International Journal of Culture and Modernity
ISSN 2697-2131, **Volume 17**
https://ijcm.academicjournal.io/index.php/ijcm

Changes in the Management of the Services Sector in the Context of Digitalization of the Economy

Oripov, Abdumalik Abdusalomovich, PhD.
Senior Teacher, Fergana State University, Uzbekistan

Urinov, Dilshodjon Akhmadjonovich
Researcher, Fergana State University, Uzbekistan

ANNOTATION: The article discusses the approaches to the concept of digital economy, the stages of transition to the digital economy, changes in the organization and management of service sector in the digital economy, digital platforms and their importance in management processes, the essence and purpose of using management platforms.

KEY WORDS: service sector, digitalization, digital transformation, digital economy, digital business system, platform, interface, digital management, platformization, servitization.

At the current stage of development of management processes, along with other sectors and industries of the economy, the service sector requires a new approach to the organization and management of enterprises. In the new economic environment, all businesses seeking to operate sustainably are forced to go through a process of digital transformation. In the field of economic relations, which is not included in the process of digital transformation, enterprises are limited to traditional relations, which reduces their ability to take advantage of competition in the context of new economic systems.

According to UNCTAD experts, the process of “digitization” is the technology of creating, processing, exchanging and transmitting information, which usually means a socio-economic change that begins with the initiative of widespread use and assimilation of digital technologies.

In addition to the above definition, a number of researchers have expressed their views on the concept of “digital economy” in their research. In particular, V.Ivanov interprets the digital economy as a virtual environment that complements our reality, while M.Kalujsky describes the digital economy as the economic activity of the Internet, as well as its forms, methods, tools and communication environment.

According to research, the "digital economy" is a practical model of the economy. The digital economy is a production complex, a production system that creates products and services that provide convenience to human life, where a certain cyber-physical system emerges.

Summarizing the above interpretations, in our opinion, it is appropriate to describe digital transformation in the context of "the introduction of modern technologies at all levels of business processes in socio-economic systems."

The introduction of modern technologies at all levels of business processes involves not only the installation of modern equipment or software, but also major changes in management approaches, corporate culture and external communications. As a result, the productivity of each employee and the level of customer satisfaction can be increased, and the enterprise can

International Journal of Culture and Modernity
ISSN 2697-2131, **Volume 17**
https://ijcm.academicjournal.io/index.php/ijcm

operate as an advanced and modern structure. In practice, this means creating a system of business processes called a “digital business system”.

It is expedient to divide the process of transition to the digital economy into 4 main stages based on the explanation of the differences between the concepts of "digitization", "introduction of digital technologies" and "digital transformation" (Figure 1):

