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## MARKETING IN SMALL BUSINESS IN CONDITIONS OF ECONOMIC MODERNIZATION

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### Abstract

The article examines the nature of small business marketing development based on the active modernization of the economy, taking into account international trends in the development of investment processes in small businesses in the context of globalization, where some small business data were considered in comparison with the current state of this sphere.

**Keywords:** marketing, small business, small business marketing, institutional environment, international experience, large and medium-sized enterprises, entrepreneur management, consumer market.

### Introduction

Marketing in small business sectors is a comprehensive system of management, regulatory and research activities that takes into account industry characteristics and is aimed at meeting the needs of society in accordance with customer demand. As a result, the main goal of marketing is to meet the needs of society, taking into account material and spiritual needs.

An integrated marketing function is the organization of marketing in a small enterprise, i.e. the "implementation" of planned marketing activities for effective participation of the company in the market.

Marketing functions are grouped into four blocks:

1. Analytical function.
2. Production function;
3. Sales function;
4. Management and control function.

The analytical function of marketing is to collect information in order to use it to solve the company's problems. The analytical function includes the study of market conditions, the study of consumers and buyers of products, the analysis of players operating in the market (counterparties, competitors, intermediaries), the study of the product structure of the market and the analysis of the internal environment of the organization, its organizational structure in terms of competitiveness in the market of presence.

The production function of marketing is to ensure the production of a product and manage its quality. This function also includes the process of creating new products that best meet the needs of consumers. The production function consists in organizing the production of new goods, logistics and quality

management of finished products.

The sales function of marketing, also called the sales function, is the organization of the system of product movement from the manufacturer to the consumer in accordance with the concept of the product life cycle.

The sales function includes not only processes aimed at moving the product to the consumer, but also organizing after-sales and other services, conducting targeted product and pricing policies.

The marketing function of management and control is to organize planning and information support for management by monitoring the implementation of the goals set by the organization. The organization of marketing control is the final link in the marketing activity process and at the same time the initial stage for making new marketing decisions.

The main marketing principles applicable to small businesses are:

- production of products based on accurate knowledge of the needs of customers, the market situation and the actual capabilities of the enterprise;
- the most complete satisfaction of the customer's needs;
- effective sales of products and services in certain markets in the planned volumes and on time;
- ensuring the long-term effectiveness (profitability) of the production and commercial activities of the enterprise, primarily through the continuous improvement of scientific and technical ideas and the introduction of developments for the production of market novelty goods;
- unity of the manufacturer's strategy and tactics in order to actively adapt to changing customer requirements while simultaneously influencing the formation and stimulation of needs

### **Analysis and Results**

Small business marketing plays an important role. First, it makes it easier to find a lot of customers. There are no other tools for this purpose. Second, you can find new opportunities for growth. It is with the help of marketing that popular products or services are searched for, or developed. If it is not applied, then very often the business then deals with what is not sold.

Third, small business marketing is a way to increase sales. You can use it to provide sales support. Fourth, marketing allows you to set higher prices for goods and services and thereby have a higher profit. This is achieved in many ways, and one of them is packaging and positioning of goods and services. The second way is to create your own personal market.

Developing a marketing strategy is an important task for small businesses. You can solve it yourself, if you have the right specialists. If there are none, then its development should be ordered from professionals. It remains only to deal with its implementation. Using a strategy, small business marketing can be organized at a very high level.

The capabilities of small companies do not allow them to spend millions of dollars on advertising and marketing, similar to what market giants with large turnover and gross profit allow themselves. In this regard, small companies have to constantly look for low-budget, low-cost, but, at the same time, the most effective methods of advertising, promotion and finding new customers to maintain a stable position in the market and increase profits. At present, the concept of "guerrilla marketing" is increasingly included in the lexicon of marketers of small companies "guerrilla marketing".

"Guerrilla marketing" refers to low-budget advertising and marketing methods that allow you to effectively promote your product or service, attract new customers and increase your profit without

investing or almost without investing money. Therefore, guerrilla marketing is also called "low-budget marketing" or "low-cost marketing".

Viral videos by sending videos, funny memes, GIFs, etc.

