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How to improve customer trust of online shopping during COVID-19?

Overall improvement of the decision-making process in top management.

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Introduction

The creation of the Internet started in the Cold War times. October 29, 1969, is considered the birthday of the Internet. On this day, California and Stanford Universities connected with each other, over a distance of 640 kilometers. The first transmitted data was just a word – "login". Initially, the network was intended for communication between these two institutions. Giant computers were used as transmitting and receiving equipment, which looks like a lot of shelves placed in a row. In 1993, HTML, a hypertext markup language developed by British programmer Tim Berners-Lee. This was the beginning of the emergence of the World Wide Web. His discoveries allowed people to see the Internet in the form in which it has become familiar now. Thus, the Internet has become not just a tool for transferring data between two points. The beginning was made.

Nowadays the internet is a part of people's lives, and it is the most powerful and useful instrument of humanity. It helps a lot and makes people's life much easier. Year by year, transactions such as online wallet payments and the use of online shopping are gaining popularity on the internet. The company tools are becoming more unique and smarter, and the user experience is developing. Today it is known that it is possible to read the behavior of the user and offer him appropriate recommendations based on the products viewed, liked and purchased by the client. However, if these tools are used by our modern Kazakhstani companies today, then why do some of them still lose their clients?

To begin with, many people think that more of those companies that lost customers have a reason to use only direct online stores rather than indirect ones. For example, let's consider that a huge number of taxpayers prefer Flip.kz as an indirect online shop for buying books, and only a few of them like Meloman as a direct trustworthy platform because it has an offline shop.

On the other hand, others maintain that there are too many Kazakhstani companies that lost their customers and businesses because they weren't ready to deal with the pandemic situation. After the March events, when the Worldwide Health Organization reported about the pandemic and the spread of the COVID-19 virus, everyone was forced to stay at home in quarantine. For the great majority of people, it was a year of change and reinvention. At that point in time, a general panic seized the global population. A lot of workers have lost their jobs. Supermarket shelves were emptied in an instant, and the owners of small and medium-sized businesses went bankrupt, only those who were able to adapt and those whose enterprises had a more digital format remained on the surface.

Many companies in Kazakhstan closed because they were not ready. Nevertheless, one should accept that even if it was probably the only decision to mobilize, we should not forget that besides companies there were people who weren't ready for those changes and the transitions to global digitalization. One shouldn't forget that the client is also a human who is locked at home and may experience some difficulties, in addition to stress. Buying foodstuff, medicines, clothes through an online store has become a problem. The reason for this is distrust of companies, distrust of filling in their personal data on the Internet in online shops in many ways, fear of being subjected to fraud especially while having difficulties with the financial situation. What is more, by prompting the trust of the clients, there's the opportunity to win their loyalty to the business. After all, in this way, they will want to buy as often as possible. At this exact moment, top managers should ask themselves: how to build work in order to increase the level of customer confidence?

Therefore, exactly the same question is revealed in this article. In this report, we tried to figure out how to assemble trusting conditions for customers, even those who find it difficult to understand the digital world. Consequently, studies were conducted on the level of change

and growth of online sales during the period of self-isolation due to the coronavirus epidemic and the development of customer service in the digital environment, with the help of interviews with top managers and passers-by. There are also comparative examples of companies that have been able to adapt and take the maximum benefit for their business.

Based on the experience of some of the leading companies like Wildberries, Choco Family during the pandemic, it may be seen clearly how online sales which indicates customer loyalty have grown.

However, to date, the conditions of quarantine measures in large and small regions of Kazakhstan have significantly decreased compared to 2020, which allows companies to return to offline work again. In this case, what is the relevance of the chosen topic and what is its contribution to the long-term development of local companies? In answering this question, it is important to note that in today's market system, Kazakhstani businesses should adapt quickly to all types of external adjustments and react to its tendencies in order to completely fulfill customers' requirements and compete. The accelerated growth of data and communication innovations, the automation of the economic system, and the expansion of customer data culture necessitate an expansion in the appearance of companies in the digital environment, as well as a worldwide modification of promotional strategies and processes, prompting the adjustment of business model to obtain new customers and retain existing customers. Virtual markets open up new opportunities for merchants by complementing traditional marketing tools with networked Internet communications and digital marketing techniques, using new ways to collect information about consumer preferences, simplifying business processes and modeling risk situations.

In world practice, the number of consumers who pay attention to the convenience and attractiveness of online shopping is significantly increasing. At the same time, the potential for the development of trade in virtual markets, which allows not only to meet the needs of the population, but also to develop the sphere of trade in the republic, has not yet been sufficiently studied, which determines the relevance of the research topic.

Purpose and objectives of the study

The study's goal was to create conceptual and analytical frameworks, as well as practical implications, for the development of a marketing plan for the trading Kazakhstani organizations in virtual marketplaces. The following tasks were assigned in order to complete the goal:

1. Research the digital market, characteristics, risks, evolution and potential of the industry and customer behavior in online shopping;

2. Illustrate the significance of the business model in guaranteeing the enterprise's competitiveness in the global market;

3. To provide online trade organizations with a business plan for the development and promotion of goods of trading companies in online markets.

1. Research design

Research Question: *What kind of factors made Kazakh companies increase customer's trust in online shopping?*

Hypothesis #1: *Customers from large cities of Kazakhstan trust online shopping more than people from small regions.*

Hypothesis #2: *Trust in online shopping has increased thanks to the coronavirus pandemic.*

Hypothesis #3: *Customers believe in online stores with the possibility to quickly and easily contact the customer service quality managers.*

2. Methodology

The purpose of this study is to research what kind of decisions of Kazakhstan companies affect sales growth in the digital market during and after the coronavirus epidemic. Find out whether sales have grown naturally, in other words from the hopelessness of the situation. Or what actions, tools, and factors top managers used to improve customer relationships. And also find out how confident people are in the reliability to direct stores. In general, what factors increase the confidence to buy from one seller, and besides a bad experience, what makes customers doubt the trust in other stores.

