

THE IMPORTANCE OF DIGITAL TECHNOLOGIES IN THE EFFECTIVE
DEVELOPMENT OF THE SERVICE SECTOR

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Аннотация: Ушбу мақолада биз хизмат кўрсатиш соҳасини самарали ривожлантиришда рақамли технологияларнинг аҳамиятини ўргандик. Мамлакатимиз иқтисодиётини рақамлаштириш шароитида хизмат кўрсатиш соҳасининг ривожланишини баҳолашда ҳудудий ёндашув усулининг аҳамиятини баҳоладик. Шунингдек, ҳудудларда рақамли иқтисодиёт шароитида хизматлар соҳасини ривожлантиришга комплекс ёндашувларни амалга ошириш бўйича ўз таклиф ва тавсияларимизни бериб ўтдик.

Калит сўзлар: рақамли иқтисодиёт, хизмат кўрсатиш, рақамли хизмат, иқтисодий фаолият, рақамли технология, хизматлар, бозор хизматлари.

Аннотация: В данной статье мы рассмотрели значение цифровых технологий в эффективном развитии сферы услуг. Мы оценили значимость территориального подхода при оценке развития сферы услуг в условиях цифровизации экономики нашей страны. Мы также предоставили свои предложения и рекомендации по внедрению комплексных подходов к развитию сферы услуг в цифровой экономике в регионах.

Ключевые слова: цифровая экономика, предоставление услуг, цифровая услуга, экономическая деятельность, цифровые технологии, услуги, рыночные услуги.

Abstract: In this article, we have considered the importance of digital technologies in the effective development of the service sector. We have assessed the importance of the territorial approach in assessing the development of the service sector in the context of the digitalization of the economy of our country. We have also provided our proposals and recommendations for the implementation of integrated approaches to the development of the service sector in the digital economy in the regions.

Keywords: digital economy, provision of services, digital service, economic activity, digital technologies, services, market services.

Introduction. In the world, research on the development and improvement of the efficiency of the service sector in the digital economy is focused on the connection of the service sector with the quality of life of the population and the development of regions, ensuring its mobility based on the digitalization of service processes, improving the quality of services, as well as ensuring its competitiveness. In the framework of the research being carried out, scientific research in such areas as expanding the geography of services based on the opportunities of the digital economy, expanding the types of services in the digital economy, and priority development of the sector are of great importance.

In the formation of a digital economy in the new Uzbekistan, special attention is paid to the issue of improving the organizational and economic mechanisms for the development of the service sector. The “Development Strategy of New Uzbekistan for 2022-2026”

sets the task of “increasing the volume of services by 3 times in the next 5 years through the development of services and service sectors in the regions and creating a total of 3.5 million new jobs in this area”¹. Accordingly, it is advisable to further deepen scientific research in the republic in such areas as expanding the types of services based on digital and innovative technologies, substantiating the parameters of organizing “Digital Services” and improving the system of indicators for assessing the behavior of service consumers, organizing specialized clusters, and developing forecast parameters for service sectors.

The development of the service sector is of great socio-economic importance and makes a worthy contribution to economic growth, employment, and improving the living standards of the population. The directions of development and state support of the service sector in Uzbekistan are determined in accordance with current legislation. However, the state support mechanism alone is not enough to develop this sector. Its share in GDP in 2022 was 42.2%². Also, the service sector accounts for the bulk of employment in economically developed countries. Today, 38% of the population employed in the economy of Uzbekistan is in the service sector. It is clear that the importance of the service sector in the economy of our country is not sufficiently high. This indicates the need to identify areas for effective development of the service sector.

Literature on the topic. In sources that study the socio-economic nature of the service sector, various interpretations of the concepts of service or service provision are given. In this regard, the dictionary of the Russian scientist V.I. Dal defines the concept of service as follows: to provide service, help, privilege, support, to please, to fulfill a desire³. Also, the grammatical dictionary of the Russian language, edited by S.I. Ozhegov, puts forward the idea that “services” are “benefits, actions that bring benefits, assistance to others.”⁴ The interpretations given in these dictionaries are essentially similar and complementary in content, and do not incorporate the elements and tools of the current digital economy.

