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## Development of the Securities Market among the Population Based on Marketing Tools

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**Abstract:** This article is devoted to the stock exchange and over-the-counter (OTC) securities market, which represents a pivotal point in the financial system functioning outside the official exchange. The article discusses the key characteristics of the OTC market, such as flexibility, lack of centralized control, and the financial diversity of instruments. The article also highlights its advantages, such as lower listing requirements and access to specialized investment instruments, which make the market attractive to small and medium-sized enterprises (SMEs).

However, beyond these positive aspects, the article addresses risks associated with OTC transactions, such as a lack of liquidity, potential manipulation, and limited company information. In conclusion, the need for thorough risk analysis and assessment for all interested parties is emphasized.

**Key words:** Stock exchange, Over-the-counter market, Securities, OTC, Investments, Liquidity, Investment risks, OTC market advantages, Small and medium-sized enterprises, Financial instruments, Lack of information, Market manipulation, Risk analysis, Listing requirements, Investment attractiveness.

### Introduction:

The securities market plays a critical role in the economy of any country, providing companies with financing and investment opportunities for the global population. However, the development of this market is impossible without employing marketing strategies that help achieve new advancements, increase liquidity, and strengthen trust in financial systems. With the rise of the Internet and digital technologies, access to information about public securities has become much simpler. Trading platforms and investment apps allow investors to instantly monitor stock prices, analyze data, and execute transactions. This creates a more competitive environment where any company can effectively communicate with its target audience.

Marketing in the securities market goes beyond product promotion; it involves creating an ecosystem that meets the needs and expectations of investors. Effective marketing strategies can significantly improve market accessibility and attractiveness.

The securities market remains one of the stabilizing elements of modern economies, ensuring company financing and providing profit opportunities for investors. In an era of rapid technological development and transformation, marketing plays a crucial role in facilitating market participation and development. Effective marketing strategies help build an informed and engaged investor community, enhance trust, and ultimately increase investor interest.

### The Securities Market as a Stabilizing Element of the Modern Economy

The securities market is one of the stabilizing elements of the modern economy, providing companies with financing and offering investors the opportunity to generate profits. As technology rapidly develops and transforms industries, marketing plays a key role in facilitating

the shift toward this market. Effective marketing strategies help create an informed and active community, reduce distrust, and ultimately increase investor engagement.

In this article, we will explore various marketing approaches such as segmentation, personalized offers, community building, and the use of new technologies that influence the development of the securities market. Understanding these aspects not only helps navigate current trends but also enables the design of more effective strategies to attract new investors and foster market growth.

Both stock exchange and over-the-counter (OTC) markets play crucial roles in the financial system, turning companies into capital and providing investors with opportunities to profit. In a rapidly changing economic environment, marketing tools are essential for the development and growth of the market's lower segments. Effective marketing strategies ensure the attraction and retention of clients.

### **Main Characteristics of the Stock Exchange Market**

The stock exchange market is a highly organized platform for trading financial instruments and plays a crucial role in the economy. It serves as a structured marketplace where different types of securities are traded, and its characteristics define how the market operates and how participants interact with one another.

**Structure and Organization:** The stock exchange market has a clearly established organizational structure: Official Exchanges, major trading platforms such as the New York Stock Exchange (NYSE), NASDAQ, and the London Stock Exchange set their own trading and listing rules. These platforms create a secure environment for transactions and establish clear procedures for participants. The stock exchange market ensures high liquidity, meaning investors can easily buy and sell valuable securities without significant price fluctuations. The securities market is one of the key components of any country's financial system. It contributes to the efficient allocation of capital, stimulates economic growth, provides companies with access to long-term financing, and opens up opportunities for the population to save and increase their wealth.

### **The Importance of the Securities Market for the Economy**

The importance of the securities market for the economy can be viewed through several key aspects:

**Efficient Allocation of Financial Resources:** The securities market facilitates the redistribution of financial resources from less productive sectors to more productive ones. This is made possible by the mechanism of valuing companies and assets through market prices of stocks. Investors allocate their funds to companies that demonstrate the best growth prospects, leading to a more efficient use of resources across the entire economy.

