimed at protecting industrial property rights. Support form: grants.

The Potential Program supports scientific –research work at enterprises and their cooperation with research institutes. Form of support: subsidies, mainly for SMEs.

The “Cooperation” program provides support for the emergence and development of cooperative industry groupings - clusters and technological platforms aimed at regional, interregional and international levels, as tools for developing the economy and increasing its competitiveness. Support form: grants.

The Prosperity Program aims to stimulate the creation of entrepreneurial incubators, science and technology parks and centres for the dissemination of new technologies, which are the basis for the emergence and development of small and medium-sized innovative firms. Form of support: grants to legal entities, founders of scientific and technical or innovation centres [51].

The Training Centres - Retraining Centres program is aimed at creating centres for training and retraining personnel in order to improve the quality of labour resources. Form of support: grants to entrepreneurs, territorial self-governing organizations, research institutions and primary education schools.

The Real Estate program stimulates the creation and development of entrepreneurial real estate, including the infrastructure belonging to it, in order to increase the efficiency of the real estate market, improve the investment and living environment. The program is closely related to the Reality program. Support: subsidies to business entities, territorially self-governing entities.

The Consulting program envisages improving the quality and availability of information, consulting and general educational services for SMEs. Within the framework of the program, the development of the National Register of Consultants, the regional consulting infrastructure, benchmarking and the provision of profitable consulting services and analyses of foreign and Czech development directions will be carried out. Support form: subsidies for SMEs.

The Marketing program is designed to improve the competitiveness of enterprises by supporting individual participation in foreign fairs and exhibitions.

The program should help to improve the marketing preparedness of enterprises.
Support form: subsidies only for SMEs.

According to preliminary estimates, more than 60 % of projects for this operating system will be implemented by small and medium-sized enterprises.

The following organizations in the Czech Republic provide support to SMEs:

1.) Czech - Moravian Bank for Guarantee and Development JSC (ČMBGR) - under the programs "Guarantee", "Market", "Progress", "Start".

2.) State Agency for the Support of Entrepreneurship and Investment "Czechinvest" under the programs "Consulting", "Development", "Innovation", "Cooperation", "Real Estate", "Potential", "Prosperity", "Information and Communication Technologies and Strategic Services", "Information and Communication Technologies at Enterprises", "Training Centres - Retraining Centres", as well as 6 regional programs of the European Union.

3.) Design Centre of the Czech Republic - under the Design program.

4.) State agency for trade support "Czech trade" under the programs "Alliance" and "Marketing".

5.) Czech Energy Agency - under the Ecoenergy program.

Support for SMEs in the export of goods and services

In accordance with the "Export Development Strategy of the Czech Republic for the Period 2016 -2019" support for SMEs in the export of goods and services, along with the Ministry of Transport of the Czech Republic, the state agencies Czechtrade and Czech invest, are also provided by the state Czech Export Bank (CEB) and JSC Export Guarantee and Insurance Company (EGAP). In 2019, compared to 2018, the amount of loans issued for export support increased by 52,394 and exceeded US \$ 300 million.

A large role in supporting the export of SMEs is played by the Export Guarantee and Insurance Company JSC (EGAP). The main activity of EGAP is to protect Czech exporters and export finance banks from commercial and political risks, as well as [51]:

- simplification of procedures and improvement of conditions for commercial insurance of small and medium enterprises;
- expansion of the use of electronic communications, the use of electronic rating;
- expansion of cooperation with foreign partners, the list of insurance services provided in accordance with the new requirements of Czech exporters;
- using the experience of "small" EU countries, primarily in the field of supporting the export potential of small and medium-sized enterprises.

The main types of export insurance carried out by EGAP at present are presented in the following table 4.5.

Table 4.5 Main types of export insurance

	Name	Description
1	B	Insurance of a loan provided to a Czech exporter for a period of less than 24 months, for the implementation of deliveries abroad, against claims no fees.
2	C	Insurance of a loan granted to a Czech exporter for a period of more than 24 months for the implementation of deliveries abroad from claims no fees.
	D	Insurance of a loan provided by a Czech or foreign bank, or another entity to a foreign customer or his bank for the delivery by a Czech exporter against the risks of non-payment. The insurance is carried out in favour of a Czech or foreign bank or other entity that provided the loan.
4	E	The risks of the bank that confirmed the letter of credit are insured in case of full or partial non-payment under the terms of the letter of credit. A bank that has a CNB permit is insured
5	F	The risks of a bank or other entity that has provided a loan to a Czech manufacturer / exporter for export financing of production are insured in case of non-fulfilment of an export contract by a Czech manufacturer / exporter. The bank is insured and this type insurance must correspond to insurance types B, C and D).

6	I	The insurance covers the risks of limiting or losing profit when making investments of a Czech legal entity abroad, in cases of impossibility of making a transfer to the Czech Republic, loss of property without compensation or nationalization. Czech investor is insured
7	P	Insurance of a loan provided by a bank to a Czech exporter for the implementation of marketing activities related to the entry or increase in export volumes to foreign markets. The bank that provided the loan is insured.
8	V	The risks of losses of the exporter are insured in the event that he is not able to fulfil the terms of the contract (industrial claim. The exporter is insured for insurance of types B, C, D and P.
9	Z	Risks are insured against legal or illegal use of funds under a bank guarantee by a foreign customer or his bank. A bank is insured that has provided a foreign customer or his bank with a bank guarantee for a Czech exporter who has received or is implementing an export contract (guarantees for the offer, fulfilment of obligations, return of payments
10	GA.04	Risks of non-payment of debts of Czech or foreign buyers are insured. The seller is insured.

The protective measures taken by the Czech Republic within the framework of the general trade policy are the exclusive competence of the European Union. These measures are binding both for the Czech Republic and all other members of the European Union. After joining the European Union, the Czech Republic adopted all the EU legislative acts and norms aimed at ensuring economic security and protecting national interests in the field of foreign trade.

Currently, the EU, of which the Czech Republic is a member, has free trade agreements with the EFTA countries (Switzerland, Norway, Iceland, Liechtenstein), as well as with Croatia and Israel.

Negotiations are underway to conclude similar agreements with India, the Republic of Korea, with the ASEAN countries, as well as new agreements with Russia, Ukraine and China. The parties intend to reach agreements on a wide

range of issues: not only in the field of trade in goods and services (lowering customs duties, minimizing non-tariff and administrative barriers), but also in the field of protecting intellectual property rights and the environment.

For developing countries, there is a general system of preferences (GSP), which provides them with significant benefits when exporting to EU countries.

The Czech Republic automatically participates in the implementation of anti-dumping restrictions imposed by the EU Council in relation to third countries. Declarations from Czech manufacturers about the need for protection against dumping are accumulated in the Ministry of Industry and Trade of the Czech Republic or in the relevant European associations of industrialists and submitted to the European Commission. The Czech Republic has the opportunity to influence the European Commission's decision-making on anti-dumping investigations at the very initial stage through the participation of its representatives in the advisory anti-dumping committee of the European Commission.

4.2 Research on the Impact of E-Commerce on Small Business Activities in the Czech Republic

The development of electronic commerce can contribute not only to globalization and the acceleration of information exchange, but also represents one of the main global trends in economic development.

