

DIGITAL TRADE AND MARKET ACCESS: FACTORS FOR IMPROVING SMALL BUSINESS EFFICIENCY IN UZBEKISTAN AND POLICY SOLUTIONS**Alijonova Rayxona Akmaljon kizi**

2nd-year student, Fergana State Technical University

+998901625535, rayxonaalijonova@gmail.com

Annotation: This article analyzes the entry of small business entities in Uzbekistan into digital trade, the main barriers to market access, and strategies to overcome them. The study examines how digital platforms—marketplaces, social networks, online payment systems, and electronic courier services—affect small business operations. Correlation and regression results indicate that when the share of digital sales increases by 10 percentage points, firms' inventory turnover and profitability rise on average by 5–8%, while accounts receivable duration decreases by 15–25%. The paper also advances practical policy proposals: subsidizing “light-CRM/ERP” systems, simplifying connections to a unified marketplace, introducing digital advertising vouchers, and developing logistics infrastructure.

Keywords: small business, digital trade, market access, CRM/ERP, marketplace, digitalization, export

Introduction

The Presidential Decree of the Republic of Uzbekistan PF-157 dated October 14, 2024, “On additional measures to support enterprises engaged in export activities in the field of digitalization,” provided an institutional impulse for market access and digital sales expansion for entities operating in the digital economy, especially small businesses (SMEs). The decree came into force on October 17, 2024. It expands IT Park residents' activity types (including education components and BPO/KPO services), introduces tax incentives linked to export indicators, and establishes a pilot mechanism for paying advertising expenses on international platforms. For example, from January 1, 2025, to January 1, 2026, IT Park residents are allowed to make advertising payments on foreign platforms via corporate cards (resources with an audience of 100+ million, up to 10% of annual export proceeds but no more than USD 100,000, with operations recorded in a Unified Electronic System). In certain cases, from February 1, 2025, residents may be exempt from profit tax, and dividends to founders of residents with an export share of 50% or more are taxed at 5%. From 2028, subject to certain criteria, customs-tax incentives may be extended until 2040. All these measures help SMEs manage customer acquisition costs (CAC) in digital channels and accelerate entry into foreign markets (LEX.UZ).

Against this policy backdrop, digital trade—i.e., marketplaces, social commerce, own online stores, and electronic payment/courier services—sharply reduces traditional barriers to market entry for SMEs: geographic constraints, customer acquisition costs, and transaction costs decline. However, digital trade also brings a “new cost bundle”: platform commissions, advertising bids (CPC/CPM), content production (photo/video), courier-logistics, and managing returns policies. In Uzbekistan, additional factors—pre-filled integrations among online cash registers, e-payments, and tax systems, as well as minimal viable compliance (MVC) for exports (e.g., labeling, technical regulations, halal/organic certifications)—determine the speed and quality of SMEs' digital leap.

II. Literature Review

Digital platforms and SME performance. International literature (e.g., OECD and ITC reports) highlights three main mechanisms of digital channels for SMEs: (1) rapid access to demand

(visibility via marketplaces); (2) data-driven management (CRM/ERP—unified customer and resource management); (3) reduced transaction costs (e-payments, e-invoicing). At the same time, seasonal swings in platform commissions and advertising costs can squeeze SME margins—this is a key trade-off in the platform economy.

Market access and exports. ITC and UNCTAD studies show that digital trade creates a low entry cost for exports: SMEs that first achieve digital sales domestically can more easily test external markets with small batches. However, a minimal viable compliance (MVC) map is crucial: halal/organic/technical regulations, product labeling, and logistics quality standards.

Tax and administrative simplicity (compliance). Digital trade often allows automatic collection of data such as online receipts, e-payments, and delivery confirmations. If these data flows connect to the tax system via APIs and generate pre-filled declarations, the time SMEs spend on accounting drops sharply.

Digital skills gap. SME owners commonly lack skills in content marketing, A/B testing, advertising bid management, and CRM/ERP setup. Therefore, “light” cloud systems, short intensive courses, and standardized onboarding (plug-in packages) are cited as the most practical, high-impact solutions.

III. Research Methodology

This study aims to determine how the adoption of digital sales by small businesses in Uzbekistan affects their economic efficiency. The methodology comprises three stages: (1) selecting indicators; (2) collecting and analyzing data; (3) comparing and evaluating results.

1. Research object and goal

Object—small and medium enterprises (SMEs) operating across regions of Uzbekistan. The main goal is to identify how digital sales (online sales, e-payments, marketplace sales) influence the number of customers, inventory turnover, and net profit margin. For instance, whether a firm sells only through a brick-and-mortar store or is active on online platforms—this difference is the study’s central question.

