THE ROLE OF DIGITAL TECHNOLOGIES IN SHAPING INNOVATION AND BUSINESS MODELS IN UZBEKISTAN

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Annotation

In today's competitive and globalized environment, innovation is an important factor for the sustainable functioning of organizations, enabling enterprises to reduce environmental impacts and address social problems. In the context of accelerating innovation processes, managers are forced to reconsider the value creation chain, where digital transformation emerges as a continuous process of adapting to the changing needs of society.

This research question aims to determine how digital technologies such as artificial intelligence, big data, cloud computing technologies, industrial and service robots, and the Internet of Things (IoT) affect innovation-based revenues of enterprises in Uzbekistan. The study evaluates the individual impact of each digital technology on innovation revenues using neural network analysis and examines their influence on types of social innovation within organizations.

The results demonstrate the central role of digital technologies in enhancing innovation and competitiveness and have important practical implications for managers and policymakers. These findings emphasize the need for enterprises in Uzbekistan to strategically implement digital technologies to ensure long-term competitiveness, especially in the context of the rapid development of the digital economy in the country.

Keywords: Digital transformation, innovation, digital economy, artificial intelligence (AI), big data (Big Data), cloud computing (Cloud Computing), Internet of Things (IoT), innovation revenues, business models, value creation, competitiveness, social innovation, enterprise efficiency, digital technologies, data analysis, digital management, Uzbekistan economy, tourism digitalization, innovative activity, digital strategy

Digitalization today is an important factor in optimizing production processes, improving communication between business partners, and reducing operational costs in the economy of Uzbekistan. It allows enterprises to make informed decisions using real-time data, automate repetitive processes, and improve overall efficiency. However, the implementation of new technologies alone is not sufficient — enterprises must fundamentally rethink their business models to fully utilize the opportunities of digital transformation.

The transition to innovation-driven business models requires profound changes in how enterprises deliver value to customers. In Uzbekistan, as the digital economy continues to develop, the ability to create innovation and rapidly adapt to technological changes is becoming a key factor for long-term success. Digital technologies are transforming innovation processes, fostering global collaboration, expanding access to knowledge and resources, and creating new opportunities for analysis and experimentation.

Digital transformation requires not only the implementation of technologies but also changes in organizational culture. Successful enterprises develop a culture of continuous experimentation, tolerance for mistakes, and rapid learning. These processes are particularly important in Uzbekistan, where the startup ecosystem, IT parks, and digital services are actively developing.

In recent years, social innovation has also become an increasingly relevant direction. In Uzbekistan, social innovations serve as an important tool for reducing poverty, increasing employment, promoting regional development, and addressing environmental problems. The essence of social innovation lies in rethinking existing social systems and relationships to better meet societal needs.

Creating a culture that supports social innovation in organizations is essential for long-term success. This is achieved through fostering collaboration among employees, companies, and external partners, as well as encouraging the exchange of ideas. Innovation managers must create an environment where employees can freely experiment and are not afraid of failure. At the same time, implementing clear and systematic mechanisms for idea management and innovation project execution increases process efficiency and reduces the time from idea to implementation.

The COVID-19 pandemic that emerged in 2020 significantly accelerated digital transformation and social innovation in Uzbekistan. Distance education, e-government services, online commerce, and digital payment systems have developed rapidly. This

has further increased the importance of adaptability, technology usage, and collaboration.

The aim of this study is to comprehensively analyze the impact of digital technologies such as artificial intelligence (AI), big data (Big Data), cloud computing, industrial and service robots, and the Internet of Things (IoT) on innovation-driven revenues and types of social innovation in Uzbekistan. The study seeks to fill existing research gaps by evaluating the individual impact of each technology on innovation revenues using neural networks and clustering regions or sectors based on the level of digital development, innovation expenditures, and activity.

This work begins with an introduction that highlights the importance of digital transformation in the modern economy. The next section presents a literature review and hypothesis development. The materials and methods section describes the research design and applied methods. The results section provides findings from neural networks and cluster analysis. The discussion analyzes the implications of these results for innovation management and competitiveness in Uzbekistan. The final conclusion summarizes key findings and offers recommendations for future research.

Digital transformation and innovation: the context of Uzbekistan

In recent years, digital technologies have been fundamentally transforming how Uzbek enterprises manage their operations and implement innovations in products and services. In particular, artificial intelligence (AI) enhances operational efficiency by automating data processing and decision-making. Big data enables enterprises to deeply analyze customer needs and personalize services. The Internet of Things (IoT) connects devices into a unified system, enabling real-time monitoring of production and service processes. Cloud computing facilitates fast data exchange and efficient resource utilization. At the same time, industrial and service robots increase accuracy and speed in production processes while reducing costs.

