

THE DEVELOPMENT OF MARKETING STRATEGY ON THE SERVICE-BASED COMPANIES IN UZBEKISTAN

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Abstract

This study examines into the development of a marketing strategy structure exclusively for small and medium-sized businesses (SMEs) in Uzbekistan. In today's intensely competitive business world, SMEs face numerous challenges in building brand awareness, attracting clients, and optimizing financial results. To overcome these obstacles and continue growth, SMEs can use the extended marketing mix method, which includes product, price, venue, promotion, people, process, and physical proof. This study used a combination of descriptive and exploratory research strategies, with both quantitative and qualitative data collection methods. A survey was conducted to analyze entrepreneurs' perceptions on the application of marketing mix strategies in SMEs. Subsequently, interviews with successful businessmen in the service business were conducted to reinforce our findings.

The study used regression analysis with STATA software to investigate the impact of the relationship between marketing mix variables on the development of SMEs. The findings highlighted the importance of combining marketing mix elements for SMEs to strengthen their marketing efforts, develop brand loyalty, and gain a competitive advantage. This study improves understanding of marketing tactics for small and medium-sized enterprises in emerging economies such as Uzbekistan, and it provides useful insights for policymakers and entrepreneurs interested in fostering the growth of SMEs in the economy.

Keywords: *SMEs, marketing mix, strategy, business growth, service industry, Uzbekistan.*

Introduction

Small and medium-sized firms (SMEs) play an important role in driving economic growth and encouraging socioeconomic development, especially in emerging nations like Uzbekistan. The importance of SMEs cannot be emphasized, since they account for more than 96% of all

enterprises in Asia and two-thirds of private-sector employment [1]. As a result, the Asian Development Bank's report [1] states that the implementation of comprehensive support measures for SMEs is critical to the region's economic growth. Small businesses play an important part in the economy. They contribute significantly to job creation, innovation, and economic growth, as well as local community development, income disparity reduction, resilience building, and regional development. Supporting and expanding small businesses is critical for long-term and equitable economic growth.

These SMEs are seen as vital and necessary to the development of both developed and developing nations, according to Azra and Salfiya [2]. This is especially important for developing countries, whose economies continue to face serious problems from unemployment and poverty. Acknowledging this fact, Uzbekistan's successive administrations have periodically instituted a variety of initiatives to promote the expansion of SMEs.

The expansion of SMEs is crucial to achieving their long-term goals. The growth and development of SMEs are influenced by marketing tactics and entrepreneurial behavior [3]. Approaches and marketing strategies must be developed by organizations [4,5]. An intentional approach, method, technique, or blueprint that a company or an individual uses to achieve success in the market or in society at large is referred to as their strategy. According to Achumba and Gleuck, strategy is a comprehensive, cohesive, and cohesive plan that connects the firm's competitive advantage to the environmental difficulties it faces [6]. According to their research, in order to improve marketing efficacy and effectiveness, companies need to get the knowledge and abilities required to create and improve a winning marketing strategy. In recognition of this, Uzbekistan's successive administrations have put policies in place to encourage the expansion of SMEs. Small and medium-sized enterprises (SMEs) encounter several obstacles in spite of their noteworthy impact, such as restricted resources, market accessibility, and efficient marketing tactics. Marketing strategies are essential to SMEs' expansion and long-term viability [7]. They help companies stand out from the competition, draw in clients, and keep a competitive advantage [3]. The idea of the marketing mix, which includes the components of people, process, product, pricing, place, promotion, and tangible evidence (7Ps framework), is essential to developing successful marketing strategies [8]. Although the literature has proved the significance of marketing strategies for small and medium-sized enterprises (SMEs), there is still a significant void in the implementation of the

7Ps framework that is specially adapted to the socio-economic and cultural context of Uzbekistan.

Previous studies frequently ignore the many elements influencing the local business climate, which prevents them from offering a thorough understanding of how SMEs could strategically use the 7Ps framework for expansion.

By performing a thorough investigation of the 7Ps framework in the context of SMEs in Uzbekistan, this study seeks to close this gap. This study looks at how each component of the marketing mix influences the growth of SMEs in the particular socioeconomic and cultural context of Uzbekistan in an effort to give marketers, company owners, and policymakers useful information. The study's specific objectives are to:

1. Describe the particular marketing strategy difficulties that SMEs in Uzbekistan confront.
2. Offer doable suggestions for improving marketing tactics and fostering the expansion of SMEs in Uzbekistan.

