

THE SCOPE OF DIGITAL MARKETING IN UZBEKISTAN

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Annotation: *The article explores the historical context of marketing and its evolution into digital marketing. It touches on the roots of marketing as far back as 3000 BC in Babylon, and traces its development through the influence of thought leaders such as Kotler, Godin, Ries and Trout, Keller, Aaker, Porter, Drucker, and Levitt. The narrative then shifts to digital marketing, distinguishing it from traditional marketing by its use of digital channels beyond the internet, including digital television, mobile applications, and interactive screens. It outlines the advantages of digital marketing, such as its wide reach, efficiency, and measurable impact, as well as detailing the various types of digital marketing tactics and tools. Focusing on Uzbekistan, the text presents an analysis of the country's digital marketing expenditures over the past years and projected growth. It also compares Uzbekistan's digital marketing spend to that of leading countries, underscoring the need for increased investment and expertise in this field within Uzbekistan.*

Key words: *Digital Marketing, Uzbekistan, Marketing Evolution, Social Media Marketing, Consumer Behavior, Market Research, Brand Management, Globalization, Competitive Landscape, Advertising Strategy.*

Marketing deals with customers more than any other business function. As Kotler (2000) often emphasizes, the word "Marketing" means "market activity," "market research" (p. 45). There are many opinions about when marketing originated. Godin (2005) might argue that the essence of marketing, the art of telling stories that resonate with the market, has been around as long as humans have communicated (p. 12).

If we connect its emergence with advertising, as Ries and Trout (1981) would suggest, we can trace marketing back to 3000 BC in Babylon, where the first instances of public promotion were recorded (p. 30). Keller (1993) would note that even these early forms of marketing were about connecting with the consumer at a deeper level, much like brand management today (p. 60).

Aaker (1996) would likely point out that the evolution of marketing into a broader concept, encompassing brand equity and strategic positioning, has transformed how businesses approach the market (p. 102). Porter's (1985) analysis would remind us that marketing is not just about meeting customer needs but also about understanding the competitive landscape (p. 76).

Drucker (1954), often hailed for his visionary approach to management, believed that marketing is a fundamental aspect of business, stating that "the aim of marketing is to know and understand the customer so well the product or service fits him and sells itself" (p. 39). Levitt (1960) warned businesses of the dangers of focusing too narrowly on their products rather than on the needs of their customers, a principle that remains central to marketing today (p. 45).

Recently, two different approaches to understanding the subject of marketing have become known: "expansive" and "restrictive." The expansive view, as might be described by Kotler (2000), encompasses a broad range of socio-economic and technological processes, while the restrictive approach, possibly favored in the French school of marketing, focuses more narrowly on activities directly related to sales and consumer demand (Kotler, 2000, p. 89).

The transition to marketing activities, as Drucker (1954) would agree, cannot happen automatically. It requires a deep understanding of the market, a commitment to innovation, and a focus on customer needs, principles that have guided marketing thought from its earliest days to the present (Drucker, 1954, p. 112).

In the current era of globalization, marketing is also developing. Marketing, like many other industries, is moving to a digital system. As a result, the concept of "Digital Marketing" appeared.

Digital (digital) marketing is a method of promoting a brand or product through the use of various forms of digital channels. Sometimes digital marketing gets confused with online marketing. But digital marketing goes beyond the Internet worldwide, as well as:

- digital television;
- mobile applications;
- interactive screens.

Thus, digital marketing is characterized by a comprehensive approach to the use of digital technologies in advertising. Advantages Digital marketing has a number of important advantages over traditional marketing:

It allows you to communicate with a wider audience and find customers even in unexpected places, provides an opportunity to deliver to consumers, while other strategies require a large investment of time. It allows you to communicate with customers. Digital technologies help to have more exposure to customers, which increases the probability of interest in the product. cheaper than strategies. This helps tracking transparent.

As a complex discipline, digital marketing has several ways to attract and retain customers. Types of digital marketing include:

1. Promotion of the page in search engines;
2. Contextual advertising;
3. Email notifications;
4. Viral advertising;
5. Affiliate marketing.
6. Digital marketing tools.

Digital marketing tools are divided into three: Basic, Advanced and Offline. The digital marketing toolkit is diverse and includes both well-known basic and advanced tools. Some digital tools can be used offline.

1. The main tools of digital marketing include:
 - a) Creating content;
 - b) Landing page;
 - c) Applications;
 - d) Email notifications.
2. Advanced digital marketing tools are:

-- Affiliate is a means of business promotion on the Internet, the essence of which is to provide traffic to the client and receive payment for a specific action.

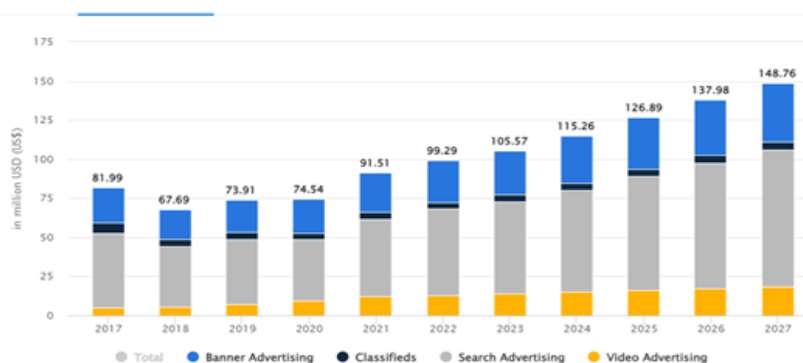
-- Influencer marketing is based on using an authority figure to promote a page. The perception of the product by the audience is changing, as a result of which the customers themselves are looking for the product.