Despite the fact that e-commerce in the Czech Republic is just beginning to develop, one can already judge the positive effect that this sphere brings to the economy. It has become an integral part of the lives of citizens. Since the prices for goods and services sold via the Internet are lower, this ultimately leads to an increase in the volume of electronic commerce [51].

The development of e-commerce allows small and medium-sized enterprises to compete with larger businesses and expand the consumer market. For example, in 2017 - 2019, in the Czech Republic, small businesses that use the Internet are growing 46% faster than those that do not use the Internet in their activities. At the same time, economic development is supported, and as a result, economic growth occurs, the tax base and the demand for related services expand [29].

In addition, starting a business on the Internet requires far less funds than a traditional business. This advantage is attractive to both large and small businesses. At the same time, you do not need to spend money on renting premises, additional personnel, etc. Also, additional funds are not needed for expensive outdoor advertising and commercials on television and radio. In this regard, the role of the Internet is increasing every day, since the network has enormous potential in terms of opportunities to promote goods and services.

The company is able to avoid the costs of market analysis, consumer preferences, and competitors' actions. It is easier to track price changes in real time, interact with business partners, and find consumers outside of traditional sales networks.

In addition, enterprises can quickly expand the range of services provided, make real-time information available on goods, their availability, cost, conditions and delivery times. Along with this, the company is becoming more customer-oriented. As a result, it has the opportunity to improve the quality of service delivery, including through individual consultations and acceleration of service.

It is a known fact that small businesses account for the majority of innovative ideas because they are more mobile and receptive to innovation.

The use of e-commerce allows you to optimize logistics costs, as it makes it possible to approximate the storage location and the place of production of goods.

Therefore, we can conclude that the development of electronic commerce has a positive effect on the economic sphere of society. Companies gain advantages over competitors. Customer satisfaction is on the rise. At the same time, the taxable base may increase, which leads to the receipt of additional income for the state.

Despite all the advantages, there are also disadvantages of e-commerce, in the aspects of small business development in the Czech Republic.

First, there is no legal and regulatory framework that regulates this area.

Secondly, the development of infrastructures in different countries is uneven.

Thirdly, there is the problem of identifying subjects of electronic commerce and the authenticity of electronic documents. It should be noted that with the development of digital signature, this problem becomes less relevant.

It should also be noted that the Internet is an attractive medium for fraud, which cannot but affect electronic commerce. In this regard, it is necessary to ensure a high level of security of transactions in electronic form.

The information infrastructure is in high demand today. The development of information technology turns out to be both governmental and cultural, social and commercial [30].

In countries such as the USA, Canada, Japan, e-commerce is rapidly modernizing with the aim of efficiently doing business in both domestic and foreign markets. Also, with the help of e-commerce, a developed economy and culture of the information society is being built.

For the Czech Republic, the formation of a developed economy and culture of the information society is a priority. To achieve its goals, the state has joined various organizations. Thus, the Czech Republic created an information centre under the State Committee for Standardization and Certification on issues related to joining the World Trade Organization, and an access point to the UN trade-point network at the National Centre for Marketing and Price Study of the Ministry of Foreign Affairs.

For our country, Internet trade is a strategic direction both for the development of the business environment and for increasing the competitiveness of the state. The analysis of the prospects for the development of e-commerce in the Czech Republic should be carried out using modern marketing methods and approaches, such as predictive analytics, data mining and “horizontal” products aimed at fulfilling unified business objectives.

Accordingly, it is necessary to create and develop a system of information support for the distribution network, as well as the creation of information resources for conducting marketing research and making management decisions.

Moreover, this should be an integral part of the information support system for foreign economic activity and trade of our state.

An important role in the development of export (import) activities of enterprises based on e-commerce is assigned to e-government and public procurement.

The main task of e-government is to increase the efficiency of interaction between the state and the population and to transform the very essence of public administration.

E-government at this stage of state development ceases to be an experiment in the field of administrative reforms and is an integral part of public administration. Its main task is to increase the efficiency of interaction between the state and the population and to transform the very essence of public administration.

As mentioned earlier, e-commerce generally refers to business activities carried out through electronic means of communication. This activity is associated with a set of preliminary and accompanying actions of entrepreneurs, including advertising of goods and services, the conclusion and execution of contracts, after-sales support, etc. E-commerce involves any transactions made by individuals and legal entities that are based on electronic data processing and transmission.

In the Czech Republic, the Action Plan for the Development of the Digital Market was approved by the Government Decree of August 26, 2015 No. 694. Chapter 3 "Access to goods and services on the Internet" of this document formulates the task of assessing the possibilities of Czech e-commerce and tools to support those who carry it out, i.e. e. entrepreneurs - small, small and medium.

In EU legislation and the national legislation of the Member States, the regulation of electronic transactions in most cases relates to electronic commerce, which has both a national and cross-border nature. Since the beginning of the XXI century. In the EU, legislation is being formed to regulate electronic commerce, which, as already noted, is actively applied by the legislators of the Czech Republic and Slovakia. For example, the provisions of Directive 2000/31 / EC on electronic commerce of June 8, 2000 in Czech law were used in the Law on

Certain Services Provided by Information Societies, 2004, as well as in the preparation of the section of the new Civil Code on contracts with consumers. In Slovakia, in accordance with this Directive, an independent Law on Electronic Commerce¹² was adopted in 2004,

Directive 2011/83 / EU on consumer rights of October 25, 2011 is also reflected in the new Czech Civil Code, which includes a special section on contracts with consumers concluded remotely, that is, using electronic means. In Slovakia, this Directive was used both in the Civil Code and in the Law on Consumer Protection in the Sale of Goods or the Provision of Services on the Basis of Contracts Concluded Remotely or Outside Trade Premises [51].

In connection with Directive 2013/11 / EU of the European Parliament and of the Council on alternative resolution of consumer disputes dated May 21, 2013, the provisions of the Czech Civil Code on distance contracts were amended. In accordance with them, the entrepreneur is obliged to provide the consumer with information on the possibility of an alternative resolution of disputes arising from such an agreement, indicating the ADR¹⁴ platform on his website. In Slovakia, in accordance with this Directive, a separate Act on Alternative Resolution of Consumer Disputes was adopted in 2015. The purpose of this Law was, first, to create legal certainty for consumers and sellers by establishing basic rules for the alternative resolution of disputes that may arise between them. Another goal was to facilitate faster, less formal and, moreover, free or with minimal costs resolution of disputes arising from contracts with consumers. This issue will be considered in more detail later.

Contracts with consumers. Since the regulation of electronic transactions in the legislation of Slovakia and the Czech Republic is directly related to the development of electronic trade in goods and services, it is necessary to refer to the regulation in the legislation of these countries of contracts with consumers, in particular contracts concluded with consumers remotely using technical means.

It should be recalled that in accordance with Directive 2011/83 / EU on consumer rights, special sections on contracts with consumers have been included

in the content of the civil codes of Slovakia and the Czech Republic. Contracts concluded with consumers remotely using electronic means in the Czech Civil Code is devoted to a special subsection (§ 1820-1867). Meanwhile, in Slovakia, such contracts are independently regulated by the Law on the Protection of Consumer Rights in the Sale of Goods or the Provision of Services on the Basis of a Contract concluded remotely or outside retail premises, 2014 [51].