Hidden marketing (Product placement) – a native mention or, as it were, a random demonstration of the product in taxes or videos

Collaborations – you can agree on a joint advertising campaign with organizations that are not direct competitors. For a mutually beneficial exchange of customer databases

Recommendations (word of mouth) if a company has excellent products and services, then customers will independently recommend this product in various ways. Most often, this type of attraction is very effective and shows incredibly high results.

The specifics of the implementation of the market transformation carried out in Uzbekistan are determined by a complex system of factors, in which a special role is assigned to the economic potential of small businesses. Such a function of small business as the "factor of economic freedom» is put forward to the first place in terms of importance. It ensures the extension of the democratic principles of the structure of modern society to the field of economic relations. This is manifested in the fact that, on the one hand, the existence of a developed institutional environment for small businesses allows a citizen to make a free choice between the role of an employee and an independent businessman. On the other hand, the functioning of a small enterprise is more subject to the economic laws of the free market than the activities of large enterprises, which often have the ability to influence it. For domestic conditions, this function is of particular importance. Large enterprises, which still form the basis of the republic's economy, cannot yet be considered as free market entities due to their heavy dependence on the state. In addition, it is associated with a specific social function of domestic small business, which has also not been sufficiently reflected in the specialized literature – promoting the formation of an "ideology of entrepreneurship" in society, which is the object of special research.

In the modern economy, the high competitiveness of a territory is based on the strong positions of interacting groups of companies, which are a community of geographically concentrated firms that are closely connected and contribute to the growth of competitiveness. The development strategy of Uzbekistan assumes that by 2020, half of the working-age population should be engaged in small businesses. Small business is the basis of the economy, and large and medium-sized enterprises grow out of it later. The absence of the traditional division of rights and functions between owners and hired managers for large enterprises provides MB with many competitive advantages. The existence of small businesses and private entrepreneurship provides a solution to the problem under consideration, complementing the antimonopoly legislation with mechanisms of decentralized regulation.

The development of small businesses depends on many factors, including the level of readiness of entrepreneurs to conduct business, since insufficient professional training is one of the important reasons for the intensive bankruptcy of small firms.

Successful development of a small business depends on many factors, and not the least role is played by the entrepreneur's readiness to manage a small business. The specifics of a small business are such that an entrepreneur who is focused on the effective conduct of his business, achieving tangible results from entrepreneurial activity, must be a lawyer, an economist, a marketer, a manager, and a psychologist all rolled into one. Of course, they don't need to know absolutely all the subtleties of each

of these specialties, but their basics, basic basic knowledge and skills for managing a small business are very important.

Taking into account the role of small business as a necessary element of the market system of management, it is necessary to pay attention to the fact that in economics it is most often defined using the term “infrastructure”, interpreted, for example, as a set of organizational and legal forms that mediate business relations and link these relations into one whole. This statement does not fully disclose the external factors affecting small businesses. This leads to the use of another concept, such as the institutional environment, which represents a set of subjects of economic and other relations of small businesses.

The following features and benefits apply to small businesses:

increased mobility and flexibility of response to changes in market conditions, which ensure high profitability in the production of those goods that have become unprofitable and ruinous for large enterprises;

the ability to quickly fill the consumer market with goods; relatively fast payback, provided that modern equipment and technologies are used.

In addition, small businesses have indisputable advantages in areas where production deals with rather limited, constant and uniform demand and where production processes cannot be standardized. But the economic activity of small businesses is very limited and extends only to their own business.

Small business and private entrepreneurship play an important role in shaping the structure of the economy and meet rapidly changing market demands. Abroad, the share of small businesses is on average 50-60% of all enterprises, while in Uzbekistan it is approximately 30%. Suffice it to say that in the United States, the European Union, and in recent years in China, small businesses provide from 50% to 70% of all jobs. Even in the United States, where large giant companies are highly developed, small businesses produce about 40% of total GDP, and in the European Union-about 70%. The creation of small businesses contributes to solving the problem of employment of the population. A large number of small service enterprises are being created in Uzbekistan, and manufacturing and innovative small enterprises are developing. They make it possible to create new jobs and increase incomes of the population. In particular, if in 2000 about 25 percent of GDP was accounted for by this actively developing segment of the economy, then by the end<sup>23</sup> of 2023, this figure has already reached<sup>5,5,0</sup>percent. The share of people employed in this sector out of the total number of employed people<sup>23</sup> increased to<sup>7.8.2</sup> percent in 2013.<sup>2</sup> As a result, thanks to state support measures, including the introduction of tax incentives and preferences for entrepreneurship, over the past five years the number of registered small businesses (micro firms and small enterprises, except for farmers) as of January 12<sup>2</sup>, 2022 amounted to 221.1 thousand units.

