

ENHANCING MARKETING AND MANAGEMENT CAPABILITIES IN THE STRATEGIC DEVELOPMENT OF THE SERVICE SECTOR IN NUKUS CITY FOR SUSTAINABLE ECONOMIC GROWTH AND IMPROVEMENT OF POPULATION WELFARE

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Abstract. This study examines the strategic development of the service sector in Nukus city and the broader Republic of Karakalpakstan from 2017 to 2024, with particular attention to improving marketing and management capabilities as mechanisms for ensuring sustainable economic growth and enhancing the well-being of the population. Based on statistical data analysis, the research reveals a consistent upward trend in service provision, led by sectors such as financial services, transport, and information technologies. The study underscores the imperative of integrating modern marketing strategies and effective management systems to harness the region's untapped economic potential. Conclusions and recommendations are presented to inform regional development policies.

Key words: Strategic development; service sector; sustainable economic growth; Nukus; Karakalpakstan; marketing; management; regional economy; public welfare

Introduction. In an era of rapid economic transformation, the service sector emerges as a cornerstone of regional development. Nowhere is this more evident than in Nukus, the administrative centre of the Republic of Karakalpakstan, where a marked

increase in service volume has been observed in recent years. This article seeks to explore the evolution of this sector through a strategic lens, focusing on the role of marketing and management in fostering inclusive growth and enhancing quality of life.

The transition from a resource-based to a service-driven economy necessitates refined approaches to economic governance. Marketing strategies must evolve to match shifting consumer behaviours, while management practices must be adapted to the complexities of the modern service economy. This dual imperative is particularly acute in developing regions such as Nukus, where the service sector offers vast but underutilized potential for economic and social progress.

Literature Review. The service sector has long been recognized as a driver of economic development, particularly in post-industrial economies [1][3]. Recent literature underscores the importance of effective marketing in competitive service environments [2], while strategic management practices are seen as essential for scaling and sustaining service innovations [4][5].

In the Central Asian context, researchers such as Xujamkulov D.Y. and Xoliqulov A.N. have noted the untapped potential of Uzbekistan’s regional economies in service-based development [6][7]. However, specific studies on Nukus and Karakalpakstan remain limited. This article aims to contribute to the literature by filling that empirical gap with original data and contextual analysis.

Research methodology. The study adopts a mixed-methods approach. Quantitative analysis is based on official statistical data from 2017–2024 regarding service sector dynamics in Karakalpakstan and Nukus. The data includes total service volume and disaggregated information by service type.

Descriptive statistical techniques are used to illustrate growth trends. Comparative analysis between Nukus and the rest of the republic enables a regional performance assessment. Secondary sources from academic journals and policy papers are integrated to support the theoretical framework.

Analysis and results.

Table 1. Volume of services for the main types of economic activity in the Republic of Karakalpakstan in 2017-2024, billion soums [9]

Types of services	2017 y.	2018 y.	2019 y.	2020 y.	2021 y.	2022 y.	2023 y.	2024 y.
Services - total	3 611,3	4 600,2	5 671,8	6 520,3	8 458,4	10 595,3	12 875,6	28 820,8
Information and communication services	306,0	344,6	352,4	383,1	448,7	555,7	680,5	997,9
Financial services	363,1	606,7	1 003,6	1 287,9	1 692,1	2 232,0	2 961,6	3 516,0
Transport services	1 032,5	1 292,8	1 486,3	1 673,4	2 303,7	2 867,0	3 180,8	4 265,3
Accommodation and food services	109,2	137,3	161,6	168,9	185,5	277,6	403,6	10 994,2
Sales services	918,6	1 127,0	1 323,1	1 547,3	1 913,8	2 177,7	2 714,3	4 546,6
Real estate related services	138,0	158,2	165,1	165,3	206,4	245,6	317,8	450,5
Educational services	172,2	224,3	302,2	369,1	568,1	694,2	755,9	940,5
Healthcare services	42,2	52,7	65,1	74,3	99,9	127,9	159,2	262,3

Rental and leasing services	81,6	103,5	124,8	140,1	159,4	204,5	210,4	308,1
Computer, personal and household goods repair services	138,6	156,0	174,5	189,1	239,9	301,5	375,9	686,2
Personal services	151,9	182,8	214,0	235,3	304,2	387,8	500,4	731,3
Services in the field of architecture, engineering surveys, technical testing and analysis	39,2	73,2	109,9	89,8	92,5	165,7	174,1	247,6
Other services	118,2	141,1	189,2	196,7	244,2	358,1	441,2	874,3

The table illustrates the volume of services across various economic activities in the Republic of Karakalpakstan from 2017 to 2024, measured in billion soums.