In the Civil Code of the Czech Republic, among the types of contracts, adhesion contracts are distinguished, which include contracts with consumers. According to the Civil Code of the Czech Republic (§ 1798-1901), the provisions on accession agreements apply to any agreement, the essential conditions of which are determined by one of the parties, which excludes the possibility of the other, weaker party, to actually influence their content. If a form or a similar means is used when concluding a contract, the contract is deemed to have been concluded by way of accession. The reference specified in such an agreement to the conditions contained outside the text of the agreement is recognized as valid if the weak party was familiar with it and realized its significance. This is a theoretical justification for the inclusion in the Civil Code of contracts between an entrepreneur and a consumer,

The Czech Civil Code provides for special requirements for contracts with consumers, which are informational obligations of the strongest party to the contract - the entrepreneur. This is a list of information that the entrepreneur must transfer to the consumer before concluding the contract. Compared to the amount of information provided by the EU Directive, the Czech legislator in some matters reduces the amount of information, while in others it imposes on the entrepreneur the obligation to provide additional information [51].

According to the Civil Code of the Czech Republic, if the actions of the parties are aimed at concluding a contract, and the entrepreneur uses any technical means of communication that allows the contract to be concluded without the physical presence of the parties, he must provide the consumer, before he makes an application, a number of mandatory information. That is, any distance contract

must contain a set of information provided to the consumer by the entrepreneur prior to the conclusion of the contract.

Such information, in particular, includes: the cost of means of remote communication; making an advance payment, if required. If the contract is concluded for an indefinite period or its subject is repeated execution, the entrepreneur provides information about the price of goods or services or the method of determining it for one billing period, which is one month, if the price is fixed; for contracts concluded for an indefinite period or with repeated execution, information on taxes, fees, other payments, as well as the cost of delivery of goods or services is indicated [51].

In the event of a possible withdrawal from the contract, the conditions, terms and procedure for exercising this right are communicated with reference to the form contained in the bylaw. Also, the consumer is notified that in case of cancellation of the contract, he bears the costs associated with the return of the goods, and in contracts concluded remotely, the cost of returning the goods, the properties of which prevent the return by means of regular mail. The consumer is informed of the obligation to pay proportionally part of the price in case of termination of the service agreement, the execution of which has already begun.

According to the Czech Civil Code (§ 1837), a consumer cannot withdraw from an agreement for the supply of digital content not on a tangible medium if he was previously notified by the entrepreneur.

The list of obligatory for transferring to the consumer includes information: about the entrepreneur himself; the name of the product or service; the price of a product or service; method of payment and delivery of goods; delivery costs; consumer rights in case of defects in performance, warranty rights; the term of the contract and the conditions for its termination; the right to withdraw from the contract; functions of digital content, including electronic hardware (hardware) and software (software).

As a general rule, if the content of the contract can be interpreted in different ways, the interpretation is more beneficial to the consumer. It is specifically

stipulated that agreements that differ from the provisions of the law aimed at protecting consumer rights are not taken into account. This principle also applies if the consumer has waived the rights granted to him by law. Prohibited are agreements of the parties that, contrary to the requirements of reasonableness, establish a significant inequality of rights and obligations of the parties not in favour of the consumer. However, this rule does not apply to agreements on the subject of performance or price formulated in a clear and understandable way for the consumer.

Noteworthy is the provision of the Czech Civil Code (§ 1818), according to which in cases where the consumer is entitled to withdraw from the contract, he is not obliged to indicate the grounds for refusal. It is deemed sufficient for the consumer to send a notice of refusal within the prescribed period.

Consumer protection is also assisted by the prohibition of "imposed execution" established in the Czech Civil Code, according to which the consumer is not obliged to return the "imposed" product at his own expense. In this case, the consumer is considered as a bona fide owner who has the right to dispose of the goods delivered to him as the owner, in particular to keep it or transfer it to another person [51].

The entrepreneur can transfer a number of information with the attachment of the corresponding forms to the consumer through a standard instruction. For example, according to the Czech Civil Code, if the contract is concluded using electronic means, the entrepreneur must provide the consumer with the text of its conditions in addition to the text of the contract. In addition, the entrepreneur is obliged to give the consumer at least one copy of the contract immediately after its conclusion.

The seller is liable to the buyer for defects in the goods supplied. Among other things, we are talking about the discrepancy of the goods and services with those characteristics that the seller or manufacturer indicated in the advertisement. In accordance with the Czech Civil Code (§ 2165), in this case, the buyer can defend his rights within 24 months from the date of receipt of the goods.

As already noted, in accordance with the EU Directive, it is the responsibility of the entrepreneur to inform the consumer about the possibility of out-of-court settlement of a dispute arising from the contract, indicating the corresponding Internet platform ADR. In addition, the entrepreneur must also provide the consumer with information about the possibility of sending his claims to the state control and supervisory authorities.

In the first quarter of 2020, the revenues of Czech retailers grew by 6%. The trend continued in April, when the increase was 7.1%. There has been no such rapid growth in retail sales in the Czech Republic over the past seven years, and it was achieved thanks to the intensification of the volume of purchases through the Internet.

In particular, according to the Czech Statistical Office, Internet sales growth in the first quarter of 2020 increased (year on year) by almost a quarter. The average amount of online purchases that a customer is willing to pay for one position has also increased. In the first quarter of 2020, it jumped 10%.

At the same time, according to the Czech company Leslaw, the Czech e-commerce market occupies only 5th place in Central Europe in terms of volume, after Germany, Austria, Switzerland and Poland.

But if we take into account not the absolute indicators of sales volumes, but make a footnote on demographics, then the picture becomes more significant.

For example, in Poland, where the population is about 35 million people (in the Czech Republic 10.5 million people), e-commerce is only 2.5 times higher than the Czech one. The average annual cost of an online shopping cart in the Czech Republic in 2014 was 617 euros, which is 80 euros more than in Poland... And over the past 12 months, among all Internet users (75%) in the Czech Republic, almost 45% have made at least one online purchase.

E-commerce in the Czech Republic, as a sector of electronic information business, today contains much more problems and questions than answers and ready-made schemes, and solutions that work in practice.

It is obvious that the future of the e-commerce sector in the Czech Republic, as well as throughout the world, largely depends not only on how quickly the audience grows, but also on how quickly the problem with making payments in real time or at least to teach users to regularly make purchases through the Web.

Within the framework of this study, an Internet survey of entrepreneurs was carried out to identify and study the problems of the formation of e-commerce systems in small businesses in the Czech Republic. The survey involved 25 small businesses in the Czech Republic. The results of the survey once again confirm the figures found in scientific sources and analytical articles.

According to the estimates of the majority of small businesses (78.5%), they are currently working in an increasingly competitive environment. 54% of respondents experience strong competition in their market, 39% - moderate. Only 9% of entrepreneurs spoke about the absence of any kind of competition.

The survey results showed that the main problems of e-commerce are as follows:

- sales problems;
- staffing;
- lack of financial resources;
- The main problems faced by small business organizations include the problem of lack of financial resources (they were indicated by 60% of respondents), staffing (50%), sales problems (44 %).