The comprehensive implementation of these technologies contributes to the development of innovative activities in production and service sectors in Uzbekistan. This creates opportunities for enterprises to enhance competitiveness and achieve long-term economic advantages. Especially within strategies aimed at developing the digital economy and tourism sector, digital transformation plays a crucial role. These aspects are also emphasized in the research of Shakhnoza Ashurova, where methodologies for improving management efficiency in tourism and services based on digital technologies are being developed.

Digital transformation is one of the most complex yet essential processes for organizations. It requires not only the adoption of new technologies but also fundamental changes in business models, management approaches, and value creation mechanisms. In Uzbekistan, this process is closely linked to government-supported digital reforms, the activities of IT parks, and the development of the startup ecosystem.

The value creation process is closely connected with digital transformation and implies delivering products and services with higher added value to customers. With the help of digital technologies, this process improves further, enhancing customer experience, optimizing operational processes, and leading to the emergence of new business models.

Digital transformation requires restructuring internal processes, implementing flexible and collaborative working methods, and developing employees' digital skills. Such an approach enables enterprises to make quick decisions, test new ideas, and adapt to market demands. At the same time, the implementation of digital technologies increases employee productivity and strengthens innovative capacity by redirecting them toward higher-value activities.

Digital transformation requires not only technological but also cultural changes. Enterprises must support innovation-oriented thinking, flexibility, and continuous learning principles. Today in Uzbekistan, digital transformation is no longer a choice but a necessity for enterprises. Organizations actively engaged in this process are better prepared for future challenges and can effectively utilize new opportunities.

Digital transformation fundamentally changes production and operational processes, involving the integration of digital technologies into all stages of the value chain. Process automation reduces human-related errors, increases production capacity, and shortens time-to-market. At the same time, efficient resource use leads to energy and raw material savings, ensuring sustainable development.

Moreover, the ability to collect and analyze data in real time enables enterprises to make prompt and informed decisions, identify problems in advance, and adapt to market demands. This provides a significant advantage in a highly competitive global environment.

Overall, the implementation of digital technologies in enterprise operations enhances efficiency, reduces costs, improves customer experience, and fosters innovation. In particular, the ability to create products and services tailored to individual customer needs enables companies to capture new market segments and build strong customer relationships.

The implementation of digital technologies allows enterprises in Uzbekistan to provide more efficient and personalized services. This significantly facilitates adaptation to rapidly changing market demands and needs. Performance-based business models increase customer satisfaction and loyalty by delivering guaranteed service quality or effectiveness.

At the same time, the use of artificial intelligence (AI) and big data technologies provides enterprises with deep analytical insights into customer behavior and preferences. Cloud computing and the Internet of Things (IoT) enable access to data from any location and ensure continuous monitoring of processes, optimizing operational activities.

Enterprises in Uzbekistan investing in such technologies gain the opportunity to form new innovative business models, which enhance efficiency, reduce costs, create new revenue sources, and ensure long-term sustainable value. In particular, improving value creation mechanisms based on digital solutions in the service and tourism sectors is also highlighted as an important scientific direction in the research of Shakhnoza Ashurova.

However, practice shows that some enterprises limit digitalization to improving existing products and services. This leads to underutilization of the full innovative potential of digital technologies. For example, instead of creating new product lines or personalized services based on existing data, focusing only on improving existing functions limits growth opportunities.

Using digital transformation solely as a tool to support existing activities slows down innovative development, as enterprises fail to adapt to new market demands and technological changes. In contrast, enterprises that implement digital transformation comprehensively—integrating new technologies into all elements of the business model—achieve higher levels of innovation activity and ensure sustainable long-term growth.

Therefore, achieving success in the digital era is not limited to digitizing products or services. It requires rethinking the entire business model, creating new value through technologies, and ensuring sustainable development. In Uzbekistan, this process should be implemented across all sectors of the economy, especially by deepening digital transformation in tourism, services, and industry.

Conclusion

Digital transformation has become a key driver of innovation, competitiveness, and sustainable growth in Uzbekistan. The integration of technologies such as artificial

intelligence, big data, cloud computing, and the Internet of Things enables enterprises to enhance efficiency, improve decision-making, and create new value for customers.

The study shows that digital technologies significantly influence innovation-driven revenues and support the development of social innovation. However, their full potential can only be realized when organizations adopt comprehensive changes in business models, management approaches, and organizational culture.

Overall, for Uzbekistan, the strategic implementation of digital technologies is essential to strengthen long-term competitiveness and ensure successful adaptation to the rapidly evolving global digital economy.

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