Overall, a significant upward trend is evident in all categories of services, with total services experiencing the most substantial growth over the observed period.

In 2017, the total volume of services was recorded at 3,611.0 billion soums, and this figure escalated to 28,820.0 billion soums by 2024, marking a dramatic increase of approximately 698%. Among the specific types of services, financial services demonstrated profound growth, starting at 363.1 billion soums in 2017 and reaching 3,516.0 billion soums in 2024. The transport services segment also showed a steady rise, with figures increasing from 1,096.2 billion soums in 2017 to 3,350.0 billion soums in 2024. Furthermore, the category of sales services exhibited notable growth as well, with the total climbing from 918.6 billion soums in 2017 to 4,546.0 billion soums in 2024.

Additional service categories also exhibited substantial upward trajectories. For instance, information and communication services grew from 306 billion soums in 2017 to 890.2 billion soums by 2024. Healthcare services showed a remarkable increase starting with 25.3 billion soums in 2017 and improving significantly to 902.4 billion soums by the end of the period. Furthermore, accommodation and food services and educational services also reflect positive growth trends, with volumes increasing from 109.2 billion soums in 2017 to 311.6 billion soums in 2024, and from 172.2 billion soums to 940.4 billion soums, respectively. These figures collectively highlight the overall economic development within the Republic and the growing demand for services.

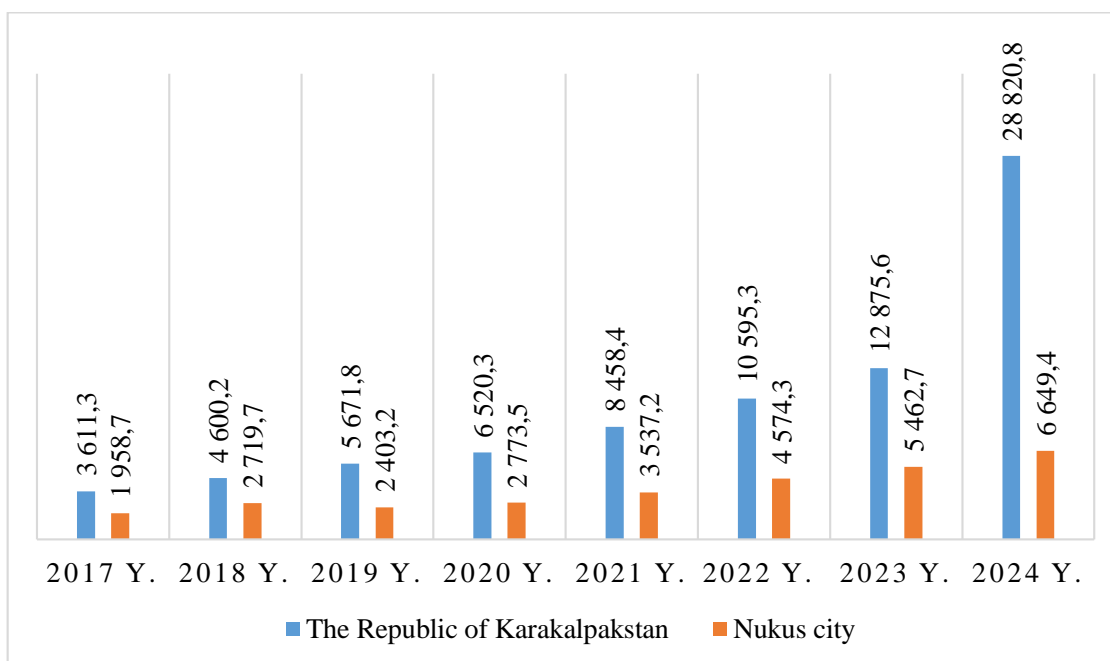


Figure 1. The value of services provided in the Republic of Karakalpakstan and its capital, Nukus, over a period spanning from 2017 to 2024, measured in billion soums [9]

The presented bar chart illustrates the value of services provided in the Republic of Karakalpakstan and its capital, Nukus, over a period spanning from 2017 to 2024, measured in billion soums.

Overall, it can be observed that both regions experienced a consistent upward trend in the volume of services rendered, with the Republic of Karakalpakstan exhibiting significantly higher values than Nukus throughout the stated years.