The essence of the concept of service is explained by the American economist F. Kotler in his book “Fundamentals of Marketing” as follows: “services are actions taken to satisfy one’s own interests, to obtain a certain profit in the process of selling an object,”⁵ continuing his thought and considering that “services in production may or may not be associated with tangible goods.”⁶ In other sources, service is approached as an activity. In particular, Shirai V.I.: “service is an activity of purposeful labor that satisfies some need of an individual person or a society as a whole, the results of which are embodied in effective profit.”⁷ Another approach of this nature emphasizes that the economic essence of service activity is the search for and introduction of

¹ O‘zbekiston Respublikasi Prezidentining “2022–2026-yillarga mo‘ljallangan yangi O‘zbekistonning Taraqqiyot strategiyasi to‘g‘risida”gi 2022-yil 28-yanvardagi PF-60-son Farmoni - www.lex.uz

² O‘zbekiston Respublikasi Statistika Agentligi ma‘lumotlari asosida muallif hisob-kitobi.

³ Даль В.И. Толковый словарь великорусского языка. 2-е изд. М., 1882. Т. IV. С.512.

⁴ Ожегов С.И. и др. Грамматический словарь русского языка. –М.: Русский язык. 1991. –432 стр.

⁵ Kotler F. Marketing-menedjment. Ekspres-kurs. — 2-ye izd.: Per. s angl.; pod red. S.G. Vojuk. — SPb.: Piter, 2005.- S. 301.

⁶ Ширай В.И. Мировая экономика и международные отношения: Учебное пособие. –М.: Дашков И. К.2003. С.226.

⁷ Хайруллина Д.Р. Повышение эффективности управления развитием малых предприятий сферы услуг: дис. канд. экон. наук: 08.00.05. — , 2014. — 230 с.; Рыночное предпринимательство: Теоретические основы и практика

new types of services in various sectors of the national economy in order to meet consumer demand.

Analysis and results. The service sector is of great importance in the developing system of economic relations. This sector is developing rapidly under the influence of globalization and the digital economy, covering all aspects of our social life. As a result, it leads to the provision of service processes in a fast, economical and high-quality manner in conditions of strong competition. Therefore, many factors and problems of the development of this sector are being studied. In particular, the issues of effective use of the resource potential of the service sector, increasing the volume of service provision and factors affecting it, the impact of innovations and digital transformation on the service sector and the opportunities for their use, as well as the impact of market segmentation and targeting on the volume of service provision, and increasing market share by providing services tailored to different segments were studied as research objects (Table 1).

Table 1.

Effective development approaches	Description of the purpose, tasks and characteristics of effective development
Systematic approach	The digital transformation approach focuses on the role of digital technologies in the service delivery process. The main features of this approach are: <ul style="list-style-type: none"> - introduction of digital tools and technologies; - decision-making based on data analysis.
Process approach	In a process approach, all service processes are analyzed and efficiency is increased by optimizing them. The main features of this approach are: <ul style="list-style-type: none"> - all service processes are studied and their efficiency is evaluated; - continuous improvement of service processes.
A strategic approach	In a strategic approach, long-term goals and strategies for service delivery are developed. Tactical plans are made to achieve them. The main features of this approach are: <ul style="list-style-type: none"> - setting specific size goals; - development of strategic plans to achieve goals.
Learning and innovation approach	This approach is focused on education and innovation, aimed at increasing efficiency through improving the skills of service workers and introducing new technologies. The main features of this approach are: <ul style="list-style-type: none"> - developing the knowledge and skills of employees; - introducing new technologies and innovative solutions.
A value chain approach	In the value chain approach, all service processes are analyzed and optimized from the point of view of value creation. The main features of this approach are: <ul style="list-style-type: none"> - analyzing all links in the value chain;

	focusing on value creation in each process.
<i>Production management approach</i>	<p>This approach aims to effectively manage the service delivery process. The main features of this approach are:</p> <ul style="list-style-type: none"> - optimization of the service process; - increasing efficiency in the process from raw materials to finished products.
<i>Digital transformation approach</i>	<p>The digital transformation approach focuses on the role of digital technologies in the service delivery process. The main features of this approach are:</p> <ul style="list-style-type: none"> - introduction of digital tools and technologies; - decision-making based on data analysis.