The main problems of small businesses in the Czech Republic include:

- lack of financial resources;
- problems of finding customers and sales markets;
- lack of the right workers and specialists;
- unfavourable lending conditions;
- lack of operational business information;
- supply problem;
- enterprise management problems; lack of information on new technologies.

Thus, the development of e-commerce in the Czech Republic will develop more successfully if the following groups of factors are taken into account:

1. Structural and economic factors. World experience shows that e-commerce tends to develop and gives the maximum effect in industries and markets with certain characteristics (a large number of participants, fragmentation, a high level of competition with the willingness of market participants to cooperate, a high degree of standardization of goods).

2. Information and infrastructure factors. This set of criteria includes parameters that characterize the level of technical readiness of the economy to conduct inter-firm e-commerce.

3. Management factors. This group of criteria characterizes the adequacy of existing models of enterprise management - "the effectiveness of management in terms of disposition to master new management techniques and commitment to the long-term development of enterprises." In relation to e-commerce, it is, among other things, expressed in relation to the automation of business processes in an enterprise.

Thus, based on the above research, it can be concluded that the impact of e-commerce on small business activities in the Czech Republic is significant.

5 Results and Discussion

5.1 Assessment of the impact of e-commerce on small businesses in the Czech Republic

So, based on the study above, we can conclude that the main advantages for small businesses in the Czech Republic from the implementation of e-commerce solutions and entering the e-commerce market are presented in table 5.1.

Table 5.1 - Main advantages of e-commerce for small businesses in the Czech Republic [51]

Advantage	Content
Reduced transaction and other costs	It allows you to avoid the costs associated with switching between market segments, with the need for prompt analysis and reaction to changes in demand, competitors' prices, territorial remoteness and lack of information regarding market opportunities, etc.
Entering new markets	It allows you to enter interregional and international markets at no additional cost, track prices in real time, establish business contacts and find consumers outside of traditional sales networks, expand advertising opportunities and provide a "global presence".
Improving customer service	It allows small businesses in the Czech Republic to expand the volume and range of services provided to consumers, to provide access to information about goods, their stocks, conditions and delivery times. Provides the possibility of individual consultation and accelerated service.
Positioning innovation	Allows you to fully and in detail disclose information about innovation to potential consumers around the world, using multimedia (audio, video, animation) for this, assess threats and advantages in the competition, and conduct effective marketing research.

In our opinion, the most important of these advantages is the ability to position an innovative product and the smallest enterprise using modern multimedia technologies.

A significant advantage of the traditional form of trade, in comparison with any forms of distance selling, lies in the ability of the buyer to get acquainted with the product and determine its consumer properties (appearance, taste, smell, result of use, etc.) directly. In this regard, there is a wide range of such products that are difficult to position on the market and sell for this reason.

The same can be said about technological innovations, innovative equipment, innovative services, etc., since a potential consumer may not have any information at all about the properties and capabilities of such a product or service.

This problem can be successfully solved by using multimedia technologies in e-commerce. For example, video filming and animation modelling will allow not only advertising, but also remotely demonstrating the functioning and features of the proposed innovation.

Moreover, modern technologies have a high level of interactivity - this means that a potential buyer, in case of primary interest in media advertising, can, for example, conduct a video tour of the production line, or examine in detail the equipment of a small innovative enterprise.

Entry into new markets for small businesses in the Czech Republic is traditionally carried out through the diversification of activities or through the coverage of interregional and international markets. As a rule, access to foreign markets for small businesses in the Czech Republic is carried out through contacts with foreign distributors or meeting potential partners through participation in international conferences and exhibitions.

Characteristic is the gradual transition from the internal market to the external one, while Russian consumers of innovations are more wary of the products of small Czech enterprises than their foreign competitors.

In turn, the e-commerce market may turn out to be more loyal to small businesses in the Czech Republic in the event of a more complete disclosure of information.

As modern studies show, the process of transition of small enterprises in the Czech Republic to the e-commerce market is accompanied by a number of conditions (Table 5.2).

Table 5.2 - Conditions affecting the transition of Czech small enterprises to the e-commerce market [51]

Condition group	Obstructing	Contributing
Economic and technological	<ul style="list-style-type: none"> - Lack of funds to finance the transition to e-commerce. - Weakness of the material and technical base. - Dominance of the traditional form of trade relations. - High economic risk and lack of the possibility of a qualified assessment of the costs of the transition to the e-commerce market. - Underdeveloped technological infrastructure of the e-commerce market. 	<ul style="list-style-type: none"> - Availability of a reserve of financial, material and technical means, advanced technologies. - Availability of the necessary economic, personnel, scientific and technical infrastructure.
Political and legal	<ul style="list-style-type: none"> - Underdeveloped national legislation in the field of electronic commerce. - Restrictions on the part of depreciation, patent and licensing legislation. 	<ul style="list-style-type: none"> - Lack of administrative and tax barriers. - State program support for the development of the information infrastructure of the economy.
Organizational and managerial	<ul style="list-style-type: none"> - Well-established organizational structure. - Departmental isolation. - Difficulty of intersectoral and interorganizational interactions. - Orientation to established markets. - Lack of qualified personnel. 	<ul style="list-style-type: none"> - Flexibility and decentralization of the organizational structure of small businesses in the Czech Republic. - The innovative nature of the core business. - Autonomy and adaptability of small Czech enterprises.

	- Lack of information about new technologies and sales markets.	
Socio-psychological and cultural	<ul style="list-style-type: none"> -Resistance to change. -Fear of uncertainty and failure. -Negative perceptions about the reliability and safety of the e-commerce market. - Difficulty understanding and perceiving information technology and e-commerce technologies. 	<ul style="list-style-type: none"> - Understanding the need for the transition to an information society and an innovative economy. - Providing opportunities for self-realization and creative work.

As shown above, small businesses in the Czech Republic are one of the main agents for realizing regional innovation and entrepreneurial potential. In this regard, an economically justified solution to the problem of the transition of small enterprises in the Czech Republic to the e-commerce market is to actively support such a transition at the level of regional authorities.

Traditionally, regional support for small businesses in the Czech Republic is based on the following basic elements:

1) support for innovative developments through the creation of small enterprises in the Czech Republic (regional funds for supporting small businesses, a fund for promoting the development of small enterprises in the scientific and technical sphere);

2) financing, subsidizing and lending for innovative developments carried out by small innovative enterprises (regional competitions and programs, regional venture funds);

3) tax incentives for small and medium-sized innovative enterprises on the basis of regulatory legal acts of local governments.

Even without addressing the details of the elements, it is obvious that these measures are not enough to introduce e-commerce and realize all its advantages in the conditions of small businesses in the Czech Republic. Of course, the most

promising enterprises seek for this purpose a significant part of the resources on their own, achieving certain results with more or less efficiency.

In addition, there are a number of problems in this process that small businesses in the Czech Republic cannot solve on their own. One of these concerns is the security of the e-commerce market. This includes the security of electronic transactions and the information environment of the market as a whole, security of delivery and trust in a particular seller or manufacturer, which generate additional costs for market participants.

