

UDC 316.334.23:338=111

## ORGANIZATION OF ENTREPRENEURIAL ACTIVITIES ON THE INTERNET

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*The article focuses on the disclosure of the concept of "Internet economy", its difference from electronic business. The author determined the structure of the Internet economy, as well as the types of Internet commerce. The article will cite the top 5 largest Internet companies as one of the components of the Internet economy.*

**Introduction.** The relevance of the study is based on the growing role of the Internet in the business process, which has a significant impact on the development of the modern economy. Currently, there is a rapid increase in investment in existing and new Internet projects. The positive dynamics of the Internet penetration leads to increasing its role in modern business. Market development leads to the emergence of new Internet companies whose owners are faced with a lack of knowledge and tools in this field of activity. In this situation, the issue of the effective organization of entrepreneurial activities on the Internet and the accurate assessment of its results is becoming particularly urgent. In the article, we set the goal to explore the types of entrepreneurial activities on the Internet and systematize existing concepts that characterize the features of carrying out entrepreneurial activities on the Internet and e-business in general.

**Main part.** Electronic economy is the use of information and computer technologies to ensure the growth of a social product and increase productivity in all sectors of the economy. Along with the advent of the Internet, an Internet economy is emerging, which is a systemically organized, multi-level structure built on the basis of the relationship between economic agents via the Internet. It is characterized by an increasing role of the Internet in society, an increase in the share of Internet products and services, the creation of a global Internet space that ensures effective interaction between people, access to global Internet resources and satisfaction of social and personal needs for Internet products and Internet services.

The beginning of the Internet economy can be considered 1983, when the process of integration of individual local networks and the establishment of a single integrated data network "Internet" was completed. The Internet allows you to conduct interactive marketing, carry out direct online sales, quickly collect data about consumers, habits and preferences of an ever-growing group of people who spend most of their time online. A new interactive channel for the interaction of companies with business partners and customers was formed, which led to the formation of a new direction in modern business - electronic business.

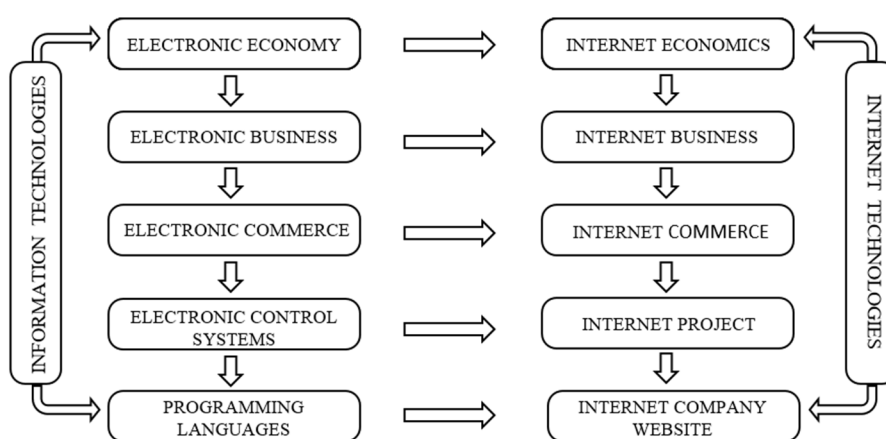


Figure 1. – Processes in the Information Economy

Thus, the Internet economy is a consequence of the electronic economy development, and the elements of the Internet economy continue and complement the development of the entire electronic economy system, forming a single whole.

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This scheme reflects the interconnectedness of the processes taking place in the information economy. Internet technologies, as a consequence of the development of information technologies, cover all elements of the Internet economy system. The structure of the Internet economy consists of four elements, such as the state economy, the economy of households and the population, Internet commerce and the economy of business structures.

As for the state, its role in the field of information and computer technologies and the electronic economy remains secondary, regulatory. The state provides solutions to taxation issues, protection of intellectual property, consumer rights, compliance with domestic and international competition in the electronic market, creation and maintenance of the necessary infrastructure, etc. A more active role of the state in the use of information and computer technologies opens up new areas of the electronic economy, such as electronic government, healthcare, education, energy, housing and communal services, electronic registration of citizens, etc.

Households and the population are mainly consumers of electronic services of business structures and the state, and also often serve as indicators of the capacity of the electronic market and the development of its infrastructure. In addition, the population is increasingly using information and computer technologies and the Internet to form social and economic groups, networks. Social networks in the economic sense are becoming collective entities with common interests, which business and government are guided by when developing electronic products.

