

## As a Factor for Improving Marketing and Increasing Competitiveness in Light Industrial Enterprises

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### ABSTRACT

*The article examines the theoretical and practical foundations of ensuring the competitiveness of light industry enterprises. The author examines the factors that form competition between light industry enterprises and the formation of a competitive environment in light industry.*

**KEYWORDS:** *light industry, enterprise competitiveness, textiles, marketing, development strategies, marketing activities, economic development, labor productivity.*

### INTRODUCTION

Ensuring the stable and efficient functioning of the economy of our country, bringing it to the level of development of developed countries, "resistance" to various political and economic changes, fluctuations and crises in the world market, opportunities and potential for independent development, innovative development strategies and their depending on the results. These processes are effective only when the principles of marketing are used at a high level in the activities of enterprises that form the fundamental basis of the economy.

### LITERATURE REVIEW

In the formation of marketing theories, America (F. Kotler, J. Lambena, J. Ivansa, B. Bermana, R. Bazzela, R. Brauna, G. Hardinga, P. Walton, L. Rodgersa, N. Kumar), Europe (Jean- Schools of Jacques Lamben, H. Hakansson, J. Johnson) and Russian scientists (Bagieva GA, Budrina AG, Arenkova IA, Bojuk SG, Tretyak OA, Oyner OK, Golubkova EP, Gerchikovoy IN, Solovyevoy DV) were formed. In the new post-independence years, a unique marketing school has been formed in our country, the main subjects of which are high-quality A.Soliev, I.Ivatov, A.Bekmurodov, M.Boltoboev, Z.Adilova, A.Fattakhov, G.Ohunova, Sh.Eratifkhod.

There are many scientific approaches and views on the marketing activities of enterprises and the coverage of its theoretical, methodological and practical foundations. F. Kotler "Marketing - first of all, the acceptance of proposals for the demand and development of consumers in the target market and its attraction to competitors - the presentation of leading documents on the organization of joint delivery of goods, as well as public landing" noted the addition.

In the process of studying the economic literature, we can see that the concept of "marketing activities of the enterprise" is approached as the basis of general marketing theory. Researchers also believe that marketing activities: its functions, types, nature, and management methods are key. In general, there is no single universal definition of doing things based on marketing methods. The direction and essence of marketing is determined by the characteristics of the enterprise, its internal capabilities and the external conditions in which it operates. Today, we often come across descriptions of an enterprise's marketing activities as effective methods that facilitate the production process in practice, selling goods and supplying resources, and maintaining relationships with

consumers. Accordingly, a more in-depth analysis of these theoretical approaches is considered appropriate.

Competition and its theory have been studied by many economists around the world and its scientific theoretical and methodological foundations are being improved. In this regard, it is necessary to pay special attention to the competition and the formation of its concepts. The theoretical foundations of competition began to take shape in the pre-capitalist period, and then the first complete theoretical rules about competition and the forces that drive it appeared in the middle of the eighteenth century. In doing so, A.Smith, D.Ricardo, F.Kene, A.Marshall, P.Buagelberg, J.Keins, V.Leontev, Y.Shumpeter, M.Porter and others widely developed theories of competition.

Speaking of competition theories and competitive strategies inherent in a highly formed market economy, we believe that M. Porter (five forces of competition), Yu.B. Rubin (enterprise competitiveness theory) are noteworthy.

The concept of "competitiveness" is the main category of economic sciences, including marketing. Competitiveness is defined by the "value", "consumption value" and a number of other factors in relation to similar goods in the market, and it is expressed differently in different markets as a relative concept. Brand competitiveness is manifested only in the market. Consumer attitudes to exactly one type of product determine their competitiveness, or if one of the similar goods is sold more than the rest, has more utility, the competitiveness of that product will be higher.

Competitiveness is an economic incentive for producers to gain a foothold in the market, to increase the share of sales of goods, and to be in constant motion. Competition is a social factor that improves the quality of life, shapes the social protection system and creates innovation.

When the form and content of competition are formed in the relations of market processes, it is assumed that only a certain industry, enterprise, or commodity can enter the competition under the influence of labor distribution processes, regardless of the capabilities of a particular geographical area. Since the concepts of competition and competitiveness are a category formed on the basis of market laws, we consider it expedient to first define it from the point of view of marketing and interpret this concept as the main category of marketing.