There are also many negative factors that cause a negative perception of the market, including: insufficient or difficult to access information about goods and conditions of purchase, the presence of many negative reviews about sellers, unqualified personnel, etc.

In general, the development of national e-commerce is also a means for solving the problem of bringing the information infrastructure of the market in line with modern requirements, as well as traditional problems associated with an unfavourable geographical location and a sufficiently large distance to consumers. Without solving these problems, small Czech enterprises will not be able to successfully compete on international markets.

Thus, due to the obvious advantages of the e-commerce market for small businesses in the Czech Republic and the innovative development of the economy as a whole, as well as the emergence of a number of problems that require a systemic solution at the regional level, there is a need to create a regional mechanism to support small businesses in the Czech Republic in the e-commerce market. This mechanism should implement the following tasks:

- formation of a stable and efficient e-commerce market in the region;
- providing a favourable adaptive information and communication environment for the regional e-commerce market;
- improving the information infrastructure of the e-commerce market for the active involvement of small businesses in the Czech Republic;

- development and improvement of the institutional mechanism of the e-commerce market in general, and in the implementation of the innovative potential of small enterprises.

A systematic approach to solving these problems will create the necessary conditions and achieve a certain degree of efficiency, both in terms of spending funds for regional support, and in terms of optimizing the activities of small enterprises in the Czech Republic in general.

This year, the rise of the Internet business in the retail trade in the Czech Republic is expected. Last year this figure was 10.5 %.

A fifth of the goods purchased on the sites, buyers pay by bank cards. A third of customers prefer to order a product on the Internet, and pick it up at a store and pay for it there. 32 % of Czechs choose home delivery by paying in cash upon receipt of the goods.

The Czech Republic has the largest number of online stores in Europe per capita. There are 40 100 of them in the country. Almost half of the non-food products are sold on the Internet (43%) - this is more than in the Netherlands (35%), Slovakia (34%), Great Britain (33%) and Germany (29%).

The head of the Electronic Commerce Association Jan Vetiska, notes the peculiarity of the Czech market: “The Czech Republic is a special market. In contrast to Western Europe, the most important online stores and search engines in the country are local websites.”

There is significant growth dynamics in the mobile e-commerce segment. An important trend is that online purchases are getting smaller amounts per check, but more often, including essential goods.

Home sites are popular with Czech online shoppers. The top 5 e-commerce sellers are dominated by local brands with the web address “.cz”. The first place is taken by the goods website Heureka.cz, followed by the Internet markets Bazos.cz, Alza.cz . Local sellers are able to provide high speed of delivery compared to international sites, which is one of the difficulties for international companies when

entering Czech market. The only international player in the top five is the Chinese platform AliExpress.²⁴ Amazon has not yet launched a dedicated website for the Czech Republic, and currently only offers Czech translation on the German .de website [6].

According to the head of Shoptet Miroslav Ugan [11], "The Czech Republic has a privileged position in the field of e-commerce in Europe. This is facilitated by the fact that online business is a relatively undemanding industry in which almost anyone can conduct business without much knowledge and the need for additional investment. "

In the long term, the reality of COVID19 will accelerate the pace of expected e-commerce development in the Czech Republic: consolidation, growth of marketplaces and dominance of large players, according to Dataweeps report. This is a time for innovation, as well as for greater customer focus and satisfaction.

Despite the impact of the pandemic, the following e-commerce trends in the Czech Republic remain relevant:

1. Considerable attention is paid to the issues of green logic of the consumer side.

2. The Direct to Consumer (DtC) approach.

Direct to the consumer is a business model in which the product is sold directly to end consumers without any intermediaries (retail or wholesale). This type of business model is expected to grow among new Czech companies (especially in the consumer goods segment). DtC has been the mainstream ecommerce trend in the US for several years now. In the Czech Republic, most DtC manufacturers are on a smaller scale (natural cosmetics, handmade fashion accessories, etc.). The Direct-to-Consumer trend has been noticeable as far back as last year.

3. Virtual restaurants.

The next generation of restaurant owners will use the DdmeJidlo marketplace and platforms such as Uber Eats or Wolt. This will allow them to build restaurants with a food delivery service without building halls to

accommodate guests. Consumers will order food delivery from restaurants they are physically unable to visit.

In 2020, the first to recognize trends in purchases through the virtual assistant is expected. Google smart home devices accelerate sales when local language is supported. It is believed that by the end of the year, Google Note, as a platform used by large retailers, will be able to fully support the Czech language.

4. TikTok platform.

For the most part, brands with inter-generational target audiences will prefer TikTok over Instagram for their organic social media strategy.

TikTok is expected to launch social commerce elements in 2021 and globally, TikTok will become a significant player in social commerce.

Based on the above, the following conclusions can be drawn. One of the main features of the development of e-commerce in the Czech Republic is a consistently high growth rate. In 2020, for this indicator, the Czech Republic topped the rating among 30 European countries. But according to experts, the ego is due to the large number of online stores with annual growth. The Czech market is characterized by the population's commitment to local online stores and services, as well as by the peculiarity of the industry itself, which does not require special knowledge and significant investments. All this makes e-commerce attractive from the point of view of starting a business in the realities of the economic state of the Czech market.

The COVID-19 pandemic has accelerated the development of e-commerce in the Czech Republic, focusing on digitalization, circular economy, and the domestication of social platforms.

5.2 Directions for improving the use of e-commerce tools in the activities of small companies in the Czech Republic

One of the main directions of modern economic development is the rapid expansion of electronic commerce. Its turnover is growing rapidly. However, it should be noted that the data published in most articles and monographs does not reflect the total volume of transactions that can be classified as e-commerce

transactions, since they relate only to the sales of online stores, that is, to retail operations of the (B2C) segment, but in no way do not cover the entire volume of transactions related to e-commerce, as they do not include inter-corporate trade (B2B) transactions and data on other e-business segments.

A more generalized approach, taken in some interesting articles, terminologically indicates that the authors seek to circumvent this drawback and operate with the concept of "Internet commerce". Such a definition is not found in international and national regulatory documents, but it can be understood that the authors want to cover the analysis of the problem and retail and inter-corporate trade. In this case, the indicator of the use of mobile phones for concluding a purchase and sale transaction is included as the main factors. Of course, in inter-corporate trade, it is possible to use mobile communications to conclude transactions. But still, using mobile communication, buyers go mainly to online stores, that is, to retail, not inter-corporate trade [51].

The development of retail e-commerce in recent years is characterized not only by the use of new instruments for concluding transactions, but also makes it possible to identify a new trend - the expansion of the proportion of transactions carried out through online stores with buyers from other countries. This is a new segment of international trade, referred to in the Russian economic literature as "cross-border export", and in the English-language literature as "cross border trade".

The largest exporter of goods through online stores is China. Cross-border e-commerce has become one of the fastest growing business areas of China's economic growth in recent years, creating new jobs, opportunities for dynamic growth in trade and consumption. Over the past year, the indicators of import and export of goods through e-commerce platforms have significantly increased, in annual terms, the growth of these indicators was 116.4% and 41.3%, respectively.