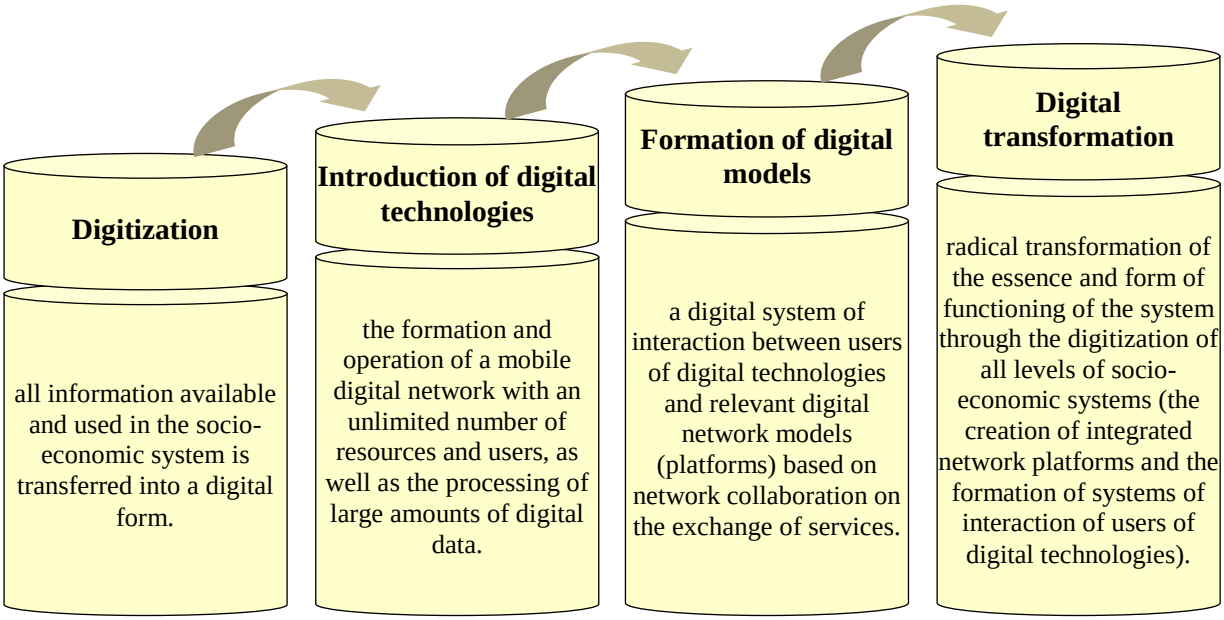

Figure 1. Sequence of stages of digital transformation

Stage 1 - the stage of digitization. At this stage, all the data available and used in the socio-economic system will be transferred to the digital form, and, in this way, the necessary digital data will be formed, thereby creating an opportunity to optimize the scale of data in different forms and content.

Stage 2 - the stage of introduction of digital technologies. Digital infrastructure is the basis of the necessary network for the functioning of the socio-economic system, built on the basis of a set of digital technologies and their products. The created digital infrastructure provides an unlimited amount of resources and the formation and functioning of the existing mobile digital network of users, as well as the processing of large amounts of digital data.

Stage 3 - the stage of formation of digital models. The next stage in the transition to the digital economy is the stage of introduction of digital models, in which direct digitization is carried out. At this stage, users will be able to combine and change the communication channels around the digital technologies used, that is, the formation of digital models is carried out. As a result of the formation of digital models, a digital system of interaction between users of digital technologies and related digital network models (platforms) is formed, based on network cooperation in the exchange of services.

Stage 4 - the stage of digital transformation. This stage is the last stage in the formation of the digital economy, which is the process of radical transformation of the essence and form of activity of the system through the digitization (transfer of all resources into digital form) and digitization (creation of integrated network management platforms and formation of systems of interaction of users of digital technologies) of all levels of socio-economic.

International Journal of Culture and Modernity
ISSN 2697-2131, **Volume 17**
https://ijcm.academicjournal.io/index.php/ijcm

The main advantages of digital transformation for businesses are the optimization of processes, the search for new revenue streams, the creation of personalized and attractive service infrastructure. An analysis of the nature of these advantages shows that they cover the personalized nature of services in the field of services, non-face-to-face communication between producer and consumer, as well as specific aspects of sales and procurement of services (products).

In general, an enterprise planning to move to a "digital" basis today should pay special attention to the automation of processes, including management processes, in order to further increase operational efficiency.

In the context of digital transformation, the organization and management of activities are formed on the basis of digital platforms, taking into account that the initial and final link of the chain of activities of all economic structures depends on consumer relations.

Summarizing the views of various researchers, the digital platform can be described as a set of integrated tools based on modern digital technologies, the use of which facilitates the management of activities and interactions not only in the internal but also external environment of the socio-economic system. It is wrong to interpret the digital platform as a simple software product. The digital platform is basically a technological integrator of a set of services related to the digital economy. Not from a technical or engineering point of view, but from an economic point of view, it can be said that a digital platform is formed by managing a set of interconnected and complementary services. The main components of the digital platform include:

- interface platform;
- database;
- authentication system;
- automated billing system for all services received by the customer using the platform;
- analytical system, cyber security and network security system.