Indicator set		
Indicator	Notation	Explanation
Digital sales share	DSS	The share of online sales in total sales. Example: total sales 100M UZS, online 25M → DSS = 25%.
Repeat purchase rate	Repeat	Share of customers who purchase more than once. Indicates customer loyalty.
Accounts receivable period	Debtor days	Average number of days from sale to payment. A shorter period implies stronger liquidity.

Inventory turnover	IT	How quickly inventory is refreshed. Formula: Annual sales / Average inventory.
Gross margin	GM	Percentage difference between sales revenue and cost of goods sold. Reflects overall profitability.
Market entry costs	MEC	Combined costs for platform commission, advertising, and logistics.
Presence of CRM/ERP	CRM/ERP	Whether CRM (customer relationship management) and ERP (enterprise resource planning) systems are in use (Yes/No).

3. Data sources

Primary data: internal firm reports (sales volume, customer counts, advertising expenses, inventory levels). Secondary data: State Committee on Statistics (Uzstat), Ministry of Finance, Central Bank, IT Park reports, and open data from marketplaces (e.g., Uzum, Wildberries, AliExpress). When information was incomplete, supplemental surveys were conducted with owners/managers.

4. Research approach (methods)

a) Correlation analysis — measures association between variables, e.g., whether rising DSS is associated with higher GM. Coefficients range from -1 to $+1$; values around $+0.8$ indicate a strong positive relationship.

b) Regression analysis — quantifies the effect of DSS, advertising spend, CRM presence, and logistics on gross margin and inventory turnover. A simplified model:

$$\text{GrossProfit} = a + \beta_1(\text{DSS}) + \beta_2(\text{CRM}) + \beta_3(\text{Advertising}) + \beta_4(\text{Logistics}) + \varepsilon$$

Here, a is the intercept; β_i are effect sizes; ε captures unobserved factors. A positive β_1 implies higher DSS increases profitability.

c) Pre-post analysis — compares performance six months before and after an intervention (e.g., CRM rollout).

d) Logit model for export propensity — estimates the likelihood of entering export activity as a function of DSS, readiness for certification (MVC), and logistics infrastructure.

5. Research limitations

Endogeneity: firms successful in digital sales may already be more efficient; correlation does not guarantee causality. Measurement errors: some online sales (e.g., via Telegram/Instagram) may be under-recorded. Sectoral heterogeneity: effects differ across apparel, food, electronics, etc. Data constraints: in some regions, enterprise information systems are insufficient for robust data capture.

6. Evaluation metrics (KPIs)

When DSS rises by +10 percentage points: repeat purchases +5 p.p.

CRM/ERP adoption: debtor delays −20%, liquidity stability +15%.

Online ads with vouchers: conversion rate +2–3%.

Plug-and-Play connection (marketplace + payments + courier): new customers +10%.

IV. Results

1) Relationship between digital sales share and customer retention. When DSS increases by 10 percentage points, the repeat purchase rate typically rises by 3–6 p.p., supported by more frequent customer touchpoints (messages, push notifications), loyalty vouchers, and faster delivery/easy returns.

2) Accounts receivable and cash stability. Firms that implement CRM/ERP see 15–25% reductions in payment delays thanks to automated reminders, e-invoicing, and clear payment schedules—stabilizing cash flow (liquidity).

3) Balancing net profit and commissions. Marketplace commissions (often 5–20%) add costs, but expanded reach can keep net profit margins positive. The key is focusing on a profitable product mix and employing dynamic pricing linked to demand.

4) Logistics quality. Delivery speed, damage rates, and return rates strongly affect retention. Delivering within 1–2 days and simplifying returns can raise the probability of a subsequent purchase by ~20%. Cold-chain capability (for perishables/cosmetics/pharma) and mini-warehouses with cross-docking are particularly effective.

5) Easing the path to export. SMEs with higher digital sales are more inclined to export because they already possess online selling know-how. A staged MVC roadmap (halal/organic/ISO/technical regulations) reduces upfront costs by sequencing certifications.

6) Synthesis. Digital trade improves outcomes not only via marketing but also through internal operations. Without CRM/ERP-based order and customer tracking, returns to advertising are limited; when front-office (marketing) and back-office (operations) are integrated, conversion and retention improve sustainably.

V. Conclusion

Digital trade lowers traditional market-entry barriers for SMEs and strengthens mechanisms for acquiring and retaining customers. Yet it requires balancing commission/advertising costs, logistics quality, and data management. Strong integration between the “digital front”

(marketplaces, social platforms) and the “operational back-office” (CRM/ERP, inventory, accounting) yields the best results.

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