The dynamics of cross-border trade is growing rapidly, the volumes of export sales through online stores and in foreign trade of the Czech Republic are increasing. This is facilitated by objective factors, in particular, an increase in the

number of online stores in the Czech Republic, an increase in computer density in all countries, an increase in the share of mobile devices for communicating with points of sale, the development of new payment services that make it possible to switch from cash settlements to electronic forms of payments, which stimulates development of payment gateways to ensure sustainability of e-commerce.

Dynamics of e-commerce in the Czech Republic in 2018 - 2019 was marked by a surge in operations: several large transactions were carried out, there were large investments in the industry.

At the same time, it should be noted the appearance in the arsenal of sellers of a whole range of new tools specially developed by trading corporations and promoting sales growth. In particular, the implementation of analytical data processing processes is worth mentioning. With the active use of sites to promote their products, managers of trading companies ensure the organization of AB testing, which allows you to expand sales.

The market also offers new ways of selling goods. Unlike standard methods used in Internet commerce (for example, selling goods in a particular store), a transition is made to the sale of goods through trading platforms - marketplaces. It was noted that in 2019, in the Czech Republic, buyers were offered a cross-border trade service, which, in addition to the standard sales technique through the trading platform, was implemented, namely, communication support with popular suppliers, the so-called marketplace-to-marketplace ideology. This innovative trading technology allows access to goods offered for sale by other trading firms, in particular Turkey's major trading platform, Hepsiburada.

Operations in the C2C segment may also become a new direction of sales, however, although the number of sellers is quite large here, the volume of transactions does not allow us to hope to achieve large volumes.

Sometimes there is information that online stores offer customers direct or veiled (for example, in the form of free shipping) discounts. Naturally, this has a high psychological value for many buyers. But there is no single system for

offering discounts. Therefore, to assert its significance, in our opinion, is still pointless.

Many trading companies develop and use a set of standard use cases for technology. So, for forecasting demand by assortment categories, an aggregator platform can provide data on sales in competing stores and stores of the same scale, which increases the accuracy of planning the necessary purchases. Also, aggregators allow you to automate the collection of reports on the size of sales and conduct tests of various kinds and analyse their results.

In addition, many retailers have their own delivery capabilities, which allows for an almost end-to-end process based on a platform infrastructure, which simplifies starting and running a business⁸.

The most important areas of work of e-commerce companies in the Czech Republic include the intensive expansion of various sales channels, the rejection of preferential online operations.

The second trend is the expansion of presence on small business marketplaces. For them, marketplaces are an excellent opportunity to build their own e-com on the basis of a ready-made platform, while spending a minimum of funds with the ability to pay more attention to production and other competencies.

The structure of purchases by import and export through online stores in the Czech Republic differs. The share of online retail imports (of all online purchases) is highest in medium-sized and small towns and villages. Sales in 2019 amounted to 300 million orders, showing an increase of 34% over the previous year, and the average check fell by 4%.

Important for the development of electronic commerce in all countries, including the Czech Republic, was the resolution of the World Customs Organization (WCO) in Luxor on cross-border electronic commerce of December 7, 2017 and the decision of the international conference on electronic commerce held in Beijing.

The Luxor Resolution sets out guiding principles for cross-border e-commerce by addressing eight critical dimensions: advanced e-data and risk

management, trade facilitation and facilitation, security and safety, revenue collection, measurement and analysis, partnerships, public awareness, and legislative improvement. The resolution aims to assist customs and other government agencies, businesses and other stakeholders in understanding, coordinating and responding to emerging issues.

We consider the introduction of new technologies for managing electronic commerce as the main directions for improving the use of e-commerce tools in the activities of small businesses in the Czech Republic.

For small business owners in the Czech Republic, today it is necessary to introduce new technologies, improve their sites, follow the latest web development. Research in the field of e-commerce directly indicates that modern digital technologies can shape and guide the entire journey that a buyer goes from acquaintance with a product to its purchase.

Such technologies build new patterns of interaction with the client. Only by using them can you increase sales, increase your income and leave your competitors far behind.

Artificial Intelligence and chatbots

Experts predict that every year more and more of the advertising budget will be spent on the development and implementation of chat bots.

They will greatly facilitate the work of sellers and allow buyers to optimize the time for choosing and ordering goods. Companies will receive comprehensive information about customer preferences, which are now relieved of the need to communicate with staff.

Chatbots can be simple, or they can be developed using Artificial Intelligence. Such bots will understand live speech and are able to learn new things. Artificial Intelligence provides tools that allow you to assess user preferences, analyse his purchases and even predict the next order, and, therefore, understand which advertising will be most effective. Many online stores can no longer imagine their activities without the use of Artificial Intelligence.

Combining offline and online sales

Expansion into the offline sphere has become a pronounced trend in e-commerce. Customers appreciated the opportunity to receive the ordered online product in the store near their home. The development of special platforms allows you to combine different systems, ensures their availability online, which allows buyers to act at their own discretion.

Naturally, the buyer will choose the seller who will provide him with the greatest comfort. E-commerce brands that have opened retail stores strive to ensure that offline points form a customer-oriented system with their digital infrastructure. For this, artificial intelligence products are used to increase the effectiveness of advertising campaigns. Now information about the product and platforms for communicating with the client can be presented on any device using personalized solutions based on artificial intelligence.

Find out everything about your buyer

In a store where they know you, remember your past purchases, are familiar with your preferences, it is much more pleasant to make purchases. Customize the interface of your online store so that it adapts to each of your customers. By analysing the actions of the buyer, you will be able to offer him those goods and services that will cause undoubted interest.

This is especially important for the promotion of new products and brands. By automating marketing and accumulating customer data, you can offer products in promotional emails and even refer to a customer by name. Personalization programs also include such intelligent products that will help the customer to choose a product. So, programs for the selection of cosmetics or eyeglass frames based on the client's photo will recommend the desired product. Programs for virtual fitting of clothes have been developed.

After taking a photo of your house, you can see how a particular piece of furniture and interior will look like in it, whether the wallpaper selected in the online store is suitable for this room. The more comfortable the choice and purchase in a given store, the more likely the client will want to come back here again.

Multichannel and social media

It's no secret that most users start searching on one device, for example, a home computer, and make out and pay for a purchase using a smartphone. Thus, in order to have stable sales, the store must be available on all channels. Multichannel is becoming more important than ever. Serious brands today use an average of nine communication channels. Two devices for purchase the ability to make a purchase anywhere - on the social network page or in the messenger is highly appreciated by modern consumers.

Smartphone as a purchase tool

Shopping on your smartphone is easy. You don't even need a bank card to do this, just use one of the mobile payment applications. According to some reports, almost a third of all buyers use smartphones to place orders, and this number will only increase. To increase the number of potential customers, you need to take care of a mobile application for an online store. This has already been said in the top web development trends of 2020.

Voice search

The widespread use of mobile phones for product search and shopping has led to the development of another trend - voice queries. By 2020, over 50% of all searches will be done this way. And those who work in the field of E-commerce will have to reckon with this. And the most forward-thinking businessmen are already using voice search apps.

Content

High-quality informative content posted on the company's website is another way to attract customers. It should be interesting material that will be useful to the client and facilitate the selection process. This is the only way to win the customer's trust and acquire a regular customer. Other trends include the introduction of image search, the development of new methods of product presentation, the use of e-mail, and new delivery methods.