It is known that scientific approaches to the effective development of economic sectors have been studied in different ways. Through such approaches, various methods, tools and models for ensuring effective economic growth have been developed. Based on their study, a description of methodological approaches to effective development specific to economic sectors was formed. These approaches include various methods and strategies to ensure effective development, and by using them together, the intended goals can be achieved. Based on these, it is possible to reveal the socio-economic nature of effective development. Effective development is a process of achieving goals, quality and sustainable results through optimal use of human resources, financial and material resources. The main goal of effective development is to achieve stable, quality and long-term results through rational and proper management of resources. This process can be achieved through an integrated approach and the correct application of strategies in different areas.

In our opinion, the effective development of the service sector in the digital economy is associated with the implementation of the following key measures in the areas of technology introduction, staff training, marketing and advertising, digital payment systems, as well as innovation and creativity:

1. Widespread introduction of digital platforms, online services and mobile applications (technologies) in the service sector;
2. It is important to train and retrain qualified personnel who actively use digital technologies;
3. Digital marketing and advertising serve as the main means of attracting new customers in the service sector;
4. Creating convenient digital payment systems for customers and introducing modern financial technologies;
5. Diversifying types of services and offering new innovative solutions will provide a competitive advantage.

These measures will help to develop the service sector in the digital economy more effectively and competitively. Based on the above, the effective development of the service sector in the context of the digital economy can be understood as ways to achieve the goals and sustainable results in the service sector through the optimal use of digital technologies and human resources. The main goal of such development is to achieve priority and long-term development through the rational and correct use of available resources, and this process includes a number of factors and strategies (Table 2).

Important measures have been developed in our country to accelerate the transition to a digital economy. In this regard, the Decree of the President of the Republic of Uzbekistan dated February 19, 2018 No. PF-5349-159 “On measures to further improve the sphere of information technologies and communications” and the Resolution of the President of the Republic of Uzbekistan dated April 28, 2020 No. PP-4699-160 “On measures to widely introduce the digital economy and e-government” set out important measures and priorities in this regard. In particular, according to the resolution, the tasks of doubling the share of the digital economy in the country's gross domestic product by 2023 in our republic, introducing a complex of information systems in production management, widely using software products in financial and economic reporting, as well as its rapid formation through automation of technological processes have been set.

The identification of such measures, in turn, will play an important role in accelerating and implementing the processes of the digital economy, and ultimately create the basis for the rapid development of service processes. Therefore, the priority tasks set for the development of the service sector in our republic and the provision of target parameters in this regard are precisely related to the processes of digitization of the economy. Accordingly, a set of strategies has been created aimed at the effective development of the service sector in the conditions of New Uzbekistan. In particular, in accordance with the Strategy of Actions on the five priority areas of development of the Republic of Uzbekistan in 2017–2021, the priority areas for the development of the service sector in our country were set as the tasks of accelerating the development of the service sector, increasing the role and share of services in the formation of gross domestic product, and radically changing the structure of services provided, primarily due to their modern high-tech types. The target parameters for the development of the service sector require accelerating the transformation processes of the sector into a digital economy. As a result of the implementation of the program for the development of the service sector in our country for 2021–2023, the volume of service provision increased by almost 20% in 2021. At the same time, it was identified that by introducing new approaches to the development of the service sector, the volume of market services could be increased by 1.5 times in 2022 and an additional 1.5 million new jobs could be created.