Since it is important to see the picture from the side of the consumer and the other side of the company director, our research uses mixed methods. Thus, qualitatively part explores the sample of managers using their expert opinion of the good decisions made during the pandemic period, and at the same time quantitatively part asks about the experience in online shopping from a large sample of consumers all over Kazakhstan and analyzes data collected.

The quantitative research method focuses on numbers and analyzes statistical data. Hence survey data collection will be conducted through a questionnaire for users. The survey will be used with a cross-sectional study technique, it helps in collecting the data with a large sample size in one moment. The survey is divided into 3 sections of questions. There are general questions (age, gender, city), behavior-related and habit-related questions. Moreover, it's better to have closed and open-ended questions to take detailed data analysis from the survey. Since people don't like to give wide answers while going through questionnaires or tests, which takes only a few minutes of their free time.

The next step is to identify the population size of this study, there would be a minimum of 100 individuals around the whole of Kazakhstan. After that we sample and choose people with

different types of social class, interests, age, income levels, and occupations. Such discrepancies in the survey respondents help to conduct a more detailed analysis and better understand the peculiarities of the Kazakhstan online market.

Qualitative research methods are more focused on opinion expression. Accordingly, by interviewing experts in the internet service area, it helps to explore the digital market inside the business. Also trying to deeply understand how the decision-making process of Kazakhstani companies works in fact. In this work, there is an opportunity to see the responses received from market players in the e-commerce sector. It is very important to learn about the experience of companies during the transition to a new mode of operation. Thus, to find out what tools and solutions were used to improve work and build relationships with the client. And also, to understand what methods of work or solutions were used to achieve the goals.

3. Literature review

The World Health Organization (WHO) declared a new pandemic in the spring of 2020, citing an unusual spread of a rare coronavirus known as SARS-CoV-2 or COVID-19. Coronavirus infection (COVID-19) is an infectious illness caused by the SARS-CoV-2 virus, according to their official website (who.int). The pandemic, the global spread of the virus caused by COVID-19, quickly began to impact consumer behavior, adding fear and uncertainty and, as a result, affecting the market's state, according to widespread media coverage and data flows.

Undoubtedly, this situation has had an impact on consumer purchasing habits: traditional visits to the store and retail outlets have stopped, and the era of online shopping has begun. In addition, this trend has resulted in a significant need for market researchers to conduct customer behavior research in order to assist offline business owners in effectively transitioning their products and services to online platforms. To begin, it is important to understand what the term "customer behavior" means. According to American psychologist Trudel (2019), consumer behavior is a combination of a customer's psychological, cognitive, and behavioral responses to a product or service, the location of purchase, and the channel of communication and use (p.2). Companies usually use marketing tactics and strategies to influence customer purchase behavior by addressing buyer requirements and interests that their competitors lack. To do this, specialists plan and create the company's marketing policy, determining the range and pricing of items, based on customer behavior.

There is no doubt that consumer behavior in online platforms differs from traditional stores. To understand this difference, it is important to observe the features of online shopping.

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The description of the term "online shopping" was given in the article "Consumer online shopping behavior affected by influencer marketing" of the author Kaulbars-Staudinger (2019), who states that online shopping is the practice of purchasing goods and services through internet retailers, where customers may acquire a wide range of things from online shops, and practically everything can be obtained from businesses who sell their goods online (p.12). Moreover, consumers may purchase hundreds of things from the online shop, including books, clothes, electronics, etc. However, many people may have lack of experience with internet purchasing before the pandemic, so it means that online buying became an acquired habit during the lockdown; in other words, these habits were formed over time as individuals moved from one experience to the next. As a result, it's critical to recognize that individuals may be skeptical to trust internet buying.

Despite the ease of using online markets, not everyone likes to buy products and services online. Some individuals enjoy the concept of physically entering a store and participating in the purchasing process. They like testing items, trying on outfits, and socializing with others. Meanwhile, in online shopping customers cannot touch things or connect with other people in the online store.

Others may be afraid to purchase online because they are concerned that their credit card data may be hacked. Individuals might become victims of identity theft since credit card information is required while buying internet purchases. While using secure servers can assist, there is no assurance that credit information will stay private.

Another reason some people fear shopping online is that they are concerned that the things they are purchasing will not be precisely as they seem on the website or will be of poorer

quality. Because it is hard to try on clothes purchased online, the consumers have to rely on body measurements to ensure that the clothing will fit properly.

As a result, businesses should devise a strategy to address these issues among their customers by employing the appropriate management style and marketing activities. In this case, according to western researchers Hutt and Speh (2021), management style in the context of online sales should be defined as the sum of the company's online store's most distinctive and long-term approaches to completing duties at all stages of the management process (p.98). Finally, many marketing activities (competitive, inventive, basic, at various phases of the product life cycle, marketing mix, quality improvement techniques, personal strategies of the entrepreneur, etc.) as well as marketing factors affect the marketing management style. Furthermore, marketing efforts play an important part in the growth of an online shop. Its goal is to establish ideal conditions for as many people as possible to visit the store's website, resulting in higher sales.

Therefore, it is important to consider that when moving to online sales, a company may face significant changes in the organizational structure: there can be a reduction in certain personnel, and also a need for specialists with online sales skills. The reality is that an online store's structure should be correctly built-in order for it to work smoothly and generate consistent earnings. It can be challenging to fix the business operations of organizational structure in such a manner that it is comfortable for existing consumers and attracts new ones without first structuring the system's work.