## RESEARCH METHODOLOGY

In preparing this article, a selective literature review based on scientific articles classified according to the number of references in Scopus and Web of Science database, as well as research methods such as generalization, grouping, comparison, induction, deduction were used.

## ANALYSIS AND DISCUSSION OF THE RESULTS

After gaining independence, the Republic of Uzbekistan has further developed light industry in its economy, its share in GDP in 2019 was 3.4%, its share in the volume of industrial production was 24.2%, its share in the production of non-food consumer goods was 15.7%. did.

In 2010-2019, the share of light industry production in GDP averaged 4.1%, the share of industrial production 16.5% on average, the share of consumer goods 14.7%, the total growth was 2.1 times. formed more. Although the share of light industry in the structure of industrial output has decreased in the analyzed years, it is growing higher than the overall average growth of industry and average GDP growth.

In the Republic of Uzbekistan in 2010-2019, the average growth of production of cotton yarn and silk fabrics was lower than other products. The average growth in socks, knitwear, footwear and carpet products was 105%, 110%, 109%, 135%, respectively. Compared to the base year (2010), in absolute growth dynamics in 2019, the production of cotton yarn is only 47.2%, the production of

raw silk yarns is 74%, and the production of silk fabrics is only 25%.

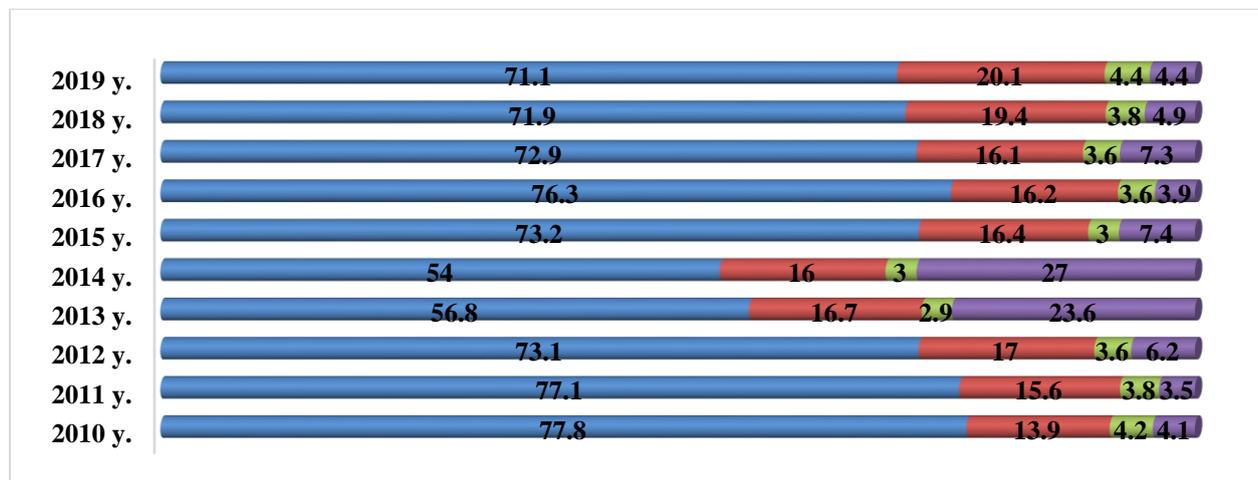
The above analytical results show that the production of basic consumer goods of the primary light industry is developing rapidly.

In the analysis of the competitive factors of light industry, it is expedient to first analyze the problems of labor productivity and employment. In 2010, 136.6 thousand people were employed in the light industry of the country, while in 2014 this figure was 192.4 thousand people. During the years under review, most of the jobs created in the total industry were created in the light industry. In addition, about 12,000 individual entrepreneurs are engaged in the production of textiles and textiles.

The share of the population engaged in light industry in 2010 amounted to 98.5 thousand in the textile industry, by 2019 this figure reached 115.4 thousand people, and a total of about 17 thousand new jobs were created. As a result of the great opportunities provided for the development of the garment industry in our country, more than 15,000 new jobs were created in this sector in 2010-2019, which indicates that about 3,700 jobs are created every year. When we look at the distribution of registered employees by light industry, we can see that the textile industry, which is the primary processing industry, still has a high share (73.4% in 2019). Job creation and manufacturing are also widely developed in the garment industry (Diagram 1).