Therefore, this research intends to provide insightful information that can guide decision-making and enhance the efficacy of marketing strategies in Uzbekistan and similar developing economies by clarifying the strategic application of the 7Ps framework in the context of SMEs in Uzbekistan. Through clarifying the strategic implementation of the 7Ps framework within the framework of Uzbekistan's SMEs, this study seeks to provide insightful information that can enhance decision-making and improve the efficacy of marketing strategies in Uzbekistan and similar developing nations.

This study's ramifications go beyond scholarly contributions; it provides useful information for legislators, company owners, and marketers. Through the explanation of the 7Ps framework's strategic application within the framework of Uzbekistan's SMEs, this research provides practitioners with useful insights to improve their marketing strategies and promote long-term growth. These results can also be used by policymakers to create focused programs that assist SMEs and advance economic growth. The conclusions of the study thus align with the overarching goal of promoting informed decision-making and increasing the efficacy of marketing strategies in comparable emerging economies as well as the setting of Uzbekistan. In Uzbekistan, new entrepreneurs need to be aware of these issues, roadblocks, and tactical options in order for their industry to grow.

This research is noteworthy because it places a strong focus on marketing strategies designed specifically for small and medium-sized enterprises (SMEs) in Uzbekistan. The implications of the work go beyond its

academic merits. With the use of this resource, marketers, business owners, and policymakers in Uzbekistan can gain insightful knowledge that will help them enhance their marketing strategies, promote sustainable growth, and advance economic development. The study is very relevant and beneficial for both domestic players and similar emerging economies because of its focus on the unique conditions of Uzbekistan and its analysis of complex factors impacting the business landscape.

In order to support the development of small and medium-sized enterprises (SMEs) within the unique socioeconomic and cultural environment of Uzbekistan, this study aims to gain insight into the integration of many elements of the marketing mix, namely product, price, place, promotion, people, process, and physical evidence.

Literature Review

Marketing Strategy

Small businesses tend to prioritize short-term goals above long-term plans, tactics, and analysis when it comes to marketing. This is in contrast to the official, systematic, and well-organized marketing approach found in big businesses. Businesses that spend more on advertising see an increase in cash flow in the ensuing years [24]. Small and medium-sized businesses usually create individual ads on their own and are less likely to create a cohesive, well-thought-out advertising campaign. Dutta, Vorhies, and Morgan have observed that an organization's marketing capacity has an indirect effect on its financial success [25, 26]. Moreover, Kochhar and David assert that investors evaluate a company based on its marketing techniques, performance, and skills [27].

When it comes to marketing concepts, services cover a wide range of activities, careers, and pursuits. "Any event, activity, or benefit that one party can provide to the other that is primarily intangible and does not result in the acquisition of any tangible goods or services" is how Kotler defines a service. There is disagreement over the relationship between the provision of services and the tangible good.

The management of a small service-oriented company in Uzbekistan needs to develop three strategies that focus on the three links indicated above in order to guarantee an effective marketing plan [28]:

Traditional marketing strategy centers on the "consumer-organization" link and addresses issues related to distribution channel, pricing, and communications. The internal marketing strategy's focal point, the "organization-personnel" relationship, is linked to employee motivation. The interactive marketing strategy, which focuses on the relationship between

"personnel" and "consumer," is associated with the guarantee of service quality.

General Discussion and Research Implication

Establishing a marketing mix plan helps startups and small businesses stand out from the competition. By offering unique product attributes, competitive pricing, efficient distribution networks, and powerful advertising campaigns, businesses may stand out in the market and attract customers away from rivals. A marketing mix plan also provides an organized method for building a strong brand identity. With the right product or service, right pricing, right distribution channels, and efficient marketing, small businesses and startups may build a positive brand image, gain the trust of their customers, and foster enduring brand loyalty. Moreover, companies can target specific client demographics with precision thanks to the marketing mix. Startups and small businesses can tailor their marketing strategy by understanding the needs, tastes, and behaviors of their target market. When this targeted approach is put into practice, conversion rates rise, customer engagement increases, and marketing campaigns yield higher returns on investment (ROI).