As a result, there is a need for research into the concepts of organizational structure and its many variations. The keywords "system" and "structure" are most commonly seen in management concepts and strategies literature. Hofstede, in our opinion, made one of the most

effective attempts to thoroughly investigate and assess these concepts with the purpose of presenting them in an orderly manner and unifying them. Geert Hofstede, a Dutch sociologist, developed a collection of factors that define the cultural features of unique firms based on research conducted in the 1960s and 1970s. The corporate organizational structure, in his opinion, is a group of professional divisions that are interconnected in the process of formulating and implementing business decisions (p.26). In other words, the organizational structure is the shape, role, hierarchy, or set of stable connections inside the organization that enables the continuation of the company's basic characteristics in the face of various external and internal changes. The structure explains the links and relationships between particular components and the unit as a whole, and it is an indicator of the system's organization, showing the system's attributes and structural appearance.

There are three primary forms of organizational structures and their characteristics.

1. Organizational structures that are hierarchical.

This kind of structure is recommended for straight linear work where there is no need for the organizational structure's head node and all employees are "components" of a systemic process. However, businesses all around the world are attempting to shift away from hierarchical organizational models, since this model has several issues. Interference exists in top-down communication standard streams. As a result, the hierarchy is considered as risky organizational structure for a business. Furthermore, while adopting a hierarchy, the company lacks a guidance for experienced, competent staff. As a consequence, businesses tend to adopt different kinds of organizational structures.

2. Organizational structures that are "flat".

There are no job positions, rank, supervisors, or executives in organizations using this form of organizational structure. Everyone is on same level. "Flat" organizations are also known as "self-governing organizations." The most well-known example is Valve's computer game development initiative. At Valve, there are no roles, and no one directs workers what to do. Instead, they may find projects in Valve that are the work of project teams, and anyone can join the project. If an employee wishes to establish his or her own initiative, he or she becomes responsible for collecting finance and forming a team.

3. Organizational matrix structure.

Matrix management structures aid in the resolution of coordination issues by connecting the operations of the fundamental structure's linkages and temporary groups. The matrix structure is a organization based on the principle of dual subordination of executors: on the one hand, to the direct head of the base unit (service), which allocates resources (including personnel) and other assistance to the head of the project or target program; on the other hand, to the head of the temporary task force, who has the authority to organize work on a specific program. His team is divided into two groups: permanent members and additional employees and specialists.

In addition, Hofstede in his research singled out such a cultural dimension as the Power Distance Index (PDI).

The level of disparity among members of a society that is viewed as tolerable by less powerful members of society is measured by power distance. The power distance index is used to calculate it. Author states that it reflects the degree of people's organizational separation or divergence. Tolerance for an authoritarian management style, worship of higher rank,

discrepancy in status in both official and informal interactions, confidence in the fairness of a "strong hand," and a huge disparity in the compensation of organization employees exist in cultures with a high degree of power distance (p.78). There is a considerable reliance between leaders and subordinates in societies with a high power gap.

Values such as equality in relationships and individual freedom are highly valued in cultures with a minimal power distance. As a result, communication is less formal here, the equality of the interlocutors is stressed more forcefully, and the communication style is more consultative. There is minimal emotional gap between leaders and subordinates in societies with little power distance. Employees, for example, can always address their supervisor with a query or make a critical remark. It is regarded normal to openly disagree with or contradict the employer. A low degree of power distance is indicative of a decentralized structure, with a small number of supervisors and the utilization of highly trained personnel, from the perspective of individual firms.

Clearly, the attitudes toward power that are inherent in a specific country's corporate culture have significant ramifications for multinational corporations that seek to conduct business there. For example, before beginning work on a new product, government-neutral Americans first define the tasks to be performed before assembling a team of professionals who will be involved in the project's execution. Conversely, Indonesians who respect authority first establish who will be accountable for the implementation of the project, and then evaluate the performance of this project under the direction of this leader. Different cultural views regarding power might contribute to errors made when creating commercial relationships with partners.

In a negotiation between two corporations, for example, the side representing a nation with a tolerant attitude toward authority frequently sends a negotiating team comprised of specialists on numerous areas, regardless of rank or age. However, the participation of junior employees in such a team, regardless of how outstanding experts they are, might be regarded as an insult by managers who come from a culture that values authority. These executives anticipate dealing with authorities of their own rank. Furthermore, American corporate executives' use of casual business communication tactics will be interpreted as an insulting attempt to undermine their authority.

Research findings that explicitly focus on understanding the alteration of the international economy in the environment of the development of the online business are crucial to obtaining the purpose of this study. The idea of e-commerce itself emerged in the past century. Many marketing researchers, including Manzoor, who holds PhD in Management sciences, author of the book "E-Commerce" (2010), note that D. Kozier was the first founder who presented the most comprehensive description of the "e-commerce" phenomena in 1990. In his book, he analyzes and evaluates e-commerce operations using the examples of profitable organizations, and he devotes distinct chapters to the impact of innovative advancements in e-commerce and security concerns (pp.78-79). Given the importance of the founder of the term e-commerce D. Kozier's work in this field, the findings of his study serve more as a theoretical tool for creating and sustaining an e-commerce company. Further effective initiatives to introduce and empower e-commerce hypotheses were made in the works of Kaufman and Walden, prominent marketing researchers of their time (2001), who tried to create an innovative foundation for acknowledging e-commerce studies and defined the spectrum of relevant research hypotheses in current study in the area of a new theoretical framework of industrial progress. These

researchers' article defines the fundamental concepts, methods, and types of e-commerce, as well as the corporate and legal bases (pp.8-9).