The Internet as a business environment is attractive because it does not only differs by a low entry threshold for new players compared to offline, but it also offers a very wide range of areas of work, and in most cases does not require a specific location. You can conduct your business not only from any city, but even from another country. Currently, the Internet economy is undergoing a phase of active structuring and already includes a large number of types of entrepreneurial activities.

Internet commerce is a separate area of electronic commerce, which stood out from it as an independent element in the early 1990s of the 20th century. E-commerce is built on electronic information management systems, an element of which is an Internet project, which is one of the links in the Internet economy. E-commerce traditionally includes:

- electronic exchange of information (Electronics Data Interchange, EDI);
- electronic capital flow (Electronic Funds Transfer, EFT);
- electronic commerce (English e-trade);
- electronic money (e-cash);
- electronic marketing (e-marketing);
- electronic banking (e-banking);
- electronic insurance services (e-insurance).

The main subject of the Internet economy is business (large, medium, small enterprises, financial organizations). In this regard, electronic commerce has traditionally moved in two directions:

1. From business to business (B2B - Business to Business). The company is trading with another company. Internet platforms provide an opportunity to significantly simplify operations at all stages, to make trade more efficient and transparent.

2. From business to consumer (B2C - Business to Consumer). In this case, the company is already trading directly with the client. This method of performing a commercial transaction gives the customers the opportunity to simplify and speed up the purchase process. They do not have to go to the store to select the right product: just look at the specifications on the supplier's website, select the desired configuration and order the product with delivery. The Internet's capabilities allow a businessman to quickly track demand.

The use of information and computer technology by the business is not limited to these areas. In general, information and computer technologies for modern business are the foundation of competitiveness, and not just access to electronic commerce or a fashionable (sometimes expensive) trend. In this sense, the electronic economy of business structures is different from and wider than e-commerce.

Internet companies are an important component of Internet business. Consumer technology companies such as Google, Apple, Facebook, Amazon, and Microsoft have gone far beyond their original product lines and switched to all kinds of hardware and software and services that overlap and compete with each other. But their income and profits are still heavily dependent on external technologies that are beyond their control (Fig. 2).

Due to the intensive growth in demand, there is an active growth in supply, so new companies appear daily. However, between the well-known Internet companies, there is great competition for leadership in the Top of the largest and most expensive Internet companies in the world.

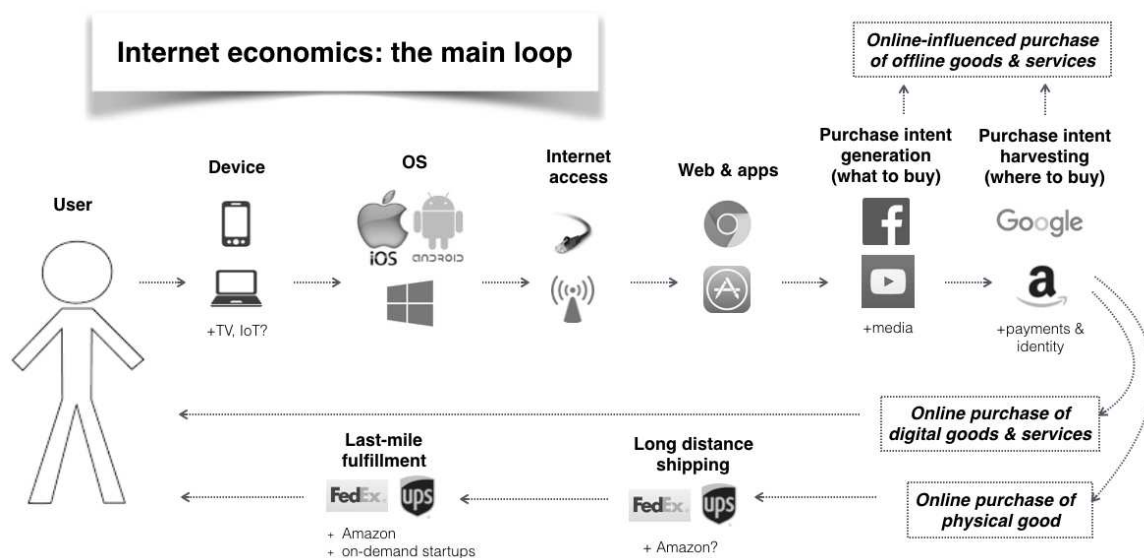


Figure 2. – The main cycle of the Internet economy

Explore the Top 5 largest Internet companies.