In 2023 years, business and small business entities of Uzbekistan produced a total of 42.4 percent of the total national GDP. This is 0.7 percent more than it was registered last year for the corresponding period. According to the State Statistics Committee of the Republic, the share of micro firms and small enterprises in the production of the national gross domestic product in<sup>2</sup>the first half of 2014 amounted to<sup>2,6,1</sup>percent, while a year ago this figure was equal<sup>4</sup>to 2,5,5 percent.

In addition, small businesses and businesses<sup>23</sup> provided employment for 9715.6 thousand people or 66.4 percent of the total number of the total population employed in the economy during 20 2 3 of this

year. In particular, 7.39 million people were employed in the individual sector, 2325.6 thousand people were employed in micro firms and small enterprises.

**Table Share of small businesses by economic sector**  
(percentage)

Regions	Gross domestic product	Industrial products	Construction works	Retail trade	Paid services
<b>Republic of Uzbekistan</b>	<b>50.1,1</b>	<b>16.9</b>	<b>41.6</b>	<b>46.5</b>	<b>48.7</b>
Republic of Karakalpakstan	60.7	18.0,0	65.9	43.2	49.6
Regions:					
Andijan	51.2	7.7	92.4	47.3	61.0
Bukhara	61.4	14.5	46.4	38.2	68.9
Jizzakh	74.4	37.4	89.7	49.7	48.0
Kashkadarya	52.6	24.0	61.2	39.9	79.4
Navoi	31.2	2.7	50.2	53.7	59.5
Namangan	72.4	29.4	77.8	46.3	60.0
Samarkand	71.2	29.8	76.9	58.0	67.9
Surkhandarya	70.0	16.7	74.3	36.6	61.6
Syrdarya	75.5	31.4	79.4	56.7	59.6
Tashkent	51.8	16.2	62.1	41.4	55.7
Ferghana	56.1	8.9	74.2	45.6	64.4
Khorezm	68.2	26.4	72.5	47.3	66.9
Tashkent	46.7	34.6	40.3	49.3	30.2

World practice shows that small business is the most important structure-forming sector of a developed economy, whose activities directly affect the successful development of not only large businesses, but also the country's economy as a whole, providing the domestic market with consumer goods and services, increasing export potential, solving employment problems and increasing the level of real incomes of the population.

### Conclusions

It should be noted that in the context of economic globalization, which is accompanied by a tightening of competition and competition in the world market, it is small and medium-sized businesses, due to their relatively lower capital intensity, flexibility and maneuverability, that more easily than a large manufacturer provides modernization of production and updating the product range, thereby adapting to changing market conditions and periodically recurring economic crises.

All these features and advantages of private entrepreneurship and small business development are particularly important in relation to the specific conditions of Uzbekistan.

Features маркетингof small business marketing is determined by the functions assigned to small businesses, their place in the country's economy, the business environment in which they develop, and finally, state policy. The listed components form a set of factors, which are usually divided into quantitative and qualitative ones.

The innovative vector of development of the economy of Uzbekistan as an important condition involves the formation of groups of companies, territorial production associations, and regional 'clusters' on the

territory of the country, mainly within the borders of regional economic systems, competitive in the global market and united by common goals. This is explained by the fact that in the modern economy, the high competitiveness of a territory is based on the strong positions of interacting groups of companies, which are a community of geographically concentrated firms that are closely connected and contribute to the growth of competitiveness. This explains the particular importance of actively involving in the orbit of market transformations of the meso-level economy not fully involved growth factors, which include the potential for mutually coordinated functioning of different-scale business entities that can work together on the principles of regional clusters.

The creation of new forms and models of joint activity that take into account as fully as possible the features of territorial localization of interaction between economic entities of different sizes can become a factor that stimulates an innovative breakthrough, which is important in a developing economy of an innovative type. In this regard, research aimed at developing tools for effective interaction of various business structures in the direction of creating a special kind of regional innovation and production modules in order to activate their inclusion in the system of market relations, as well as determining and justifying rational proportions between state and market regulators of this cooperation in the system of development priorities, is of particular scientific and regional economy.

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