It should be mentioned that many publications by researchers from all over the world have been dedicated to the research of the basis and characteristics of the growth of e-commerce. The majority of these articles are for informative reasons and focus on various aspects of e-commerce rather than providing a complete study of the industry as a whole.

Meanwhile, the research studies of Chaffey (2007), who wrote works on e-business and e-commerce management, investigated in depth the methods for solving the issues of building successful e-commerce platforms. These studies most accurately captured the characteristics of e-commerce entrepreneurial activity. In these publications, a specific attention was made on the establishment of data and networking technology as a crucial component required for the growth of e-commerce (pp.179-207). A new branch of study in the subject of e-commerce research was provided in the works of marketing researchers Allen and Fjermestad (2001), who researched the mechanism of commerce transition from conventional to digital in industrialized nations and outlined the aspects of cross-border e-commerce legal regulation (pp.16-17).

To acquire a more thorough picture of the stage of formation of e-commerce, the research of Indian scientists Ghose and Sundararajan (2006), in which the concerns of the effect of e-commerce on the basis of socioeconomic connections were explored, is of special importance. According to them, the changes are in the establishment of transnational clusters in a virtual environment that serve as a platform for communicating with other producers and customers (p.133).

In addition, such clusters are specialized electronic platforms known as e-commerce "marketplaces", "online platforms" or "digital platforms". Australian marketing researches

Fisher, Craig and Bentley (2007) point out that these sites are frequently beyond the authority of specific states, giving them a competitive advantage over regular commercial enterprises (pp.254-255).

The concept of competitive nature is substantially altered under these circumstances: whereas competitiveness in the classic market sector was defined by production prospective and operational improvements, competitiveness in the digital economy is defined by the development of e-commerce infrastructure. In other words, without accessibility to the worldwide industry represented by e-commerce, classical economics of competitiveness will be rendered ineffective. Thus, we are seeing the evolution of the theory of competitive advantages in the online business as we investigate the nature of economic connections in e-commerce. Author of numerous books about marketing Kotler (2003), who stated that "the competitive advantage of the corporation in the domestic and international marketplaces is defined by their worldwide positions", are suitable here (pp.49-52). At the same time, he believes that the worldwide distribution of data resources will result in the prioritized growth of industries. Thus, e-commerce enables companies to become a member of the global supply chain without the need to establish manufacturing facilities or sales centers, storage in the country where sales are made, reducing operating expenses and the number of mediators. Simultaneously, e-commerce is displacing conventional wholesale and retail trading. It is essential here to recall Oliva, Sterman and Giese (2003) observation that "institutional repression happens when the existence of one institution impairs the functioning of another" (pp.83-85). Let's take a look at management processes in general and try to identify their significance in online commerce. After the creation of big enterprises of commercial businesses and government agencies, interest in management and its study grew. They all began at the end of the nineteenth century. The research of guiding strategy by Peter Drucker (2012), the pioneer

of management literature, has been founded on one basic premise since its inception (more than a century ago) and continues to this day: "the greatest danger in times of turbulence is not the turbulence, it is to act with yesterday's logic" (p.12). Peter Ferdinand Drucker - American scientist of Austrian ancestry; entrepreneur, publicist, and professor; one of the twentieth century's most prominent management thinkers. His understanding of "the one optimal management structure" has evolved over time. As a result, it is vital to emphasize that management encompasses more than simply corporate activities. The notion that management is about more than just business administration is essential because the growth market of a developed society in the twenty-first century should almost certainly not be in business; indeed, business was not a thriving sector in developed countries even in the twentieth century.

A management style, according to Drucker, is a set of influencing strategies used by businesses to achieve their goals. This refers to a certain method of making choices, engaging with employees, and delegating tasks.

We'll take a look at one of the most popular management style typologies. As a result of the research, three primary management styles were identified.

There are basic management styles: 1) autocratic style; 2) bureaucratic style; 3) democratic style; 4) liberal style.

1) The autocratic management style is a domineering style. This is because the manager with this style is severe and concentrates completely on his own expertise, interests, and ambitions. An authoritarian boss does not collaborate with coworkers or subordinates, holds firm stances, and employs administrative tactics of persuasion, forcing his will on them by compulsion or reward. This method is best appropriate in the start of the process of forming an organization, its team, when employees have not yet mastered the abilities to identify objectives

and strategies to achieve them. The negatives of this method include stifling employee initiative and innovation, as well as increasing personnel turnover. Advantages:

- accuracy of given directives;

- rapid execution;

- does not necessitate substantial economic expenses;

- generates a visible unity of management efforts in order to attain the defined goals.

The autocratic approach, on the other hand, is linked to the control system's hierarchical division and pyramidal design. Such an objective need for the authoritarian style does not rule out variations in its strength based on the leader's personality and function as the organization's head.

2) The bureaucratic management style remains the most common. This is a clerical or administrative authority by definition. However, today, administration is viewed as a support role of people management, and in this context, they discuss corporate administration, as well as organizational and administrative management strategies. The hierarchy of organizational structures and those formal procedures that are constrained by obligatory norms and standards provide bureaucratic types of management relations. Formal procedures help to build reasonable relationships and the division of labor, as well as saving time while making regular, repeating judgments. The area of rational bureaucracy is dramatically decreased in the setting of economic globalization, the growth of information technology, and the fast pace of market changes, and overcoming the bureaucratic features of management is becoming increasingly vital.