**Growth in Stock Volume and Issuers in Uzbekistan:** According to data from the Uzbekistan Republican Stock Exchange (UZRSE), since the beginning of the year, the volume of stocks has increased by 17 trillion soums, and the number of stock issuers has grown from 625 to 680 joint-stock companies (JSCs).

**Increase in Total Nominal Value of Issued Stocks:** Over the past week, the total nominal value of all stocks issued in Uzbekistan rose from 205.83 trillion soums to 206.78 trillion soums, thanks to additional stock issuances.

This growth reflects the vital role the securities market plays in providing companies with capital, encouraging economic development, and creating investment opportunities for the public.

- **Evaluating Company Performance:** Stock prices reflect market participants' expectations about future company earnings, allowing investors to choose the most promising companies.
- **Corporate Financing:** Through the issuance of stocks and bonds, companies can attract funds to expand their activities.

- **Risk Diversification:** Investors can spread their funds across different assets, minimizing risks.
- **Saving and Capital Growth Tool for the Population:** Securities provide citizens with the opportunity not only to preserve their savings but also to grow them through dividends and appreciation in asset value.
- **Asset Liquidity:** Stocks and bonds can easily be sold on the market, making them attractive to those who value the ability to quickly convert assets into cash.

Despite these advantages, many citizens do not take advantage of investment opportunities in securities, limiting their financial prospects and ability to accumulate capital.

### **Low Public Participation in the Securities Market**

Low public participation in the securities market (RSM) is a global issue that hinders the development of financial markets and slows down economic growth. In some countries, citizen participation in the RSM is significantly lower compared to developed nations, where the market plays a central role in savings and investments. This situation is caused by several factors, including low financial literacy, distrust of the market, high risks, and difficulties accessing financial instruments.

### **Reasons for Low Public Participation in the Securities Market**

1. **Lack of Financial Knowledge:** One of the main reasons for low participation in the RSM is the lack of understanding of financial instruments and how the market works. Many citizens are unfamiliar with stocks, bonds, how to buy them, and how they can profit from them. This lack of basic understanding leads to fear of risk and reluctance to participate in investment activities.
2. **Terminology Problems:** For many people, the terms associated with financial markets are confusing and unclear, which creates misunderstanding and skepticism.
3. **Need for Education:** Financial education in schools and universities is often limited, leaving most people entering the workforce without basic knowledge of personal finance and investments.

Many citizens, especially in countries with unstable economies, harbor distrust toward the securities market. This distrust often stems from past financial crises, sharp stock price declines, instances of fraud, and ineffective regulation. People fear losing their savings due to the high risks associated with investments.

### **Key Factors Leading to Distrust in the Securities Market:**

**Fraud and Financial Crises:** In some countries, fraudulent investment schemes have undermined trust in the market, especially among older generations who may recall negative events. These experiences often deter potential investors from participating in the market.

**Lack of Effective Regulation:** A weak regulatory system or insufficient protective mechanisms for private investors further increases fear of participating in the securities market. Without strong oversight, investors may feel vulnerable to market manipulation and unfair practices.

**Complexity of Investments:** For many, investing in securities seems complicated and requires specialized knowledge or professional consultation. Without clear and accessible guidance, most citizens choose to avoid investments in stocks and bonds, preferring traditional savings methods, such as bank deposits.

**Entry Barriers:** Opening investment accounts, registering with brokers, and understanding trading processes are often seen as complicated and time-consuming, especially for those with little financial experience. This complexity discourages many from entering the market.

**Insufficient Informational Support:** The lack of simple and accessible sources of information about how to start investing complicates decision-making for the general population. People may be interested in investing but are unsure of where or how to begin due to limited educational resources.

**Limited Financial Resources:** Many citizens do not invest in securities because they lack the financial means to do so. Economic instability, low income levels, and high inflation reduce people's ability to set aside funds for investment. When a significant portion of income goes to cover basic living expenses, individuals prefer to keep their money in safer and more familiar forms, such as savings deposits.