There is an opportunity to compare the level of wages of workers in the light industry with the average average income of the population, while determining the level of compliance with the relevant quintiles by dividing the level of wages by 20% of the population's income.

The level of workers' incomes (wage levels) in light industry can be determined on the basis of Lorentz's theory by comparing them with the incomes of the population.



**Diagram 1. Distribution of employment by industry in light industry.**

The per capita income of the population is divided into 5 quintiles, and the status of the income of workers in light industry is studied.

The results of the calculation of income change over the years for 5 quintiles are given in Table 1.

**Table 1. Distribution of income of the population in the Republic of Uzbekistan (20%) by quintile**

Indicators	2015 y.	2016 y.	2017 y.	2018 y.	2019 y.	2020 y.
Per capita income, thousand soums *	1111,5	1668,1	2133,3	2601,9	3163,6	3577,1

I-quintel (thousand soums)	394,1	640,9	842,7	1044,8	1294,1	1520,3
Quintel II (thousand soums)	691,7	1075,8	1397,3	1714,3	2049,3	2360,9
III-quintel (thousand soums)	945,2	1420,7	1792,0	2191,4	2670,1	3058,4
IV-quintel (thousand soums)	1264,9	1892,9	2410,6	2906,3	3510,4	3952,7
V-quintel (thousand soums)	2261,7	3310,2	4223,9	5152,7	6294,1	6993,2
Income of light industry workers *	658,4	872,5	955,4	1338,0	1871,1	2065,5

Source: Author's ledgers based on statistical data. (\* calculated on the basis of data on enterprises and their salary funds, enterprises in light industry)

The analytical data revealed that the level of wages in the light industry is very low relative to the income of the population and corresponds to a low-performing quintile. Wage growth rates are also widening, representing lower coefficients relative to overall income growth.

Light industry enterprises have the opportunity to increase competitiveness by equalizing the level of wages with the income of the population.

It is natural that the level of employment of light industry enterprises will increase as a result of changes in production volumes. We create a function of the interdependence of the production of light industrial products and those engaged in it.

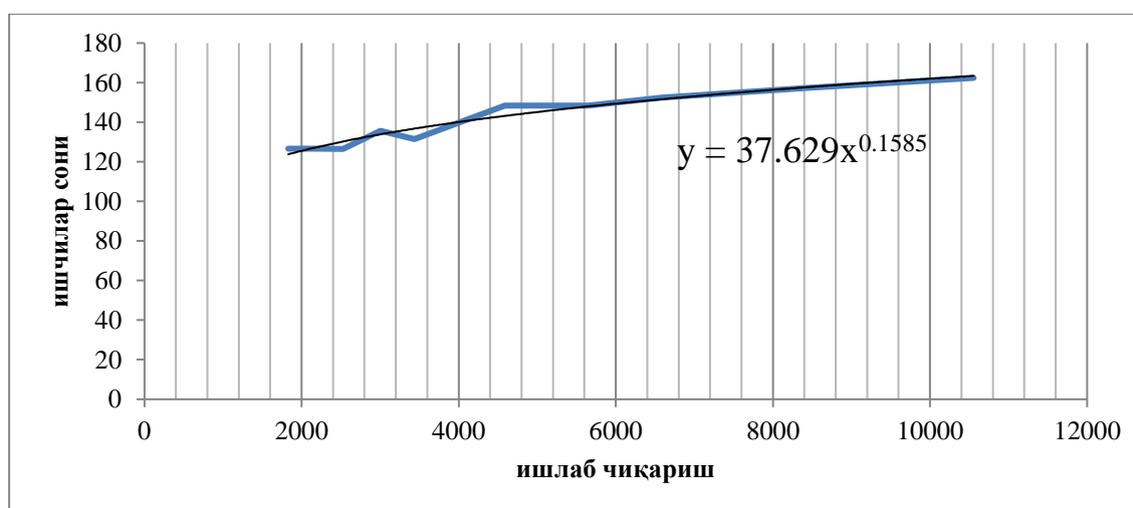
The function of increasing the number of workers in the light industry as the volume of production increases shows us a level function.

$$y = 37,629x^{0.1585}$$

Average error

$$R^2 = 0.9468$$

The graphical view of the function is as follows.