3) Democratic (collegial) style. It is the most effective because it is founded on a mix of the concept of the unity of command and the proactive participation of employees in organizational decisions and management, resulting in a higher chance of accurate solutions. A democrat leader, of course, makes choices on his own, but first convenes a council to accept initiative recommendations from subordinates and make revisions. The democratic management style can be possible if the manager is sensitive to people's behavior and takes into consideration the team's socio-psychological qualities. This approach stimulates subordinates' creative engagement, resulting in a good work environment and a culture of equal cooperation and satisfaction. Advantages:

- emotional work engagement;

- the creation of favorable working circumstances;

- the prospect of career progression for the employee, resulting in no professional "slow growth" at the company.

As a result, the democratic style is determined by management's influence and dependence on employees. As the degree of democratic style increases, the emphasis shifts to creating relationships with employees based on the following principles:

- overlapping groups: the management system's organizational structure is shown as a system of overlapping group structures that includes vertical and horizontal channels for decision-making and communication processes (multi-management), as well as a formal organizational framework for functions. Employees from most other groups work for each group (the so-called "connected" division). The leader is in charge of implementing the group management style, but he still has the highest power.

4) Liberal (immiscible) style - this is the most neutral model of management, defined by the manager posing a challenge to employees and for them creating specific working circumstances, setting the limitations of the solution, and fading into the background. For himself, he maintains the roles of advisor, mediator, and expert, assessing the achievements. This style is illustrated by the fact that the manager - a liberal - interferes little in the affairs of subordinates, is passive and very watchful, and thus he should expertly understand the concept of delegation of powers, develop and maintain friendly relations with employees, be able to set responsibilities and identify the major orientation of task.

As a consequence, a liberal management style emerges, in which employees rely on themselves, job progress is unregulated, and the manager performs only fundamental management responsibilities. This style cannot exist in its ideal-typical form in practice; it is mostly employed to evaluate disparities in management relationships.

Secondary Data

In the same period, pwc.com (2020) developed the meaning of the term "electronic commerce" for Kazakhstani realities, which states that "e-commerce is a space of the industry that involves all economic and commerce transactions conducted by using the Internet, as well as operational processes connected to such transactions".

Indeed, the practice of industrialized countries reveals that the dynamic expansion of e-commerce contributes to the liquidation of conventional stores owing to pricing policy differences, greater expenses of traditional commerce entities for rent, salaries, and so on (World Applied Programming, 2011). It is critical to recognize that the expansion of e-commerce will come at the price of conventional trade. We predict that as all current

conventional stores have their own sales websites or are incorporated into online marketing channels, the lines between e-commerce retail and classic retail will blur.

In reality, it makes little difference whether to sell in a store or on the Internet. The online trade structure will dominate as long as there are tax breaks for e-commerce in the country of sale. In this context, the issue of how beneficial it is to grow the sphere of e-commerce if it crowds out the sector of conventional retail emerges. If we overlook the fact that the country is conditionally closed to foreign trade, then the government does not need to make any extra measures to promote e-commerce. Because of the competitive climate, producers will be forced to sell online in order to attract clients who will buy what is affordable while ordering delivery service and not waste time visiting the shop.

On the other hand, current realities have made us a part of the global market and, as a result, open to foreign trade. This suggests that if we do not transition to e-commerce and substitute conventional trade, foreign suppliers will, and we may lose the whole consumer market. As a result, in today's world, rewards from the expansion of e-commerce might be focused in other states, while losses from the associated decline of conventional trade can be concentrated in others. According to businessnewsdaily.com (2021), e-commerce is "one of the final places where companies might acquire benefits and a location for future global competitiveness." Government action in the realm of e-commerce is thus warranted (para. 1-2).

However, legislation should aim to equalize competitive circumstances for international and local suppliers, provide the required infrastructure for e-commerce, and stimulate domestic firms' entrepreneurial activities in the field of e-commerce through tax breaks and other support measures (the-future-of-commerce.com, 2020). Along with this, the shift in the institutional

substance of economic connections necessitates the demand for legislative control of the field of internet commerce.

The cross-border character of electronic commerce, as well as governments' commitments in integration unions and other international agreements, limit the creation of efficient mechanisms for regulating the realm of electronic commerce.

Management, in our opinion, should prioritize the growth of e-commerce, particularly encouraging local businesses to engage in e-commerce, as well as the implementation of temporary limiting measures against global participants in the e-commerce sector using tariff regulatory tools. At the same time, it is critical to recognize that e-commerce is not capable of generating big budgetary revenues. The primary goal of regulation is to promote local goods in both local and global markets. There are the major institutional aspects of e-commerce that make regulating it difficult:

1. the absence of regional limitations in e-commerce;

2. the confidentiality of sellers and the invisibility of digital representations, which prevents identifying their location;

3. the confidentiality of customers, which prevents the seller from accurately determining the buyer's location (e.x. the purpose of the purchase) (pp.11-17).

When a customer makes a purchasing decision, such as making an online payment through a link, they are automatically directed to a third-party payment platform. The third-party payment platform will provide the payment details to the e-commerce platform after the client completes the payment. First and foremost, it is critical for customers to have access to more detailed and thorough details about a product or service, as well as timely assistance. It is possible to get lower pricing online than it is to get them offline. It is critical for interested

businesses to investigate the ramifications of electronic transactions and to be able to track each transaction.

In e-commerce, client loyalty is established for two reasons. One of them is that consumers are highly satisfied with their online and offline shopping experiences, as well as the quality of their products and services, and are willing to keep their business partnerships going. This can lead to transformation issues and increased expenses per client, most likely owing to significant economic, technological, and psychological barriers. Customer perceived value, customer experience, customer trust, and customer switching costs are all elements that influence e-commerce customer loyalty. Customer perceived value is the primary driver of consumer loyalty, which in turn leads to consumer behavior, with value indicating both choice and loyalty.