The importance of digital management platforms is determined by the following positive effects:

- reduction of information technology costs;
- Increased level of cyber security;
- fast, secure and easy creation of new applications;
- formation of open systems;
- Ability to use advanced analytical systems for "big data";
- optimization of data use, etc.

The main market advantages of the use of digital management platforms are the creation of new sources of income, cost reduction, simplification and simplification of management processes, support for cooperation and innovation within service networks to create new products, increase product placement in target markets and expand product range such advantages can be highlighted.

International Journal of Culture and Modernity
ISSN 2697-2131, **Volume 17**
https://ijcm.academicjournal.io/index.php/ijcm

With the formation of management platforms, the basis for the functioning of the economic system as a strategic resource in the digital economy is now knowledge and competencies, not information, as in the previous stage of economic system development, because in the future almost all data, information and knowledge will be digitized. Under the influence of these changes, not only economic activity, but also the understanding of the essence of the management process will change. Network management emerges as the basis of the digital economy (Figure 2).

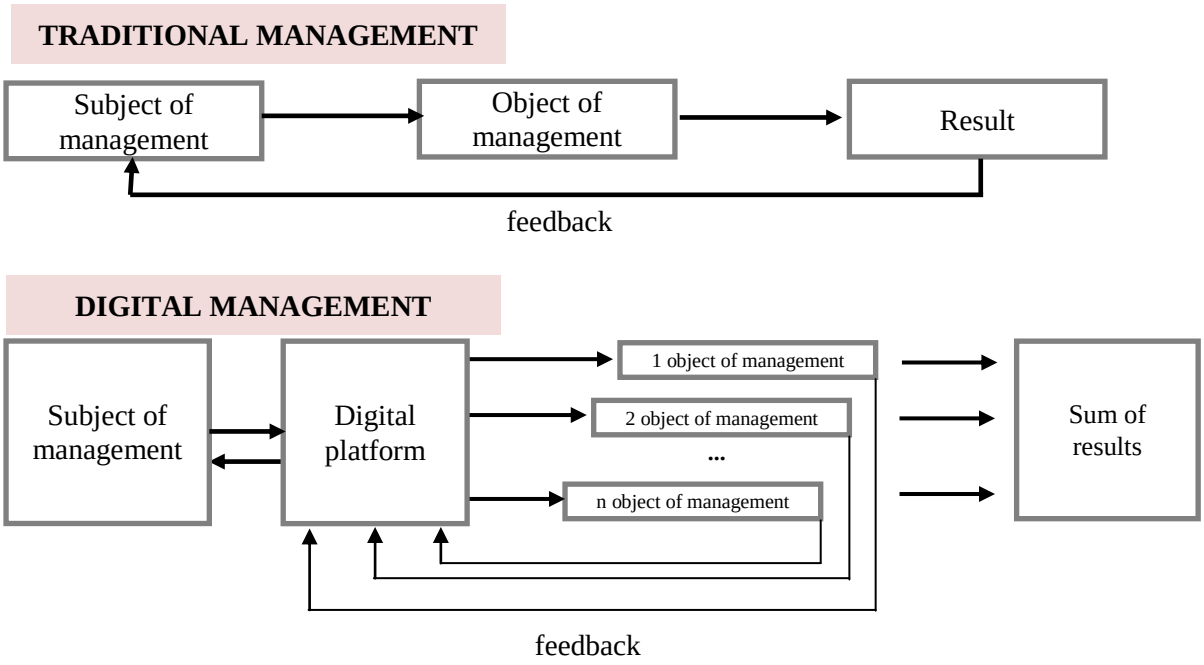

Figure 2. Changes in management processes in the impact of digitization

Digital management platforms also set new management criteria for service businesses, develop competition and create dynamic rankings for participants. Compiling large data streams and processes allows the application of algorithmic arrangement and significantly simplifies the tasks of analyzing and synthesizing value chains. In our view, over the next 10 years, all sectors and industries of national economies will undergo significant structural changes in the context of digital transformation.

