

## BEST PRACTICES IN DIVERSIFYING TELECOMMUNICATIONS SERVICES IN COUNTRIES AROUND THE WORLD

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**Abstract.** *In the last decade, the diversification of communication services has become not only a technological advantage for the world's advanced economies, but also a means of ensuring economic stability and social equality. Through digital transformation, the integration of mobile communications, artificial intelligence and broadband Internet services, countries such as the United States, South Korea, Estonia, Singapore and China have managed to actively involve all segments of the population in the digital economy. For example, in South Korea, cross-sector services have been developed within the framework of the "Digital New Deal" program, and their level of inclusion has been increased by 27 percent. In this regard, Uzbekistan has also identified the expansion of economic opportunities through the modernization of communication services and their equitable territorial distribution as one of the priority areas in its "Development Strategy until 2030". Because diversification in communication services is not only new technologies, but also a strong infrastructure that ensures equal access to education, healthcare and financial services for every citizen. In line with Uzbekistan's "digital prosperity" principle, learning from global experiences can become a tool for economic transformation, especially for remote regions.*

**Keywords:** *Communications enterprises, diversification of services, digital growth, domestic product, communications sector.*

In today's global context, successful practices of diversifying communication services demonstrate their economic and social impact. In particular, in the European Union, network synergies and service clusters were created through the Connecting Europe Facility program, which reduced the digital divide between regions by 18 percent. Also, through India's BharatNet initiative, broadband Internet was introduced to more than 250,000 rural areas and innovative services were created for women and youth. This experience shows that the diversification of communication services also acts as a powerful tool for mitigating social and economic inequality within the country. This is especially relevant for Uzbekistan: it is important to master global experiences in order to bring the digital economy to every citizen by 2030. As stated in the "Development Strategy until 2030", it is possible to simultaneously develop human capital and the business environment by ensuring the provision of services in various forms and contents, especially in the telecommunications sector. World experience shows Uzbekistan the need to diversify communication services based on humanity, innovation, and inclusion.

In terms of expenses, the company reduced total operating expenses to \$26.8 billion, a decrease of 4.9 percent and reflecting organizational measures to improve efficiency. The largest share of expenses was accounted for by general and administrative expenses and selling expenses of \$7.5 billion, but this figure remained almost unchanged over the year (-0.4 percent). Also, the reduction of asset disposals and restructuring costs by 97.8 percent to \$589 million demonstrates the company's drastic optimization measures aimed at strengthening its financial stability. Operating profit was \$5.3 billion, and pre-tax income was \$2.9 billion. The final net profit was \$2.6 billion, which is the successful result of AT&T's strategy to maintain profitability and ensure financial stability by reducing costs.

These financial indicators demonstrate that AT&T achieved strategic balance in the fourth quarter of 2023 by combining service diversification and cost optimization. In particular, the high growth rates in the international and corporate segments, as well as in the communications services segment, which is the main revenue segment, confirm the company's approach to building a stable revenue base through a diversified service portfolio. Sharp reductions in operating expenses and aggressive reductions in asset restructuring served to increase capital turnover and profitability. In the process, the company not only improved short-term financial profit indicators by reducing costs, but also formed a transformational financial discipline that serves to stabilize long-term strategic capital efficiency (in terms of Tobin's q ratio). As a result, AT&T's approach during this period has practically proven that service diversification is inextricably linked not only to market expansion, but also to financial stability and internal management effectiveness.

The analysis of AT&T's financial performance for the fourth quarter of 2023 shows that the strategic synergy between service diversification and cost optimization served as an important tool in ensuring the company's financial stability. In this regard, it would be appropriate for Uzbek communications enterprises to deepen service segmentation, in particular, diversify revenue sources by offering customized services for foreign, corporate and regional markets. In this regard, it is recommended to review the cost structure, optimize general management and sales expenses, as well as strengthen internal financial discipline by restructuring loss-making assets. In addition, the assessment of the capital efficiency of the service portfolio based on the Tobin q model is a prerequisite for achieving a balance between resource allocation and investment profitability. Therefore, it is necessary to form a balanced transformational approach between service diversification and cost management for the Uzbek communications sector, and it is proposed to systematize corporate strategies in this direction.

For Uzbek telecommunications companies, it would be advisable to better understand the strategic relationship between service diversification and cost management, as these two factors are mutually reinforcing components of a company's financial stability. Global experience shows that expanding the scope of services not only ensures the balance of revenue streams, but also manages operating costs in an adaptive manner - this is an important factor in the sustainable development of the digital services segment in Uzbekistan. Therefore, the country's telecommunications companies are required to strengthen financial discipline when making strategic diversification decisions, gradually measure the profitability

of services and develop a methodology for analyzing cost flexibility for each new type of service. In this regard, it is recommended to avoid overconfidence syndrome at the management level, and thoroughly assess the economic and institutional background behind each diversification move. In particular, it is recommended to gradually expand the portfolio of services using complex cost modeling and strategic financial forecasting tools - this will serve to strengthen the viability of Uzbek communications companies in the process of digital transformation, combining financial prudence and innovative flexibility.

In world practice, the diversification strategy is successfully used by many large telecommunications companies as a means of digital transformation and integration into new technologies. For example, Airtel significantly diversified its product and service portfolio in the Indian and African markets by introducing not only mobile communication services, but also mobile finance, cloud services, video content platforms and artificial intelligence-based solutions. This approach allowed the company to maintain high growth rates, reduce market risks and attract new user segments. The success of diversification lies in the fact that it not only expands the spectrum of revenues, but also complicates the role of the company in the ecosystem, turning it into a platform for services based on digital infrastructure. Thus, the diversification strategy within the framework of the Ansoff model is becoming a central element of strategic transformation in the global telecommunications sector.

When planning the diversification of services on a strategic basis by Uzbek telecommunications companies, it would be appropriate to introduce a phased approach to each quadrant of the market-product vectors, relying on the Ansoff matrix. In particular, the direction of “diversification”, which is high-risk, but has high profitability and innovative potential, should be formulated as a promising strategic choice for communications companies in the context of the country's digital transformation. In this regard, it is recommended to direct services integrated with new technologies - cloud computing, mobile finance, AI integration, content platforms - not only to existing markets, but also to regions and user segments that are not yet fully digitized. Uzbek communications companies should adapt their business model to the digital services ecosystem and introduce strategic assessment platforms that assess the effectiveness of investments in each product-market combination. At the same time, it is proposed to formulate diversification decisions not only on the basis of technological innovation, but also on the basis of a systematic approach that takes into account user needs, regional social differences and market growth potential in an integrative manner. Such strategic multi-layering will enhance the transformational potential of communications companies and serve to transform them into a sustainable service platform based on digital infrastructure.

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