Customers who decide to consume pick specific sorts of items to compare before deciding on the most valuable things to purchase. Client satisfaction is often regarded as a key factor of future purchases and consumer loyalty, since it may boost a company's bottom line by preventing customer deception. Client satisfaction is a key component determining consumer loyalty and has a direct influence on the establishment of customer loyalty, according to several research. Positive consumer attitudes, emotions, and preferences can be directly influenced by high customer satisfaction. Positive attitudes and feelings, on the other hand, will encourage repeat purchases and turn them into genuine devoted consumers. Companies may gather client data and develop strong connections through establishing trust. Customers can freely offer their information and openly express their actual feelings after a company has earned their confidence. Companies may create a tight relationship with customers and tailor a precise plan based on the client's unique preferences in order to improve consumer trust and loyalty in this way. If the company does not earn the client's confidence, it can be difficult to keep his loyalty.

According to the study, there are no complete provisions that describe the results and issues of the creation and development of the e-commerce market at the theoretical and practical levels among the published works in the field of e-commerce. There are a limited number of studies that constitute an in-depth scientific investigation devoted to the creation of methods and instruments for encouraging e-commerce inside the market.

4. **Research findings and analysis**

The total participants in this research are 263 people from all over the Republic of Kazakhstan who took part in this survey. We used visual ways to clearly show the correlation. Thus, in Table 1.1 we can consider the demographics of the participants.

| Gender	%	Quantity
Female	65.3%	171
Male	34.7%	91
Age	%	Quantity
18 - 25	69.1%	181
26 - 35	11.8%	31
36 - 45	8.4%	22
46 - 55	6.5%	17
56 - 65	3.1%	8
65	1.1%	3
City	%	Quantity
Nur-Sultan	78.6%	206
Almaty	6.1%	16
Karaganda	3.8%	10

Employment	%	Quantity
Kostanay	3.8%	10
Pavlodar	1.5%	4
Employment	**%**	**Quantity**
Student	53.9%	141
Labor force	46.4%	121
Freelance	12.2%	32
Enterpreneur	10.7%	28
Pensioneer	1.9%	5
Doesn't work	1.2%	3

As it can be seen clearly, the majority of respondents using online stores are residents of the cities of Nursultan and Almaty. Their popularity is about 78.6% out of total.

Hypothesis No. 1 says that large cities tend to have more confidence in online shopping. According to the results of the survey, where the majority of respondents were from Nursultan, and only about 6% were from Almaty, this theory is confirmed.

How much do you like your experience in online shopping?

10 баллов. (1 — отрицательно, 5 — нейтрально, 10 — положительно)
262 ответа
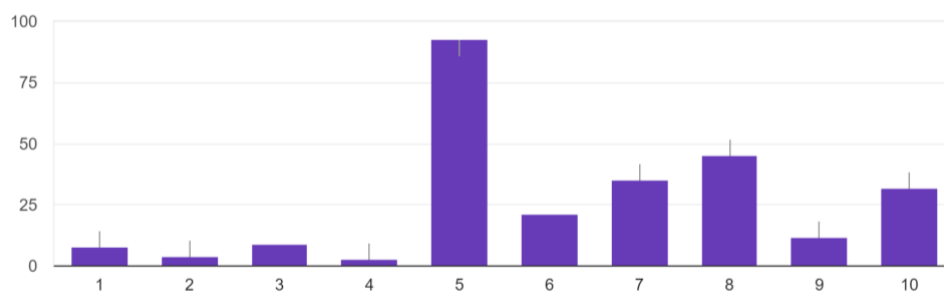
Hypothesis No. 2 states that trust in online shopping has increased due to the coronavirus pandemic. Referring to the survey results, you can see that the right side exceeds the left. This is the prevailing majority, a total of 21.8% confirm the correctness of this hypothesis, claiming that they trust online purchases, 8% of which absolutely trust. At the same time, and in total, 12.2% do not trust online platforms. Among the participants who do not trust this kind of purchase, the majority of participants with an age category of 45 years and above, and absolutely trust participants from 18-24 years old.

How much do you trust online stores?

«абсолютно не доверяю», 5 — «нейтрально» и 10 — «абсолютно доверяю»).
262 ответа
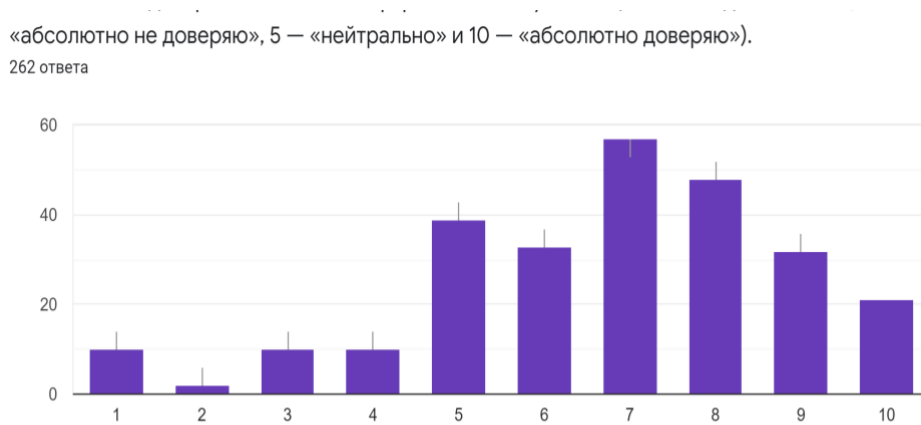
Hypothesis No. 3 says that people tend to trust online stores where there is access to a support service or in other words with access to contact a live person. This hypothesis was partially confirmed, because not everyone goes to the call center and not everyone needs a form of communication with the manager. Today, as well as after the coronavirus pandemic, the rhythm of life has accelerated, speed in service is important to people, so the number of online store users has increased. The survey shows that over the past years, the service of staff is not valued as much as the speed of service, the price of goods or a refund. Therefore, an expert opinion will help here.

