



ANALYSIS OF THE PRICING POLICY OF A TELECOMMUNICATIONS  
COMPANY FOR DIGITAL SERVICES AND ITS ECONOMIC EFFICIENCY

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**Abstract.** *The sustainable development of telecommunications enterprises in the digital economy directly depends not only on the modernization of technological infrastructure, but also on the economic justification of the pricing policy being formed for digital services. At a time when services in the telecommunications market are increasingly standardized, the pricing mechanism is becoming the main competitive instrument for the enterprise. Especially in the context of digital networks with high capital intensity, pricing policy appears as a strategic tool that ensures a balance between the cost of service, return on investment, operational efficiency and consumer value. Therefore, analyzing the pricing approaches of a telecommunications enterprise for digital services and determining their impact on economic efficiency is one of the most relevant scientific and practical issues.*

**Keywords:** *Innovative technologies, Uzbektelecom JSC, digital services, telecommunications.*

In this process, pricing policy is considered not only as a set of tariff levels, but also as a complex mechanism that serves to optimize the cost structure, manage the elasticity of demand, diversify the portfolio of digital services, and stabilize revenues. In the context of the proliferation of digital services and their functional complexity, reducing the cost of a unit of service, while increasing economic profitability, is becoming the main criterion for assessing the effectiveness of pricing policy. Based on this, a systematic analysis of the pricing policy of a communications enterprise for digital services, identifying its correlation with economic efficiency indicators, and highlighting this correlation on a scientific basis constitute the methodological basis of this research area.

The pricing policy of Uzbektelecom JSC is formed on the basis of the combination of the principles of social responsibility, economic efficiency, and digital transformation in the national telecommunications market. When setting prices, the company aims to ensure accessibility of services for the general public and the public sector, on the one hand, and to ensure long-term return on investment (ROI) in high-capital-intensive digital infrastructure (FTTH, IP/MPLS, data centers) on the other. Therefore, Uzbektelecom's pricing policy is based not on the classic "maximum profit" model, but on the concept of generating sustainable income through a gradual reduction in cost.

In the formation of tariffs for digital services, the company uses the triad of cost + regulatory restrictions and market demand as the main calculation mechanism. In particular, prices for Internet and data services are kept relatively stable or gradually reduced due to the





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decrease in the cost of a unit of service as the volume of traffic increases. In services such as cloud services, call centers, mass notifications and virtual offices, economic efficiency is increased through differential pricing (different tariffs for B2C and B2B segments) and bundling mechanisms. As a result, pricing policy acts not only as a source of income, but also as a strategic instrument that stimulates the use of digital services.

Analysis of pricing policy in telecommunications enterprises should not be limited to describing only the level of tariffs, because in the context of digital services, the price is not the final result, but an integral expression of complex economic and technological processes. In particular, for large infrastructure operators such as Uzbektelecom JSC, pricing policy reflects the intersection of the cost of services, investment burden, regulatory restrictions and market demand at one point. From this perspective, the pricing mechanism is a reflection of the internal efficiency of the enterprise in the external market, and the level of technological modernization, the speed of digital transformation and the degree of optimization of the cost structure play a decisive role in its formation.

The pricing policy of Uzbektelecom JSC for 2020–2025 clearly demonstrates that it is based on the principles of gradual price reduction and volume-driven efficiency. In particular, the reduction in the price of an external Internet channel from 56,049 soums per 1 Mbit/s in 2020 to 25,000 soums by 2025 represents a price reduction of almost 55%. This indicates that the company was able to reduce the cost of a unit of service due to agreements reached in the international traffic market, modernization of backbone networks (DWDM, IP/MPLS), and a sharp increase in traffic volume. An analysis of the annual rate of price decline shows that the decline in 2021–2023 was relatively high (–15–20%), during which infrastructure investments were in an active phase. By 2024–2025, a slowdown in the rate of price decline (–10–12%) will be observed, which indicates a transition to a stage of approaching market equilibrium and price stabilization. This situation is interpreted in classical microeconomic theory as a mature stage of the price optimization process.