Theoretical Implications

This research has important theoretical ramifications for the marketing industry in emerging nations like Uzbekistan. The study advances localized marketing theories by concentrating on the implementation of the 7Ps framework within the unique socioeconomic and cultural context of Uzbekistan. Academics like Armstrong and Kotler stress the significance of customizing marketing plans to the distinct features of every market [36]. By offering a sophisticated understanding of how the 7Ps framework might be modified to support SME growth in a developing nation like Uzbekistan, this study expands on their findings. The research approach established in this study provides a basis for subsequent investigations into the suitability and flexibility of marketing theories in various developing economies.

Managerial Implications

This research has managerial implications for practitioners, policy makers, and entrepreneurs in developing economies like Uzbekistan. The results provide practical guidance for developing marketing plans for SMEs that are in line with the unique cultural, economic, and legal environment of the nation. For example, Porter emphasizes that knowledge of a market's competitive dynamics is essential to strategic management [37]. Using the insights from this study can help managers create strategies that address the

particular issues encountered by SMEs in the Uzbek environment, where the business landscape is created by unique elements.

These results can be used by policymakers to create programs that help SMEs match their marketing strategies with the 7Ps framework, promoting sustainable growth and advancing the nation's economy as a whole. As a result, stakeholders looking to successfully navigate and thrive in the marketing environment of developing nations will benefit greatly from this research.

Conclusion

To sum up, this study explores the complex framework of marketing strategy designed specifically for small and medium-sized businesses (SMEs) in Uzbekistan. It highlights the critical role that SMEs play in stimulating the nation's economy, creating jobs, and fostering innovation. Given this significance, there is a strong need for strong support policies to guarantee the fair and long-term growth of SMEs in Uzbekistan's economy. The research utilized a blend of descriptive and exploratory approaches, incorporating quantitative methods to examine the complex correlation between marketing mix components and small and medium-sized enterprise expansion. The main objective was to create a thorough and effective marketing plan that was suited to the particular requirements and difficulties experienced by SMEs in Uzbekistan. By strategically integrating the seven elements of the marketing mix—product, pricing, place, promotion, people, process, and physical proof—SMEs can improve their marketing efforts, foster customer loyalty, and achieve a competitive edge. The creation of a marketing mix strategy that uses these seven Ps and is especially suited for startups in Uzbekistan is the study's ultimate goal. This study also emphasizes the importance of SMEs on a worldwide scale and their critical role in promoting economic growth and employment creation. The study's conclusions and suggestions provide entrepreneurs, decision-makers, and other interested parties with important direction for creating and implementing marketing plans that support the expansion and success of SMEs, especially those in the service industry. SMEs in Uzbekistan have the potential to make a substantial impact on the economic development of the nation through the implementation of comprehensive marketing mix strategies. With the use of these tactics, SMEs can overcome obstacles, build their brand's awareness, draw in customers, and eventually strengthen their financial stability and marketability.

Limitations and Future Research

Even though this study has shed light on the marketing tactics used by SMEs in Uzbekistan, it is important to recognize the constraints that the research process presented. First off, the study's primary focus was on the service sector, suggesting that in order to provide a thorough understanding of marketing strategies used in a variety of industries, future research must examine a wider range of industries.

Furthermore, the study's sample size was small, which means that in order to improve the generalizability of the results, future research should involve a larger and more varied group of entrepreneurs. Furthermore, depending solely on participant self-reported data might have resulted in response bias, indicating the necessity for empirical evaluations and long-term analyses in future studies to corroborate the findings.

Furthermore, even though the focus of this study was on the marketing mix plan's implementation, there is still need for future research to go deeper into specific marketing mix components including distribution channels, pricing strategies, and digital marketing techniques. This specific investigation may offer Uzbek SMEs more accurate and customized recommendations to improve their marketing efficacy.

To sum up, this research adds to our knowledge of Uzbek SMEs' marketing tactics and provides insightful information about their competitiveness and expansion. SMEs may get a competitive edge in the market as well as growth and brand loyalty by putting into practice a well-executed marketing mix plan. The suggestions made seek to assist SMEs in Uzbekistan and other emerging nations in their expansion and prosperity, which will significantly progress global economic development.

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