**Diagram 1. The function of the dependence of the number of workers on the production of a product**

The above function assumes that any change in production is related to the number of workers as  $37,629x^{0.1585}$ , and that the quantity  $x$  in it shows how much the number of workers varies. In the future, as a result of increasing production, the volume of labor demand can be determined by a structured function. There are opportunities to use it in the formation of promising projects of light industry enterprises.

Legislation and programs aimed at the development of light industry have become one of the important factors in solving the problem of attracting more investment and their effective use to increase production capacity, launch the production of competitive products that meet the requirements of the world market.

Taking into account the above, we believe that the following issues related to improving the efficiency of investment in light industry enterprises should be addressed:

First of all, special attention should be paid to the organization and development of firms that constantly collect information on domestic and foreign market conditions, engage in marketing research, provide information and consulting services. Because today, a number of problems arise in the organization of work related to investment financing due to the fact that marketing and information work are not at the required level. Ongoing investment projects are largely limited to increasing production efficiency, and there are no clear marketing strategies that reflect their future market opportunities. In order to solve this problem, firms providing marketing and engineering services are being established in each region. These firms will only serve as advisors, giving entrepreneurs their practical advice, helping to form promising marketing strategies for investment projects.

Second, one of the weakest points in investment projects is the lack of marketing research data in this economic justification and the lack of prospective market conditions. As a result of surveys and observations of our enterprises operating in the light industry, as well as project initiators, as a result of their lack of knowledge and skills in conducting marketing research, many promising projects have failed. Of course, local markets can be explored by our entrepreneurs, but they do not have enough opportunities to study foreign markets. Our entrepreneurs rely more on the knowledge of foreign partners in this area. In our opinion, it is expedient to organize the work of marketers who study foreign markets in each country, prepare relevant conclusions and sign various trade agreements with foreign companies, as well as in investment projects.

In studying the general economic development trends of light industry enterprises and the factors affecting their competitiveness, it is necessary to assess the overall financial and economic performance of enterprises.

## CONCLUSIONS AND SUGGESTIONS

According to the analysis, the garment industry of the light industry has a high development trend, it is necessary to increase the competitiveness of enterprises operating in the textile and leather, footwear industries and develop well-thought-out marketing strategies, in-depth study of consumer markets and import-substituting products. .

Taking into account the above, the following can be identified as innovative strategies for the development of the fashion industry in Uzbekistan:

- Diversification of the fashion industry, the development of design to take measures not only to produce ready-made clothing, but also to ensure its penetration into other textile industries;
- Forming the model and design of ready-made garments and textile products in such a way that they can adapt to the world mass range, take measures for its further development;

- Mastering the development strategies of the world fashion industry, introducing a system of support for national manufacturers, increasing the number of market participants providing consulting services to enterprises, the formation of existing infrastructure and the formation of incentives for innovative products of designers. The activities of design and fashion centers should be shaped as a key chain that directly connects industrial enterprises with the consumer market;
- In cooperation with the media, the State Statistics Committee, higher education institutions, research centers and relevant government and non-governmental organizations to develop the State Program "Strategy to Support the Uzbek National Brand" and clearly define the "Roadmap for Textile Products" introduction of effective sales mechanisms in domestic and world markets. The program should define strategies to increase the prestige of national brands in world markets, to enter new markets;
- Further improvement of the consumer-oriented concept of production through selective surveys of the population in order to form an assortment of textile products and constantly identify changes in their procurement processes in cooperation with the State Statistics Committee, higher education institutions, research centers;
- Development of a draft special program to transform the city of Tashkent into the "Oriental Fashion Center" and clearly identify opportunities in this area;
- Legislative regulation of advertising of imported textile products and brands of foreign countries, the introduction of restrictive mechanisms;
- Development of mechanisms for regulating foreign economic relations using the price system in order to protect the domestic consumer market of light industry products through customs;
- Carrying out systematic research on the creation of ready-made clothing and accessories in the light industry, the development of the national market on the basis of in-depth study of the international accessories market;
- The implementation of the above strategic goals will create ample opportunities for Uzbekistan to become an "Asian fashion center" among the countries of the Asian continent.

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