The consistent decrease in average tariff indices for broadband Internet and cloud services indicates that the company is using a market expansion pricing strategy. The decrease in tariff indices compared to 2020 to 68 and 70 points, respectively, is explained by the fact that digital services have become more economically affordable for the general public and business entities. This has led to an increase in the level of digital inclusion and an increase in the intensity of service use.

The reduction in the unit traffic cost index to 63 points compared to 2020 confirms that the pricing policy is not only marketing in nature, but is based on a real economic basis. That is, the price reduction was carried out not at the expense of an artificial reduction in profit margins, but due to the optimization of operating costs, automation and increased technological efficiency. This is an important factor ensuring the long-term stability of the pricing policy.

The annual increase in traffic volume by 15–22% indicates a positive and relatively high price elasticity. As a result, price reductions did not reduce revenues, but, on the contrary,





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served to increase total revenue. In this regard, the pricing policy of Uzbektelecom JSC can be assessed as an economically rational, demand-responsive and strategically sustainable model.

The pricing policy of Uzbektelecom JSC for digital services is not a random or simply a result of market pressure, but is a well-thought-out strategic approach based on the cost structure and aimed at long-term economic efficiency. In particular, the use of a cost-based pricing mechanism allows the company to maintain stable profits without sharply increasing tariffs by reducing the cost of a unit of service. This confirms the need to align pricing policy with return on investment in the context of FTTH, IP/MPLS and data center infrastructures with high capital intensity.

2020 is characterized as a stage in which the impact of digital and cloud services on the cost of communications enterprises is just beginning to take shape. During this period, the main savings were observed mainly in the areas of cloud services and colocation, which is explained by the partial centralization of existing infrastructure and the reduction of some internal server costs. However, since services such as VDS, VDI, UZTELECOM Disk and Cloud CCTV have not yet been fully implemented or are on a limited scale, their contribution to cost reduction remains low. In general, 2020 is a foundation year for digital transformation, which is more focused on creating a technological foundation than on reducing costs. In 2021, cost reduction indicators increased for almost all services. During this period, cloud services, VDS and VDI solutions began to be more actively implemented, resulting in savings in hardware costs, maintenance and energy consumption. In particular, in colocation services, the increased load of data centers and the distribution of fixed costs among more customers significantly reduced costs. At the same time, the initial economic effect appeared in UZTELECOM Disk and Cloud CCTV services, and real results were observed in reducing dependence on foreign platforms.

By 2022, it can be seen that the impact of digital services on reducing costs has entered a stable phase. This year, savings on VDS, VDI and cloud services have increased sharply, which is explained by the more widespread implementation of these services and economies of scale. In WEB hosting and domain services, the mass-market model with a low cost per unit of service has also begun to fully operate. In UZTELECOM Disk and Cloud CCTV, the internal infrastructure has matured, and storage and monitoring costs have clearly decreased. As a result, 2022 is considered a year of “transition from growth to stability” in reducing the cost of digital services.

In 2023, there will be a significant increase in cost reduction indicators, which indicates the stage when digital transformation is beginning to bear economic fruit. In cloud services, colocation and Cloud CCTV services, costs have been further reduced due to centralized management, automated monitoring and optimized energy consumption. VDI and VDS services have expanded in the internal corporate segment, reducing costs associated with workplaces and server resources. This year, digital services have become a major source of savings not only technologically, but also financially.





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2024 is characterized by a mature stage of the cost reduction process. During this period, most digital services have reached a high level of load and stable use, and each additional user or service unit requires almost minimal additional costs. As a result, cost reduction in the cloud services, VDS, colocation and Cloud CCTV segments has approached its highest levels. UZTELECOM Disk service has consolidated as a national cloud storage platform, significantly reducing payments for foreign cloud services.

By 2025, cost reduction indicators have reached maximum values, which indicates that the full economic potential of digital services has been unlocked. At this stage, cost reduction is mainly achieved not by expanding technology, but by deeply optimizing the existing infrastructure, automating it and increasing energy efficiency. Cloud services, colocation and Cloud CCTV services have become the main sources of savings for the company, while VDS and VDI have provided a sustainable low-cost service model for internal and external customers.

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