

Marketing Problems In The Development Of Export Activities Of Small Business Entities

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Abstract: *The success and export development of small businesses in a free competitive market determines the effectiveness of their marketing activities. Knowing and putting into practice today's much-needed marketing tools will help small businesses gain a competitive advantage and help them succeed in the market and ensure export efficiency. Therefore, this article examines the problems of small business export development. Among the identified problems, the main focus is on marketing problems, their impact on the activities of small businesses, and recommendations on how to solve problems.*

Keywords: small business, marketing, logistics, export, marketing issues, marketing service, product, price, place, promotion, foreign trade.

INTRODUCTION

The globalization of the world market in recent years has also affected the economy of Uzbekistan. The globalization of the market means that countries and some regions are trying to operate beyond their borders. This is evidenced by the liberalization of trade, the removal of investment barriers, the emergence of free enterprise, and others. In the case of large enterprises, globalization means the emergence of a common approach to the transformation of the domestic market and the development of the world market. All this leads to the conclusion that the successful implementation of export development trends at the level of small businesses requires its adoption as a management concept, the development of inter-functional coordination and decision-making, the creation of inter-functional groups to improve corporate culture.

In general, the foreign economic activity of small businesses is being improved as a result of the work carried out based on the tasks set out in the Action Strategy for the further development of the Republic of Uzbekistan for 2017-2021.

The Republic of Uzbekistan aims to further stimulate and improve the foreign economic activity of small businesses in 2017-2019, improve the regulation of export-import operations, increase the competitiveness of small businesses, increase exports and expand the geography. Resolutions and decrees of the President serve as important normative documents [The Decree of the President of the Republic of Uzbekistan 2017, 2017].

In his address to the Oliy Majlis on January 24, 2020, the President of the Republic of Uzbekistan Shavkat Mirziyoyev stated that the program and target tasks to be implemented in the economy in 2020 and beyond - "... the most important guarantee of sustainable economic growth is the production of competitive products. , for them is to find new international markets and increase exports, to make full use of transit potential. This year, an Export Support Fund will be set up to guarantee exporters and cover part of the costs, and an Export Credit Agency will be set up to finance exports in advance. Modern export insurance services will be introduced, and a mechanism will be introduced to partially cover the costs of road and air transport by the state. Foreign trade control systems and infrastructure need to be improved. In particular, based on foreign experience, it is necessary to reform the activities of customs, sanitary, quarantine, veterinary, and other agencies that carry out control at customs posts "[President of the Republic of Uzbekistan 2020, 2020].

Some measures are being taken in Uzbekistan to develop and support the export of small businesses. In particular, in 2013, the "Export Support Fund for Small Business and Private Entrepreneurship" was established under the National Bank for Foreign Economic Activity of Uzbekistan. As a result of the establishment of this fund, further expansion of the export potential of small businesses, based on the demand and needs, the study of current and future conditions in foreign markets, the sale of their products to small businesses in the country. export opportunities are expanding.

However, in addition to the large-scale opportunities that are being created, there are still many problems in the export of small businesses. Most of these problems are related to marketing.

ANALYSIS OF THE RELEVANT LITERATURE

Marketing problems in small business have been extensively studied by experts. Most studies examine the challenges of small businesses about each of the elements of a marketing mix. In research on the formation of commodity policy in small business marketing, small business entities in the production of goods, expanding the range of goods: small businesses can make quick and flexible (flexible) decisions in the production of goods, in a small range of narrow range and will have an advantage in small markets by producing special goods [SZJiznin, VIKrupnov... 1996].

By changing the types of products they produce, small businesses can respond quickly to changing market conditions by producing goods according to the changing needs of consumers. They can more fully and qualitatively meet the seasonal needs of people [Kasimova MS, Khodiyev B.Yu., Samadov AN, Muhitdinova US... .2003. pp 87-89].

Small businesses can use differentiated, low-cost, focus strategies by producing products in small batches and reducing fixed costs per unit of output [David Campbell... 2003, p. 130]. The small production capacity of small businesses does not allow them to introduce large quantities of new products into the market and get cream or keep average prices. They are mainly new entrants to the market, often trying to enter the market at low prices [Siropolis N.... 1997, pp 468-469].

Strategies vary by segment size or level of sales promotion. These scientists have presented 4 strategies: passive, large-scale market entry, selective market entry, and intensive marketing strategies. Due to the limited capacity of small businesses, they are not able to spend much money on sales promotion. As a result, they will not be able to use the second and fourth strategies. The first and third strategies are more likely to be used [A.I.Muravev, A.M.Ignatev, A.B.Krutik... 1999, 507].

The distribution channels of small businesses are short and consist of two levels (small and large enterprises). The cooperation of small businesses with large enterprises has several advantages: stable sales; the weak impact of changes in the situation; low level of risk. It also has shortcomings: "dependence" on large enterprises in terms of production; the direct dependence of economic performance on a large enterprise; in some cases a ban on production for other similarly large competing enterprises [Rube V.A., 2000. 91-92].