5th place — Facebook. Facebook was developed by Mark Zuckerberg in February 2004. Today, Facebook is visited by over 2 billion people daily. For one Internet project, with a market value of \$ 633 billion, it is simply an indicator of great popularity and relevance. Today, Facebook brings in more than \$ 22 billion in net profit per year through advertising. In addition, Facebook is the leader among this list by profitability, since only in the last year the company increased its net profit by 54%. Facebook provides a platform for the development of many social games, communication, feedback, review and other applications related to online activities. This platform has created many businesses and added thousands of jobs to the global economy. Zynga Inc. (leader in social games) is an example of such a business. An econometric analysis showed that, thanks to the Facebook platform, more than 182,000 jobs were added to the US economy in 2011. The total economic value of added employment was about \$ 12 billion.

4th place — Alibaba Group Holding Limited. Alibaba is one of the largest virtual trading platforms in China, attracting buyers with affordable prices and a wide range of products. Founded on April 4, 1999, the company provides consumer, business, consumer and business services through web portals, as well as electronic payment services, a customer search system and cloud computing. In January 2018, Alibaba became the second Asian company to surpass the \$ 500 billion valuation after its rival Tencent. Its online sales and profits have surpassed all U.S. retailers (including Walmart, Amazon, and eBay) combined since 2015. It is expanding into the media industry, revenue is growing by three percentage points every year.

3rd place — JD.com, Inc., also known as Jingdong. Jingdong is a Chinese e-commerce company. It is one of the two largest online B2C retailers (business consumer services) in China in terms of transaction volume and revenue, a member of Fortune Global 500 and a major competitor to Tmall, managed by Alibaba. The Internet company JD.com began as an online magneto-optics store, but soon became diversified, selling electronics, mobile phones, computers, and similar products. JD.com has invested in delivering high technology and artificial intelligence through drones, autonomous technologies and robots and has the world's largest UAV delivery system, infrastructure and capabilities. It recently began testing robot delivery services and building drone delivery airports, as well as delivering without a driver, presenting its first autonomous truck.

2nd place — Google or Alphabet Inc. The world-famous Internet company Google has recently changed its official name to Alphabet, as the company has long gone beyond the framework of one search engine Google, and also owns many other companies. The holding includes more than three dozen popular services and subsidiaries, for example, such as AdWords, Android, YouTube and others. According to its 2017 annual report, 86% of Alphabet's revenues came from Performance and brand ads. In 2017, total revenue was \$ 110,855 million, and net income was \$ 12,662 million. As for 2019, Alphabet is ranked 15th in the Fortune 500 ranking of the largest US corporations in total revenue. On January 16, 2020, Alphabet became the fourth US company to achieve a market value of \$ 1 trillion.

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1st place — Amazon.com, Inc. Amazon is an American retail company selling and delivering various products over the Internet. Using Amazon, Internet users, suppliers and manufacturers can sell any goods themselves, using the company's website as an online platform. The main direction of the company is the independent sale of various goods. The popularity of the service has increased due to the high quality of goods, low prices, prompt delivery and a wide range of various products. Currently, the company employs about 647.5 thousand employees. The assets of the corporation are more than \$ 162 billion, and the annual turnover is about \$ 232 billion.

Thus, the distinctive features of Internet companies are the special form of the goods (services) sold, the innovative nature of the processes, the special structure of costs and assets of the company, and the special stages of organizing commercial activities. A specific feature of Internet companies is the cost structure, in which the leading place is occupied by R&D costs, due to the constant development of the information technology market. Important elements of an Internet company compared to traditional companies are registration of domain names, receiving money through electronic payment systems, as well as ensuring a sufficient level of information security of the sales transactions.

**Conclusion.** The Internet economy is a dynamically developing sphere of economic activities. The capabilities of modern technologies in the information field accelerate all economic interactions and change ideas about the methods and ways of doing business. When conducting entrepreneurial activities in the Internet economy, the number of intermediaries decreases and their role in the chain from the producer of goods and services to their consumer changes. Entrepreneurial structures in the Internet economy operate in conditions that allow them to quickly receive information about the behavior of competitors and consumers. The considered features of the Internet companies functioning are determined by the innovative nature of such a sphere of entrepreneurial activities as Internet commerce, which is becoming increasingly popular every year. In connection with these circumstances, the issues of organizing entrepreneurial activities on the Internet are becoming one of the main areas of scientific research at the present stage of the economy development in the Republic of Belarus.

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