Preferences	%
Service	42%
UI/UX	84%
Good time-management	70%
Price availability	69%
Brand Recognition&Reputation	18%
Goods and its quality	70%

Interview part

Forte Market

1) What was the organizational structure before and during the pandemic?

2020 has been a challenging year. But despite this, the situation with the pandemic did not particularly affect the organizational structure. I would like to thank the managers and shareholders. 100% of the team remained, in all departments. This is due to the fact that the whole team from the very beginning, for 3 months, took a course in Internet marketing. It was important for us that every specialist was involved. We can say that we initially followed a flat organizational structure. Thanks to this, all specialists participated in all work processes.

2) How did your company survive the pandemic?

Thanks to the applied crisis management strategies, our company was able to get through the pandemic without much risk and loss. This is due to the fact that the entire focus has shifted from traditional offline service to the Forte Market online platform. The work of call centers was studied, and the marketing department developed campaigns aimed at improving online sales. Moreover, the pandemic pointed out the weaknesses of our online platform and allowed us to create better conditions for our partners and customers.

3) What was your decision during the pandemic that helped keep customers?

We launched a virtual mobile operator, forte-mobile. Also connected 3 banks. Reduced offline points, and increased the machines.

4) Do you see any results or disadvantages of this solution afterward?

Definitely, we saw only pluses from the changes that the pandemic brought us. We can bring new customers to the bank within 2 minutes through the updated application. Everything has become faster and more efficient. Thanks to the convenient interface of our bank's application, customers will be able to cope with most processes without the help of operators. Also, during the pandemic, the number of partners who joined Forte Market increased by 1.6 times.

5) What is the current proportion of customers who have moved online after the pandemic, what is the proportion of these customers compared to offline customers?

Our clients are so accustomed to the online work of our banks during the pandemic that this has led to the fact that even after the end of quarantine measures in our country, there are still 15-20% more customers served online than those who come to banking departments.

Magnum

1) What was the organizational structure before and during the pandemic?

The organizational structure before and during the pandemic did not change much. It's just that our plan included other priorities that were postponed earlier. That is, we have accelerated the implementation of the strategy that we adopted two years ago. The whole point was that if before the pandemic things went on as usual, after the pandemic we had to quickly and flexibly adapt to the situation. For this, it was necessary that all employees of the departments be involved in one common process.

2) How did your company survive the pandemic?

Of course, it was not easy, but we did it. The processes that we could delay before the pandemic, we could not delay during the pandemic. The development of an online store and multitasking is one of the main problems. Before we focused more on the offline market, but the pandemic made its own adjustments and opened the way for the online market for us.

3) What was your solution during the pandemic that helped keep customers?

- Assembly in stores;

- Delivery in Almaty and Astana;

- Making online orders;

- Collaboration with Glovo. We have items for express delivery.

4) Do you see any results or disadvantages of this solution afterward?

- I can note that the payment process has improved thanks to advanced technological services. For us, it was a new experience as well as for our customers. Therefore, we are grateful to our customers for showing loyalty when the company first went through certain difficulties associated with the delivery and online ordering. However, we managed to take the initiative in our hands and improve processes. From the results, today Magnum supermarkets operate both offline and through online platforms with the help of our partners.

5) What is the current proportion of customers who have moved online after the pandemic, what is the proportion of these customers compared to offline customers?

After the end of the pandemic, customers returned to offline shopping again. We have noticed a trend that when it comes to food, customers are more comfortable coming to the stores themselves and choosing goods from the offered assortments. However, after the end of the pandemic, the number of people buying food through online platforms did not decrease but rather increased by 12 percent compared to the number during the pandemic. Therefore, we launched targeting in the digital platform. The benchmark also remains not on the number of orders, but on quality.

Chocolife

1) What was the organizational structure before and during the pandemic?

It was a good year for a quick turnaround in the company. For our model, this was a negative jump in 2020. Since we are almost completely dependent on our partners. Due to the

fact that we had a good basic in automating returns and handling calls, we were able to survive this situation without major changes in the organizational structure.

2) How did your company survive the pandemic?

Like all businesses, we had to think fast. We realized that offline points are closed (cinemas, restaurants, fitness rooms), and online ones will be relevant (online courses, online stores, and online delivery), so we decided to switch to online. In this situation, we tried to support businesses in every possible way, so we placed ads on the site for free, reduced requirements from partners, and extended promotions, as site traffic dropped significantly.

3) What was your decision during the pandemic that helped keep customers?

- Audience targeting;

- Collaborations with other partners/companies;

- Increasing customer focus.

4) Do you see any results or disadvantages of this solution afterwards?

In terms of profitability, during the pandemic, financial flows undoubtedly decreased, and the main financial flows were directed to support online businesses. The fact is that during the pandemic, we could not think about the company's profit, it was important for us, first of all, to get out of the crisis situation with minimal risks, without threats to the company and our customers.

5) What is the current proportion of customers who have moved online after the pandemic, what is the proportion of these customers compared to offline customers?

On average, the number of transactions grows up to 73% annually. I think in 3 years, we won't be shopping. Our company is gradually preparing for this transition.