**Lack of Accessible Financial Products:** In many countries, financial companies do not actively offer investment products designed for the general population. Instead, they focus on wealthier clients, offering complex and expensive financial instruments that are out of reach for the majority of citizens. This leaves the broader population without appropriate or affordable investment options.

Together, these factors contribute to the low participation of the population in the securities market, limiting the potential for wealth growth and broader economic development. Addressing these barriers through educational campaigns, simpler financial products, and stronger regulatory frameworks could help increase public engagement in securities markets.

### **High Commissions**

The cost of services provided by brokers and asset management companies can be too high for private investors with small amounts of capital. This discourages many individuals from entering the market, especially those who cannot afford the fees.

**Inaccessibility of Small Investments:** The opportunity to start investing with small amounts is often limited, making the securities market inaccessible to individuals with limited financial resources. This restricts broader participation, particularly among lower-income groups.

**Consequences of Low Public Participation:** Low participation in the securities market has several negative effects on both the economy and individual financial well-being:

1. **Missed Opportunities for Capital Growth:** Citizens who do not participate in investments miss out on the opportunity to grow their savings and capital through income generated by securities, such as dividends or stock appreciation.
2. **Slow Growth of Financial Markets:** Low public engagement in the securities market limits the amount of capital flowing into the market, slowing down the development of companies and the overall economy.
3. **Reduced Financial Independence:** Citizens who rely solely on bank deposits or government pension systems are less protected from economic risks and inflation. Without diversifying into securities, they have fewer opportunities to grow their wealth and become financially resilient.

### **Measures to Increase Public Participation in the Securities Market**

To increase public involvement in the securities market, it is crucial to develop and implement a comprehensive set of measures aimed at overcoming existing barriers:

**Educational Programs and Financial Literacy:** Creating educational programs that focus on improving financial literacy is a key step toward increasing public participation in the securities market. Government institutions, educational organizations, and private companies can organize courses, seminars, and webinars to explain the basics of investing and the benefits of the securities market.

**Incorporating Financial Education into School Curricula:** Teaching children the fundamentals of financial literacy from an early age will help future generations become more active

participants in the securities market. Understanding investments early on can encourage long-term involvement and a better understanding of personal finance.

**Online Learning Platforms:** Digital educational platforms and mobile applications can make financial knowledge accessible to all segments of the population. These tools allow people to learn at their own pace and level, breaking down barriers of accessibility and promoting greater involvement in the securities market.

By addressing these challenges through education, accessible financial products, and improved investor protections, governments and financial institutions can promote greater public participation in the securities market, leading to broader economic benefits and increased financial security for individuals.

To enable more citizens to start investing, it is essential to simplify access to the market. Key steps in this process include:

**Providing Opportunities for Small Investments:** Developing products that allow people to begin investing with minimal amounts, such as \$100 or \$500, can encourage broader participation. Lowering the financial barrier to entry will make investing more accessible to a wider range of individuals.

**Simplifying Broker Registration:** The introduction of digital platforms and applications that enable users to open accounts and start trading securities with just a few clicks will streamline the process. This reduces complexity and helps new investors navigate the system more easily.

**Digitizing Financial Services and Utilizing Mobile Technology:** The digitization of financial services and the use of mobile technologies can significantly simplify access to the securities market. Mobile apps and online brokers offering intuitive interfaces and automated investment strategies can help reduce the fear of complexity for new investors.

### **Investment Incentive and Reward Programs**

In an effort to further develop the capital market, improve its infrastructure, stimulate investor participation, and simplify foreign investor access to the domestic stock market, the President of the Republic of Uzbekistan issued Decree No. PP-291 "On Additional Measures for the Development of the Capital Market" on September 2, 2023. This decree instructed the introduction of a plan for employee stock ownership plans (ESOPs) in companies with over 50% government ownership, where shares would be sold via IPOs.

It is also noteworthy that, according to amendments made in December 2023 to Article 378 of the Tax Code, employee income used to purchase shares through ESOPs, not exceeding their monthly salary, is exempt from taxation during IPOs.