The formation of a new economic system through digital transformation based on management platforms will radically restructure and optimize management at all levels of socio-economic systems - from individual enterprises to all sectors, in particular, government agencies. At the same time, the constant feature of these changes is an increase in the level of servitization, that is an increase in the share of services in the gross value added generated compared to the share of traditional products.

In the context of digital transformation, new trends in the development of socio-economic systems in the form of "platformization" have begun to emerge.

Platformization is the proliferation of modular digital platforms and the use of platform technologies that allow people, devices and systems to connect to a single digital space across a value chain, a process that leads to a digital transformation of concepts and business models.

International Journal of Culture and Modernity
ISSN 2697-2131, **Volume 17**
https://ijcm.academicjournal.io/index.php/ijcm

Digital management platforms are seen as the foundation of the current stage of economic development.

The essence and purpose of using management platforms in the process of digital transformation can be determined by the increase in the quality of data that promotes the active creation, selection and use of digital platforms, the need to expand the target market segments or deepen the specialization of activities, the need to increase the effectiveness of platform functions, the specialization of interaction.

In the new wave of innovations, the main place is occupied by digital platforms, as well as a new consumer idea based on a deep impact on the consumer. As a result, economic activity works more actively on the basis of platforms, with which consumers are offered products or services based on different schemes. Today, in widely used systems, the delivery functions to customers are constantly being personalized, and the operations carried out by different entities on the products and services offered are being optimized.

These conditions encourage the formation of a digital economy based on an active exchange of information, knowledge and competencies to create, improve and implement custom solutions that are highly compatible with digital platforms. As a result, concepts such as "smart energy", "smart transportation system", "smart equipment", "smart enterprise", "smart home", "smart city", "smart information and analysis", "smart medicine" and others will emerge. The main difficulties in the implementation of these concepts are reflected in the interconnection of technological, organizational, economic and other aspects of management decisions made on the basis of management platforms.

The problem-solving nodes of the complexity and difficulty considered are solved on a systematic basis and placed on digital platforms through digital environment systems. Within the framework of digital environment systems do not provide the connection of individual automated systems (applications, services, platforms) to the main tasks, but create a favorable environment for their formation and rapid development.

Ensuring the effectiveness of the process of organizing and managing economic activity in socio-economic systems on the basis of digital platforms requires the following key conditions:

- increase the volume of demand (creation of various services that expand the scope of agreements on the digital platform);
- Increasing the level of personalization of services (understanding the needs of consumers and the formation of targeted network communication with customers through all communication channels, using advanced information about customers in the development of individual proposals);
- ensuring reliable data protection;
- active development of the digital platform (digital partners - expanding contacts with application developers and providers that help to improve the platform through personalized services).

In today's environment, digital platforms have evolved from the official website of the entities offering products and services into a broad, complex set of services. To date, theories have divided the economy into three main sectors: the agricultural and mining sector, the

International Journal of Culture and Modernity
ISSN 2697-2131, **Volume 17**
https://ijcm.academicjournal.io/index.php/ijcm

industrial and construction sector, and the services sector. An analysis of the trends in the digitalization of the economy and the introduction of digital platforms shows that the classic division between these sectors can completely disappear and become a single digital sector.

A key factor in the disappearance of boundaries between sectors in the classical division is the process of servitization based on digital technologies. The servitization process is rapidly penetrating the three classic sectors of the economy mentioned above and combining them into a single complex. For example, digital services can be used to remotely process agricultural land, harvest crops, produce products in industrial enterprises, and provide a variety of services over a period of time.