-- An effective solution is a combination of several tools. This will reach as wide an audience as possible.

Many people may not know what Marketing is, but in the current era of globalization, not knowing this field is a big mistake. Currently, there are many types of marketing, the most common of which is SMM (social media marketing), for example, marketing of social networks. This type has become popular at such a nuclear speed that it has become so cheap and effective to advertise, sell and use the product for other purposes. The danger to the world in the rapid spread of this slogan was the declaration of quarantine during the Covid-19 pandemic. During the quarantine, everyone got connected to social networks without being idle at home, and thereby unknowingly created the ground for the development of many SMMs. SMM has developed a lot in our country and is still being used.

Until now, marketing in Uzbekistan has not achieved much success, and due to the fact that the field of marketing has not been paid much attention, there are very few marketers who are masters of their work in our country. Currently, there is a great need for quality marketers in some production enterprises and other organizations related to such trade.

Many entrepreneurs bring marketers from foreign countries and use his services. Of course, this is also very expensive. What's holding this industry back is that we don't make it easy and we treat marketing as just a department job. David Packard, one of the founders of the Hewlett-Packard company, said: "Marketing is not something that can be left to one department, marketing is very important." Why? Because the production departments cannot ensure the quality of employees, the delivery department does not increase the goods on time, the accounting accounts are prepared incorrectly, and all this creates problems for the marketing activity. And I would like to mention that we should prevent these mistakes and properly organize marketing activities in the enterprise, making marketing directly dependent on the entire production, only then we can achieve great success.

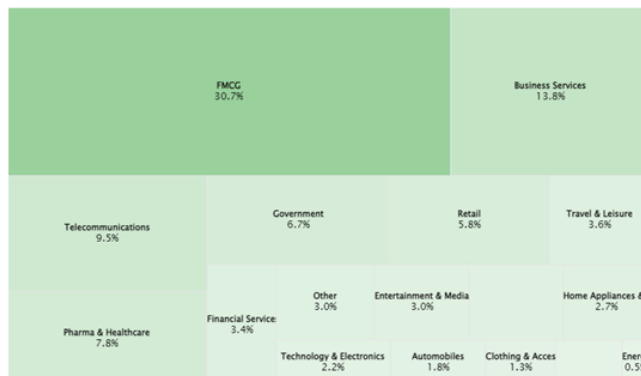


In this bar chart, you can see the amount that Uzbekistan has spent and plans to spend in Digital Marketing between the previous 5 years and the next 5 years.

The data shows that in 2017, Uzbekistan spent \$82 million. in the next 3 years, this indicator decreased to almost \$10 million. After the pandemic, the figure increased to \$92 million. In

2022, Uzbekistan spent about \$100 million on digital marketing. In the next 5 years, these indicators are estimated to increase by \$11 million annually. If so, by 2027 it will be \$150 million

It should be noted that 50-55% of these expenses are for social media marketing, 20-25% for banner advertising, and the remaining 25-30% for video advertising and class fields.



Through this information, we will be able to find out that Uzbekistan spent \$100 million in 2022. It can be seen that 1 in 3 of the funds were used for Fast Moving Consumer Goods. Just over 13% was spent on business services, and another 1 in 10 was spent on telecommunications, about 8% on medical, and about 7% on government and finance, technology, travel, automotive, entertainment, home appliances, and many others. less than 5% was spent on each of the sectors

At the same time, it should be noted that trillions of dollars are spent on digital marketing worldwide. let's get acquainted with the top 5 of them.

1. USA - 262.1 billion
2. China - 151 billion
3. United Kingdom - 35 billion
4. Japan - 23 billion
5. Germany - 15 billion

For comparison, how many times more money do these countries spend than Uzbekistan?

1. United States - 2621 times more
2. China - 1510 times more
3. United Kingdom - 350 times more
4. Japan - 230 times more
5. Germany - 150 times more

All this for 2022.

As I mentioned above, Uzbekistan is expected to spend \$150 million on marketing by 2027. This indicator is very low compared to the rapidly developing world.

Digital advertising has surpassed traditional advertising. In 2018, digital advertising became the dominant advertising medium, accounting for more than half of global advertising spending. The digital advertising market is growing because people's behaviour has changed from the offline world to the online world. In 10 years, the number of Internet users has increased from 2.3 billion in 2012 to 5.1 billion in 2022.

Various large tech companies dominate the digital advertising market. Major players in the market include Alphabet, Meta Platforms (Facebook), Microsoft, Facebook, Amazon, Tencent, Baidu, Byte Dance, and others. Growth in the video, banner, social media and search advertising

segments is relatively high compared to the classifieds segment due to rapid growth in social media consumption and online shopping.

Before the pandemic, the digital advertising market was showing strong growth. However, the pandemic has accelerated digital adoption and the impact will be permanent, leading to more robust growth in the digital advertising market in the coming years.

“In making purchase decisions, customers are essentially influenced by 3 factors. First, they are influenced by marketing communications in various media such as television ads, print ads, social media and public relations. Second, they are persuaded by the opinions of their friends and family. Third, they also have personal knowledge and an attitude about certain brands based on past experiences.”

Philip Kotler, *Marketing 4.0: Moving from Traditional to Digital*

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