5. Recommendations

After analyzing the answers of respondents from Forte Market, Magnum and Chocolife, we came to the conclusion that Kazakhstani companies should consider the following preferences of consumer behavior in online platforms:

1)   The desire for convenience and speed. Fast, convenient, and inexpensive purchasing patterns have become commonplace as the pace of life quickens and people's demands rise. Due to the traditional shopping model's time and space constraints, consumers frequently waste a lot of time and energy. Consumers, for example, have to normally arrive at Magnum supermarkets during specific business hours and may spend more time and energy deciding which goods they need to purchase. This is a lengthy, difficult, and time-consuming process. While using an e-commerce platform to shop online helps compensate for this problem;

2)   Finding a balance between excellent quality and affordable price. Affordability remains one of the most significant issues for consumers in the industry. They may quickly search for products and compare different suppliers of products through the website in the age of the Internet. More crucially, by removing direct sales middlemen as Chocolife did, the online shop mode can save money and, as a result, lower product prices. Therefore, the e-commerce model can match consumers' psychological desires to buy goods for affordable prices;

3)   Aiming for individuality. Buyers are currently in high demand for goods, both in terms of quantity and quality. At the same time, today's consumers, particularly young consumers, are often imaginative, enjoy expressing their individualism, and expect the

company to deliver a superior product. Individual consumption desires were raised as a result of this behavior. Consumers no longer see a product's practical usefulness as a one-off; instead, it is more vital to determine whether the product is unique and whether it can fully express individual qualities; all of this has the potential to become a key indicator of consumer spending.

4)   Consumer experience. Today, the great majority of items of acceptable quality and functional similarity are so identical that quality, price, and functional similarity are no longer as important to buyers. People care about "user experience," or the "experience of using the product," more than they care about "cost efficiency." Consumer comfort and correct operation or usage of the product, which play a key part in marketing activity, are becoming increasingly important to businesses with acute market awareness;

5)   Customer loyalty is declining. Customers' online buying activities grow more realistic and choosier as they have access to more product information and options via the Internet. Customers can pay more attention to the use of items, and their desire to acquire anything new. With the advancement of search engines and other technology, the amount of time spent searching the Internet has decreased, making it quicker and more convenient for customers to make purchases, compare items, filter them, and access other online retailers. As a result, as the cost of switching consumers decreases, customer loyalty decreases.

Conclusion

After the pandemic, everyone began to feel that the world had changed and everything wouldn't be the same as before. In particular, the methods used by companies to manipulate people's trust have changed in order to reveal loyalty to them and more over. Not only

companies, but also people themselves had to adapt to the new environment. Study was conducted by answering to the question of how to improve people's trust and what methods companies used during the pandemic.

It was important to look at the situation from any of view to see the whole picture. Therefore, after studying the literature, conducting a survey among buyers and interviewing representatives of leading companies, we collected answers that helped in the study.

According to answers, it turned out that more than half of the customers of the Kazakh market feel positive changes in the online shopping experience, which led to an increase in such buyers. Nevertheless, whatever factors the buyers haven't noted, the type of management, culture and environment inside the company affects customer loyalty. All of that is like a single mechanism that works together.

Based on the above, we recommend that companies adhere to the flat management style, which disposes to a quick solution of tasks and a favorable environment within the company. Moreover, focus on quick solutions to the customer's problems during the purchase, and pay attention to the appearance of the interface of the online store. And also, managers should not forget that the client is like a child who needs help, care, and service, even if he does not always notice it.

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Appendices

1. Specify your gender:

- Male

- Female

2. How old are you?

- 18-24

- 25-34

- 35-44

- 45-54

- 55-62

- 63+

3. Where do you live?

- Almaty

- Nur-Sultan

- Shymkent

- Aktobe

- Other: _____

4. What is your monthly income

- Less than 150K

- 150-200K

- 200-300K

- 300-400K

- 400-500K

- 500K or more

5. Specify your position:

- Student

- Employee

- Entrepreneur

- Retired

- Freelancer

6. How has your online shopping experience changed since COVID-19? (Please rate from 1 to 10, where 1 is negative, 5 is neutral and 10 is positive).

1 2 3 4 5 6 7 8 9 10

7. On average, how much do you spend per month on online shopping?

- Less than 20.000

- 20.000-40.000

- 40.000-100.000

- 100.000 and more

8. How much do you like your experience in online shopping? (Please rate from 1 to 10 where 1 is "absolutely dislike", 5 is "neutral" and 10 is "absolutely like").

1 2 3 4 5 6 7 8 9 10

9. To what extent would you recommend websites with customer service managers? (Please rate from 1 to 10, where 1 is "would not recommend at all", 5 is "neutral" and 10 is "would definitely recommend").

1 2 3 4 5 6 7 8 9 10

10. What are your usual online shopping preferences?

- Price equal quality

- Free shipping

- A lot of sales and coupons

- Your answer: _____

11. How much do you trust online stores? (Please rate from 1 to 10, where 1 is "absolutely do not trust", 5 is "neutral" and 10 is "absolutely trust").

1 2 3 4 5 6 7 8 9 10

12. What brand factors are most important to you in terms of service delivery?

- User friendly website/mobile app

- Fast customer service (troubleshooting)

- Helpful staff

- Database/CRM

- Electronic Invoice

- Your answer: _____

13. What do you value most about brands, especially in times of crisis (pandemic)?

- Quick troubleshooting

- Care/Support

- Refund (for canceled order)

- Comfort

- Your answer: _____

Interview questions

1) What was the organizational structure before and during the pandemic? (Has it changed or stayed the same?)

2) How did your company survive the pandemic?

3) What was your decision in the Pandemic period towards keeping customers?

4) Do you see any feedback or drawbacks of that decision afterwards?

5) Currently what is the proportion of Customers who became online after the pandemic, proportion of that customers vs. offline customers?