As with the expansion of production, in addition to accelerating the servitization of all types of economic activity, the implementation of the principle of platforming will also significantly reduce the cost of production of goods and services. In addition, digital platforms have additional features that reduce costs for the end consumer by engaging the consumer in the production process and providing "service features" to traditional goods expressed in terms of their individual needs. Thus, the implementation of universal digitization allows for a high degree of coordination between the participants of economic relations, reducing costs and reducing the risks that exist in traditional forms of institutional environment.

References:

1. Орипов, А. А. (2020). Критерии оценки влияния сферы услуг на уровень жизни населения. In *Наука сегодня: теория и практика* (pp. 25-28).
2. Орипов, А. А. (2020). Сфера услуг как экономическая категория и эффективный вид экономической деятельности. In *Наука сегодня: опыт, традиции, инновации* (pp. 43-46).
3. Орипов, А. А. (2019). Развитие информационно-коммуникационных технологий в Узбекистане. *Образование и наука в России и за рубежом*, (16), 192-194.
4. Орипов, А. А. (2020). Приоритетные направления развития сферы услуг Республики Узбекистан. In *Минтақа иқтисодиётини инвестициялашнинг молиявий-ҳуқуқий ва инновацион жиҳатлари* (pp. 334-339).
5. Чилматова, Д. А., & Орипов, А. А. (2020). Хизмат кўрсатиш корхоналарида харажатларни таннархга олиб бориш усуллари. In *Минтақа иқтисодиётини инвестициялашнинг молиявий-ҳуқуқий ва инновацион жиҳатлари* (pp. 582-586).
6. Urinov, D. A. (2021). Integration Of Science And Education As An Important Factor In Improving The Quality Of Education. *The American Journal of Management and Economics Innovations*, *3*(10), 21-27.
7. Urinov, D. A. (2021). System Of Indicators Reflecting The Process Of Innovation Transfer In Higher Educational Institutions. *The American Journal of Management and Economics Innovations*, *3*(11), 1-5.
8. Ўринов, Д. А. (2020). Инновациялар трансферига таъсир этувчи омиллар ва уни тавсифловчи кўрсаткичлар. In *Минтақа иқтисодиётини инвестициялашнинг молиявий-ҳуқуқий ва инновацион жиҳатлари* (pp. 420-423).

International Journal of Culture and Modernity
ISSN 2697-2131, **Volume 17**
https://ijcm.academicjournal.io/index.php/ijcm

9. Ўринов, Д. А. (2020). Роль вузов в формировании региональной инновационной политики. In *Минтақа иқтисодиётини инвестициялашнинг молиявий-ҳуқуқий ва инновацион жиҳатлари* (pp. 148-153).
10. Гофуров, А., & Гозиев, М. Ш. (2020). Наука и инновации–основа развития интеллектуального потенциала. In Минтақа иқтисодиётини инвестициялашнинг молиявий-ҳуқуқий ва инновацион жиҳатлари (pp. 127-130).
11. Goziev, M. (2022). Improving innovation and investment capacity management mechanisms in the construction industry. International Journal Of Social Science & Interdisciplinary Research ISSN: 2277-3630 Impact factor: 7.429, 11(02), 85-89.
12. Xakimov, D. (2021, December). Formation of money transmission mechanisms to increase the efficiency of monetary policy. In International Scientific and Current Research Conferences (pp. 70-74).
13. Khakimov, D. R. (2020). Role Of Innovation In The Economy. The American Journal of Management and Economics Innovations, 2(09), 43-47.
14. Хакимов, Д. Р. (2021). Худуд саноатини диверсификация қилиш орқали рақобатбардошлигини ошириш имкониятлари. Scientific progress, 2(1), 631-638.
15. Khakimov, D. R. (2020). Choosing the optimal rule of monetary policy, taking into account changes in the main macroeconomic indicators. Academicia: an international multidisciplinary research journal, 10(12), 1351-1356.
16. Khakimov, D. R. (2021). Creating an additional value chain in the process of diversification of industrial localization. Oriental renaissance: Innovative, educational, natural and social sciences, 1(5), 243-248.