In 2017, the volume of services provided in the Republic of Karakalpakstan stood at 3611.3 billion soums, while Nukus recorded a lower figure of 1987.4 billion soums. A noticeable increase was recorded in subsequent years, with the services in Karakalpakstan rising to 4600.2 billion soums in 2018 and achieving 28202.8 billion soums by 2024. Conversely, Nukus displayed a steady increase as well, from 2179.7 billion soums in 2018 to 6649.4 billion soums in 2024, although the figures remained comparatively lower than those of Karakalpakstan during the same period.

Further analysis of the data reveals that both regions showed remarkable growth rates with Karakalpakstan experiencing the most significant escalation in services rendered. Specifically, from 2021 to 2024, Karakalpakstan's service volume surged from 8578.4 billion soums to 28202.8 billion soums, demonstrating an impressive growth trajectory. In contrast, Nukus, while also growing, showed less drastic increases, rising from 3573.2 billion soums in 2021 to 6649.4 billion soums in 2024. This indicates that although both regions are on a growth path, the Republic of Karakalpakstan has outpaced Nukus remarkably in the volume of services rendered.

The total volume of services in Karakalpakstan surged from 3,611.3 billion soums in 2017 to a striking 28,820.8 billion soums in 2024 — an approximate 698% increase. Nukus followed a parallel yet more moderate trajectory, increasing from 1,987.4 billion soums in 2017 to 6,649.4 billion soums in 2024.

Among the most dynamic sub-sectors:

- Financial Services grew nearly tenfold, from 363.1 to 3,516.0 billion soums;
- Transport Services rose from 1,032.5 to 4,265.3 billion soums;
- Accommodation and Food Services showed exponential growth in 2024, reaching 10,994.2 billion soums;
- Sales Services and Information & Communication also exhibited consistent and substantial increases.

These figures reflect structural shifts in the regional economy and growing consumer demand.

Despite positive growth, gaps remain in the areas of digital service delivery, consumer targeting, and professional service management. The mismatch between service supply and demand in some sectors, particularly healthcare and education, suggests the need for refined market analysis and resource allocation.

Conclusion and suggestions. The empirical analysis of the service sector in Nukus and the Republic of Karakalpakstan from 2017 to 2024 reveals a compelling narrative of growth, transformation, and opportunity. The sharp increase in the volume of services across nearly all categories is emblematic of a regional economy in transition — moving from traditional, production-centered models toward a more diversified, knowledge-based, and consumer-driven landscape.

However, while the quantitative growth is undeniable, qualitative challenges persist. The disparity between the pace of service expansion and the maturity of managerial and marketing practices underscores a pressing need for structural refinement. Without modern management systems, even the most promising sectors risk stagnation; without targeted marketing strategies, service providers may fail to connect meaningfully with the evolving demands of the population.

Thus, the strategic development of the service sector must now transcend numerical growth and embrace a paradigm rooted in innovation, professionalism, and adaptability. Below are several nuanced suggestions to guide this transformation:

Firstly, strengthen institutional and human capital capacities. Creating specialized training centres in service management, digital marketing, and customer experience design. These institutions should partner with universities and international organizations to ensure global best practices are localized effectively. Incentivizing skill development in underserved service areas such as logistics, hospitality, and health management, where both demand and growth potential are high.

Secondly, digitalization and smart infrastructure. Investing in digital infrastructure to enable e-services, online booking systems, mobile marketing, and virtual consultations, especially in healthcare, education, and administrative services. Encouraging the development of smart city platforms in Nukus that integrate service delivery, feedback mechanisms, and real-time data for managerial optimization.

Thirdly, marketing as a development tool. Launching a regional branding initiative to promote Nukus as a hub of reliable, innovative, and culturally rich services — this could stimulate both local demand and external investment or tourism. Promoting data-driven marketing strategies for service providers using local demographic, behavioural, and seasonal data to tailor offerings effectively.

Lastly, monitoring, evaluation, and research. Developing a real-time monitoring system that measures service quality, consumer satisfaction, regional disparities, and innovation uptake. Encouraging independent policy research and academic collaboration to ensure continuous improvement based on data and community needs.

In essence, while the path forward is brightened by economic momentum, the true measure of success will lie not merely in growth metrics, but in the degree to which services contribute to inclusive prosperity, human development, and long-term regional resilience.

By combining strategic foresight with bold institutional reform, Nukus may well serve as a beacon of service-led progress not only in Karakalpakstan, but across the broader Central Asian region.

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