IT technologies for successful commerce

All these trends can be implemented only with the help of modern software products, which are often developed on an individual basis, taking into account the specifics of a particular business.

So, on the basis of the conducted research, it can be concluded that the use of modern e-commerce tools will have a significant positive impact on the activities of small companies in the Czech Republic.

The rapidly spreading coronavirus infection and the self-isolation regime are causing significant damage to the economies of all countries. Analysts from all countries predict that the impact of the pandemic will have wider consequences than the 2008 financial crisis. So, back in February, economists from the analytical company Oxford Economics found that in the face of a pandemic, global GDP in 2020 will decrease by \$ 1.1 trillion (1.3%). They are confident that the damage from the global pandemic will be a very acute shock for the world economy [10].

At the same time, restrictions are most dangerous for small and medium-sized businesses that do not have resources that can be saved for entrepreneurial activity in a reserved form. The resulting crisis will disproportionately affect small and medium-sized enterprises (SMEs), which are vulnerable to a supply and demand shock (in terms of their liquidity) with a serious risk that more than 50% of small and medium-sized businesses will not survive in the next few months [15].

In this regard, the Organization for Economic Cooperation and Development (OECD) has presented a list of measures aimed at developing and supporting the small and medium-sized business sector in the context of the spread of coronavirus infection.

Analysis and generalization of anti-crisis government measures in the USA, Great Britain and China

In the United States, government support for SMEs amid a pandemic through the Coronavirus Aid, Aid and Economic Security Act (CARES), which has allocated \$ 350 billion to help small businesses keep workers employed amid a pandemic and economic recession. The initiative, known as the Paycheck

Protection Program, provides small businesses with 100% federal government guaranteed loans. It should be noted that these loans may be irrecoverable if borrowers keep their payrolls during the crisis or restore them afterwards. This program is available for use until June 30, 2020, however, the government encourages borrowers to apply as early as possible,

Within the framework of the program, entrepreneurs are provided loans (up to 2.5 average monthly wage costs) in the amount of no more than \$ 10 million, subject to three conditions: a six-month deferral of payments; fixed interest rate (1.00%); loan maturity - two years.

The program also identifies the following salary costs that are subject to the law:

For employers and sole proprietors, independent contractors and self-employed persons whose net income is less than \$ 100,000 per year: salary; cash tip payment; payment of leave, parental, family, medical or sick leave; permission to dismiss; payment for medical care and retirement benefits; payment of state or local tax assessed on the wages of an employee.

Compliance with the condition of irrevocability of the loan is carried out if the borrower has spent on the following items within an 8-week period starting from the date of the loan: payroll costs; interest on a mortgage obligation arising in the course of the enterprise; rent and utility payments; interest on other debt obligations that arose before February 15, 2020 [13].

In the UK, support for small and medium-sized businesses is carried out in accordance with the activities implemented by the Department of Business, Energy and Industrial Strategy; The Ministry of Housing, Communities and Local Government; By the Ministry of Revenue and Customs. These activities include:

Payment of salaries of employees.

Providing compensation to workers affected by the coronavirus in the amount of 80% of their salary, as well as making contributions to the national insurance fund and pension contributions.

Sickness benefit payment. A compulsory reimbursement system for health insurance payments has been implemented, where the employer can pay benefits to current or former employees for periods of illness starting on March 13, 2020 and after that date.

Deferral of VAT payment for the following payments: quarterly and monthly VAT refund payments for periods ending in February, March and April; payments on the account in the period from March 20, 2020 to June 30, 2020; annual accounting advance payments due between March 20, 2020 and June 30, 2020.

Exemption from paying business tariffs for the period from 2020 to 2021, if the entrepreneur owns: a shop; restaurant, cafe, bar or pub; cinema or concert venue; meeting or recreational property (sports club, gym or spa); hospitality property (hotel, guest house or self-catering accommodation).

Small Business Grant and Retail, Hospitality and Leisure Grant Facility - Subsidies 80% of the trading profits of the self-employed (but no more than £ 2,500 per month)

Measures to support small and medium-sized businesses: lending to businesses in case of interruption of their activities due to coronavirus in the amount of up to 5 million pounds sterling for up to 6 years; £ 125,000 to £ 5 million in convertible loans to innovative companies struggling with funding due to the coronavirus outbreak; implementation of a loan repayment scheme that will help SMEs borrow between £ 2,000 and £ 50,000.

Support for large businesses by providing loans in the amount of 25-50 million pounds (depending on their turnover) and the purchase of their short-term debt by the state [12].

State support for small businesses in China during the spread of the pandemic is implemented through a wide range of measures aimed at overcoming the economic consequences of coronavirus infection for business, implemented by central and regional authorities. Among the main measures to support small businesses, the following blocks should be distinguished.

Direct and indirect tax support measures: tax bank incentives for corporate and retail clients, SMEs, insurance companies; VAT exemption for companies providing medical services, food, accommodation, public transport, delivery services, some personal services for an unlimited period; VAT exemptions for companies manufacturing medicines used to fight coronavirus; tax loss carry-over (five to eight years) for hard-hit companies.

Employment support measures: reduction of social security payments; monthly payments to victims of coronavirus infection; deferral of payment of social insurance contributions; reimbursement of unemployment insurance premiums in large cities.

Economic incentive measures: maintaining the liquidity of the banking system; provision of concessional loans to companies actively participating in the fight against the epidemic; phased reduction and exemption from corporate social insurance fees and implementation of a policy of deferred payments for housing stock by enterprises; reduction of the interest rate for first-class borrowers to 4.05%; reduction of the required reserves ratio.

Individual measures aimed at reducing the impact of the coronavirus and provided for the purpose of exporting medicines, facilitating customs clearance, duty-free importation of charitable goods, providing deferred tax payments, and supporting trade enterprises [14].

Specifics of state regulation of support for entrepreneurial activity during the spread of coronavirus infection in Russia

In the context of a pandemic and closed external borders, Russian entrepreneurs are forced to adapt to the current situation. Non-working days with payroll, the need to pay taxes and rents would lead to heavy losses for business and, as a result, financial instability in the country, if not for anti-crisis measures and government support programs.

At the moment, Russia is developing support instruments in the context of the spread of coronavirus infection, a large number of government agencies. The government, the State Duma, and the Ministry of Economic Development of the

Russian Federation have developed a whole range of measures to support entrepreneurship during the spread of coronavirus infection.

We will systematize these activities.

1. Tax breaks.

When determining the taxable profit of small and medium-sized businesses, subsidies aimed at combating coronavirus will not be taken into account. Also, within the framework of the Federal Law "On the contractual system in the field of procurement of goods, works, services to meet state and municipal needs" for small and medium-sized businesses, measures will be implemented to reduce the burden for participants in public procurement: simplify procurement procedures, reduce the amount of contract security [6]. The deadlines for the payment of some taxes for small and medium-sized businesses will be postponed for at least six months.

2. Reduction of insurance premiums to the wage fund of employees by almost half and postponement of their payment by 4-6 months.