As for the state of the services sector, world practice shows that in recent years this sector has been growing very rapidly. Especially in the context of the digital economy, this sector has an impact on the development of all sectors and industries. In particular, in 2016, the share of the services sector in GDP was 77.4% in the USA, 71% in Great Britain, 70.3% in France, and 70.2% in Canada¹⁶⁴. In Uzbekistan, this indicator has changed to 41.9-42.2% over the past 5 years, and in 2022 it will be 42.2%. In addition, the services sector accounts for the bulk of employment in economically developed countries. Today, 38% of the employed population in the economy of Uzbekistan is in the services sector. Based on the above, if we characterize the role of the services sector in the economy of our country, it should grow by 22.7 percentage points (70-47.3) to be among the countries of the first group. It is clear from this that the development of the service sector, on the one hand, has become a vital necessity and an important means of satisfying all the demands and needs of the population, and on the other hand, it is an important condition for the development of the national economy, in particular, regions. Based on this, we set ourselves the task of studying the possibilities of developing the service sector in the context of the digitalization of the economy.

The development models of the service sector under the influence of globalization in the digital economy were also studied. In this regard, the development of the service sector in developed countries is largely associated with general economic and technological conditions. According to the experience of the United States in this area, as a result of the digitization of the

service sector, technology giants such as Google, Amazon and Facebook are actively introducing innovative services. In particular, the development of online markets, payment systems, cloud technologies and services for consumers reflects the specific features of the digital transformation in the country. It is also actively adopting digital technologies in the provision of financial services, including electronic payments, fintech startups and digital banking services. China is a leader in the development of the digital economy and services sector. Mobile payments, e-commerce and digital services are widely popular. In particular, popular platforms such as Alibaba and Tencent provide a wide range of digital services such as online commerce, payments, social media and entertainment. China is also actively introducing artificial intelligence technologies into various sectors, including healthcare and education.

European countries are focusing on data protection and transparency in the digital sphere. Regulations such as the General Data Protection Regulation govern the services companies provide and the processing of customers' personal data. Digital innovations in healthcare, education, and government are also developing rapidly in European countries.

South Korea is actively introducing high-speed Internet technologies and mobile communication services. This is because Korea is a country where high-speed Internet access and mobile payments are widespread. New technologies such as artificial intelligence are also being actively used in various sectors, including smart cities and innovations in healthcare.

Scandinavian countries such as Sweden and Norway are actively implementing digital innovations in education, healthcare, and government. Sustainable indicators of social development have been achieved based on the use of new technologies in the service sector.

In general, the development of the service sector in foreign countries is closely related to the use of digital technologies, the introduction of innovations and adaptation to changing consumer demands. Differences in approaches may be due to the cultural and economic regulatory characteristics of each country.

Conclusions and suggestions. Based on the study of the role of digital technologies in the effective development of the service sector, strategies and foreign models, the following conclusions were drawn:

- the digital economy is changing traditional methods of providing services, making them more efficient, convenient and consumer-oriented. Accordingly, the digitalization of the economy has a significant impact on the development of the service sector, which is clearly manifested in the rapid introduction of innovations into the sector, the acquisition of effective partners and customers in business, and the intensification of the competitive environment;

- the following aspects of the impact of the acceleration of the digital economy on the service sector were studied, which are:

- the emergence of digital platforms and online services provides consumers with convenient ways to use services. Restaurants, hotels, taxis, food delivery services and many other enterprises will now have the opportunity to place orders and make convenient payments through mobile applications or websites;

- consumer data analysis allows companies to prioritize the provision of individual services. In this case, previous purchases of services or customer preferences are considered an important criterion;

- mobile applications and chatbots facilitate communication between service providers and customers. They can provide services in accordance with the 24-7 working hours for processing orders, providing information and solving problems;

- in the digital economy, the need for payments, virtual cards, the use of innovative technologies that increase security and convenience is increasing;

- with the help of a large database (analysis) in improving the quality of services, enterprises will be able to more effectively manage their resources, optimize service processes and provide high-quality services;

- the use of artificial intelligence will allow to automate a number of service tasks, for example, chatbots to manage customer requests or booking systems to optimize planning, etc.

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