He also touched upon the topical issues of marketing services for small businesses. According to F. Kotler, the organization of marketing services in small businesses is especially relevant due to the lack of qualified personnel and tools. However, it is possible to organize marketing in the following areas: together with other small businesses to conduct certain marketing activities, such as market research, advertising campaigns, etc.; assign marketing tasks to the best-trained employee of the company; invite consultants and experts to develop and implement marketing activities (sales network formation, assortment development, public relations, etc.) [Kotler F... 2010, 656].

Well-known small business problem specialist Nikki LaMarco has been researching small business problems in her research for many years. According to Nikki LaMarco, owning a small business is not easy. Small businesses have to deal with a variety of challenges, from local to international. These challenges force any small business entity to rise to the level of the business owner or give up altogether. At the same time, it helps the business owner to know what challenges to expect to be ready to overcome them when the time is up [Nikki LaMarco..., 12355.html]. During her research, Nikki LaMarco noted the following challenges facing small businesses: Cybersecurity Challenges, Tax Law Challenges, Evolving Health Insurance Market, Unpredictable Natural Disasters, Uncertainty About the Economy, Artificial Intelligence, Evolving Social Media, Greater Need for Mobile-Friendly Websites, Rising Demand for Video Content, Younger Workforce.

Small businesses don't have a marketing department. Marketing issues will be considered as part of the overall business of the small business entity. Their sales strategy will be marketing [Smail Ruiz <https://blog.mailrelay.com>].

RESEARCH METHODOLOGY

The article seeks to shed light on the problem using methods such as scientific observation, abstract-logical reasoning, statistical and economic analysis, synthesis, and inquiry. The information required for the study was obtained mainly from foreign literature, statistical and regulatory data, and expert databases.

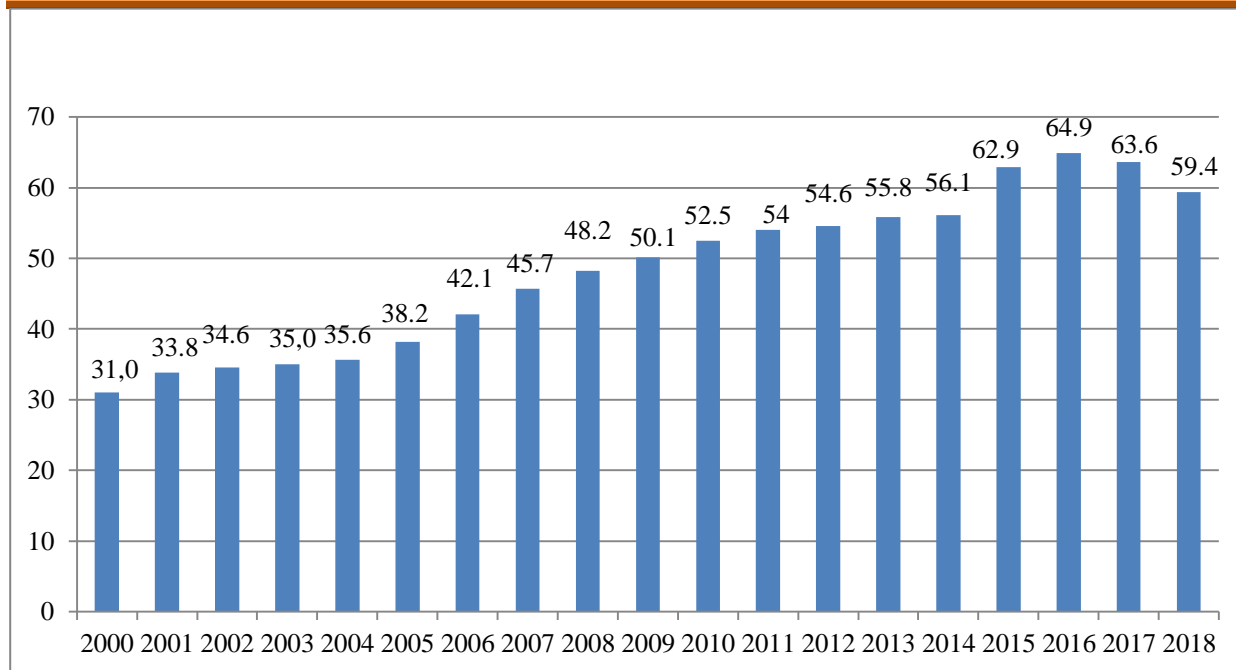
ANALYSIS AND RESULTS

One of the main features of small business is that it provides the key indicators necessary for the economic development of the country in a short period. In other words, small business is the most important sector that fills the domestic market with goods and services that are in short supply, and determines the structural basis of the economy. It also serves as a key factor and source in increasing employment and income and forming a class of owners for the efficient use of labor resources. The role of small business in economic development in general:

- ensures the growth of the country's gross national product in terms of content and quantity;
- creates the basis for the efficient use of labor resources;
- promotes the growth of current incomes and savings of the population and the welfare of the population;
- elimination of sectoral and regional monopoly;
- Ensures the balance of state budget funds;
- actively participates in foreign economic activity;
- rational use of resources;
- Introduction of new technologies, equipment into production and increase labor productivity.