### **Loyalty Programs and Incentives for New Investors**

Creating loyalty programs and offering incentives for new investors can motivate people to participate in the securities market. For instance, companies could offer bonus shares or reduced commissions to first-time investors as an entry incentive.

### **Government Initiatives**

Government programs offering tax incentives for private investors can also encourage the public to invest in securities. By reducing the tax burden on investment income or offering other financial benefits, governments can stimulate greater participation in the market and support long-term economic growth.

### **Marketing Tools for Developing the Securities Market**

The development of the securities market requires not only economic initiatives but also marketing efforts to attract the public, build trust, and increase investor activity. Marketing tools play a critical role in creating a positive image of the market, raising awareness, and engaging the



population, as well as developing strategies to broaden access to financial products. Below are key marketing tools that can help promote the development of the securities market:

### **1. Educational Campaigns and Financial Literacy**

To foster greater participation in the securities market, it is essential to enhance financial literacy among the public. Educational initiatives can include:

**Seminars and Webinars:** Hosting free online and offline seminars to explain how the securities market operates, how to invest in stocks and bonds, and the risks associated with investing.

**Online Courses and Mobile Apps:** Developing accessible and user-friendly online platforms and mobile apps that provide financial education. These tools can help people acquire the knowledge needed to make informed investment decisions.

**Informational Materials:** Publishing articles, videos, and blogs on popular platforms to widely promote the benefits and opportunities of participating in the securities market. Content can cover a variety of topics, from basic financial terms to investment strategies.

### **2. Digital Marketing and Social Media**

Digital marketing strategies are crucial for reaching a broad audience, especially in today's increasingly connected world. Social media platforms offer excellent opportunities for promoting market awareness:

**Social Media Platforms:** Utilizing platforms such as Instagram, Facebook, Twitter, and LinkedIn to share content about the securities market. This could include videos explaining key concepts, infographics about market trends, and useful investment advice. Engaging with users through comments and interactive features can foster a sense of community and encourage participation.

Through these marketing tools, the securities market can attract a more diverse group of investors, build trust, and encourage active engagement from citizens who may have previously been unfamiliar with or hesitant to invest in securities.

Targeted advertising: setting up advertising campaigns with personalized messages for different target groups, from young people to retirees interested in protecting their savings.

Content marketing: regular publication of analytical materials, investor tips and market trend reviews.

### **3. Government programs and tax incentives:**

Tax incentives on investment income: lower taxes on income from investments in stocks and bonds can be an incentive for citizens to actively participate in the market.

Government programs to encourage savings: creation of government investment funds with guaranteed income for low-income citizens, which will reduce risks and increase confidence in the market.

PR and reputation marketing: Building a positive image of the securities market is important to attract investors, especially in countries with a history of financial crises or fraud. Companies and government organizations should actively work to build trust through PR campaigns to demonstrate the transparency and reliability of the financial system.

- Transparency and openness: regular public disclosure of financial information and company reporting builds trust among investors.
- Success stories: promoting real-life examples of successful private investors can inspire others to participate in the securities market.
- Crisis PR: an important element is a timely response to crises and instability to maintain investor confidence.

## Conclusion

The development of the securities market plays an important role in the economic growth of the country, creating new opportunities for savings, investment and capital increase of citizens. However, the low involvement of the population in the market limits its potential. To overcome these barriers, it is necessary to apply effective marketing tools that promote awareness, trust and accessibility of financial products.

The key tools are educational campaigns on financial literacy, digital marketing, loyalty programs and tax incentives that will help make the securities market more understandable and attractive to the population. Personalized offers and the development of mobile platforms make investments more accessible to different groups of the population, from young people to the elderly.

The joint efforts of financial companies, the government and educational institutions, as well as the introduction of modern marketing solutions, can significantly increase the activity of citizens in the securities market. This will not only lead to the growth of the market itself, but will also increase the level of financial well-being of the population, strengthen economic stability and accelerate the development of the economy as a whole.

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