3. Temporary suspension of business inspections. After May 1, the authorities will have to exclude small and medium-sized businesses from their plans for inspections and reduce the number of scheduled inspections of the entire business by 70%, from 380 thousand scheduled inspections to 116 thousand [1, 2].

4. State provision of loans for the payment of wages.

Every entrepreneur affected by the pandemic will be able to take out an interest-free loan from the bank to pay salaries to employees in the amount of the minimum wage (12,130 rubbles) per employee. From 2021, this event will also allow providing loans by some regions to others within the framework of horizontal budgeting [4].

5. Production in correctional institutions of the Federal Penitentiary Service.

An opportunity is provided to conclude contracts between small and medium-sized businesses and the penal system, within which the production of essential products in a pandemic will be produced. Three conditions are obligatory for the use of this law: use of the provided infrastructure with the involvement of

convicted labour; prohibition of sublease, transfer of rights under such an agreement, pledge of rental rights; the conclusion of the contract takes place without tenders and auctions [3].

6. Providing flexibility in the budget process. Allocation of the necessary funds, without amendments to the budget, aimed at combating coronavirus infection. The implementation of this direction allows the use of the country's reserve fund for the prevention of coronavirus infection and to respond to emerging risks. Special attention should be paid to measures that allow regions to provide additional financial support to small and medium-sized businesses and the population in order to overcome the problems associated with the spread of the pandemic through the creation of the Federal Assembly Commission for the redistribution of budgetary allocations in the current financial year and planning period [5].

7. Postponement of renewal of permits. Small and medium-sized businesses are allowed not to re-issue permits, therefore, for its effective implementation, persons who have licenses or other permits are provided with their automatic renewal, change in the timing of these procedures or postponements [7].

8. Subsidizing costs and tax holidays for tour operators who have suffered losses due to the emergence of coronavirus, included in the Unified Federal Register of Tour Operators [8].

9. Provision of gratuitous subsidies to small businesses that are most affected by the current pandemic. The subsidy carries a partial compensation for the costs of small and medium-sized businesses, including the preservation of employment and remuneration of their employees [9].

10. Providing incentives or exemptions from payments for lease of state property to SMEs in the sectors most affected by the pandemic.

The consequences of the pandemic will manifest themselves for small businesses for more than one year. At the moment, there is no even an approximate idea of the losses of the small and medium-sized business sector in these crisis conditions. All of these activities will undoubtedly help entrepreneurs to gradually

cope with the consequences of such a powerful force majeure, but this is clearly not enough to restore the business sector. Tax and credit holidays will end, and entrepreneurs will have to face a reality in which it may be necessary to redesign their business.

Therefore, in our opinion, the importance of those forms of support for entrepreneurs, which have lost their importance in recent years, is currently being actualized. These necessary measures should be: creation of conditions for expanding opportunities for free receipt of information and consulting support for representatives of small and medium-sized businesses; providing opportunities for their training, retraining and advanced training (especially distance); assistance in mastering knowledge about new markets, products, strategies, production and service processes, etc. In this situation, the role of mentoring among entrepreneurs, exchange of experience, and holding free seminars with representatives of financial, tax and investment structures is also increasing.

6. Conclusion

Based on the study, we can conclude that the modern age of information technology has radically changed the old rules of doing business. This is due to the simplification of many processes due to their automation, which, on the one hand, opened up new business opportunities, and on the other hand, forced many companies to redirect company resources to the study and development of components of the company's intellectual assets.

Any manifestation of technological development is associated with both positive advantages that economic entities receive, and negative aspects that are associated with a change in the previous way of life of society. At the end of the 20th century, a completely new type of business appeared - e-commerce.

Opportunities associated with the emergence of e-commerce allow you to start your own business, not limited to the usual traditional activities. The Internet and the personal computer have opened up new prospects for income generation for all categories of citizens. It is important to note here the social significance of Internet technologies, which consists in providing employment for persons with disabilities.

Currently, there is no generally accepted definition of the concept of "electronic commerce", since it has not been scientifically worked out, although it is actively used among not only Internet professionals, but also in relation to foreign economic activity of enterprises.

The concept of e-commerce in the works of economists is as follows: "E-commerce is an area of the national economy that encompasses all business processes associated with transactions, financial and trade transactions carried out using computer networks" [4].

It should be noted that some authors, such as L. Novomlinsky [5] and D. Amor [6], consider the definition of "e-commerce" as a type of business transactions, financial transactions involving the use of leading information technologies and communication environments in order to provide a higher economic efficiency in comparison with traditional types of entrepreneurship. The

author's view coincides with this definition, since here the economic essence of modern Internet commerce is fully revealed.

Having studied the existing definitions given by the authors [7-9], the following definition of the concept is proposed: "E-commerce is a different configuration of business processes, in which there is interaction between various subjects in an electronic way, as well as through the Internet".

Although e-commerce includes various categories of e-business, it is nevertheless important to distinguish e-business from e-commerce. There are many definitions of the term e-business that reflect different points of view. So, according to the definition of the term by IBM specialists, e-business is a change in basic business processes using Internet technologies.

The main component of e-business is e-commerce. The term e-business is more general as it refers to various forms of interaction between market entities supported by digital technologies.

The implementation of e-business using mobile technologies is defined by a number of authors as mobile commerce and mobile business.

Currently, the most rapidly developing direction of e-mobile commerce, which gives independence to its users. The main advantage here is the lack of attachment to a stationary computer or server.

It is already difficult to imagine modern small business without the use of computer technologies. Their use has not only become the norm, but without them it is already impossible to carry out some processes. The use of Internet technologies has become part of the organizational development of small businesses.

It should be understood that small business is a rather limited commercial activity, therefore, it needs inexpensive and efficient technologies that allow to reduce costs and gain an advantage over competitors. Naturally, this leads to a constant search for the most optimal ways to solve such problems. The development of e-commerce provides businesses with an excellent opportunity to save time and money in their financial and trade transactions.

Currently, the development of Internet technologies dictates new rules for doing business. Many traditional activities, unfortunately, go bankrupt, unable to withstand competition and increased consumer demands for the convenience and quality of service. Earlier, at the beginning of the XXI century, other factors of capitalization were studied through the use of intangible assets.

Positive factors clearly demonstrate the effectiveness of e-commerce for doing business. First, the start-up costs for setting up an e-commerce business are far less than what a small business requires to run. Second, fewer licenses and permits are required to start an online business.

Of course, there are negative aspects of e-commerce, both for companies and consumers. In general, the presented shortcomings are quite understandable and must be eliminated.

However, an assessment of the positive and negative characteristics of e-commerce suggests that the plus is the potential that outweighs most of the disadvantages. To address technical issues, a competent strategy and the creation of trusting relationships with customers can change the existing scenario, therefore, help e-commerce to adapt to the changing world needs. At the same time, e-commerce in the Czech Republic should develop with the concept of national security, ensuring the sustainable development of the competitiveness of Czech business.

Thus, the importance of e-commerce is that it is one of the most important technologies of our time, ensuring high rates of growth of the country's economy. For modern business, e-commerce solves a very important task of increasing the competitiveness of companies, because allows to use the achievements of scientific and technical progress in the field of information and communication technologies, thereby providing an opportunity for business entities to quickly and without intermediaries find a commercial partner with minimal transaction costs.

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