That is why small business in all countries of the world is the foundation of the national economy. Today, even in developed countries, the number of small businesses is 70-80% of the total number of enterprises. For example, 71.7% of the Japanese population is engaged in small business and private entrepreneurship. In 2010, this figure was 74.3% in Uzbekistan.

One of the economic benefits of small business development is to increase the country's GDP in terms of content and quantity. In recent years, as a result of state support for small businesses, the share of small businesses in the country's GDP increased to 59.4% in 2018. The share of small businesses in the country's GDP in 2000-2018 is shown (Figure 1).



Source: Data of the State Statistics Committee of the Republic of Uzbekistan

Figure 1. The share of small business in the GDP of the Republic of Uzbekistan in 2000-2018,%

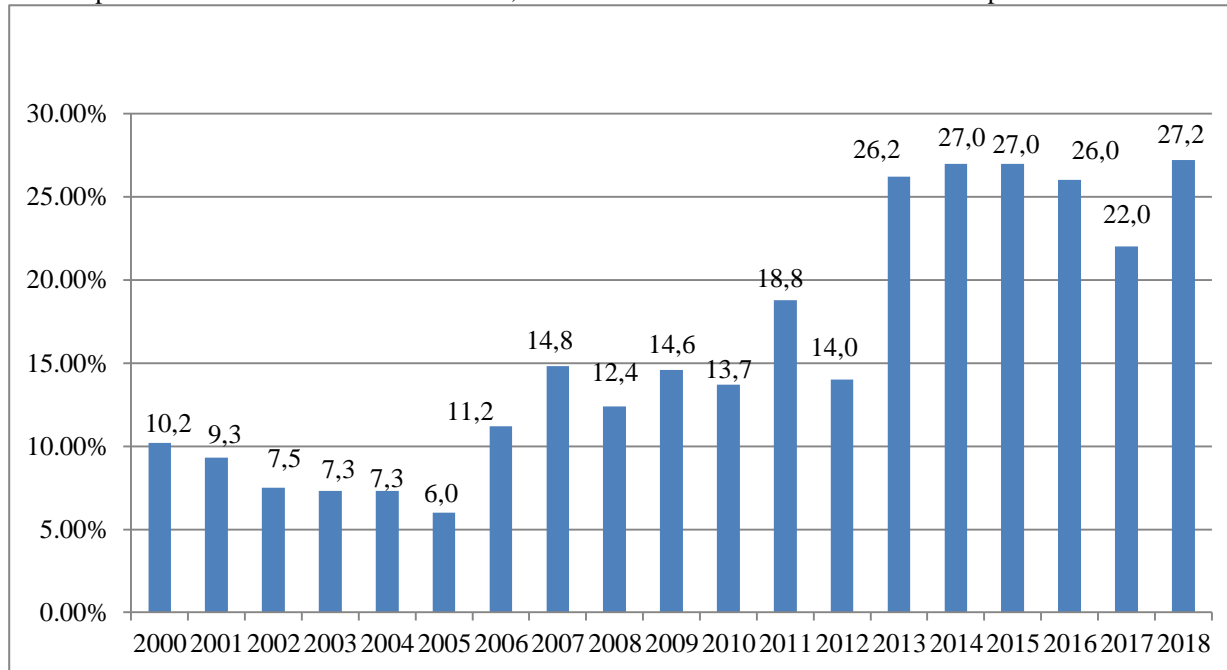
The share of the actively developing small business and private entrepreneurship sector in the country's GDP in 2000 was about 31.0%, in 2010 this figure was 52.5%, in 2015 it was 62.9%. In 2018, it was 59.4 percent, or 28.4 percent more than in 2000.

Special attention is paid to stimulating the development of small business in Uzbekistan, as a small business is a measure of the country's economic potential, successful development, and prosperity of the country. The development of small business in our country is the main priority today. Economic reasons for focusing on small business:

- filling the domestic market with local goods and services;
- increase the purchasing power of the population;
- increasing the country's export potential;
- modernization of production;
- development of services;
- supply of components and parts to large enterprises;
- creating a competitive environment;
- Ensuring the circulation of capital within the country.

Indeed, small businesses are becoming an industry that fills the domestic market with local goods and services, supplies large enterprises with components and parts, and increases the country's export potential. This can be seen in the growing role of the country in the export potential. The role of small business in foreign economic activity is also gradually expanding. Its share

in exports was 27.2% in 2018, an increase of 17.0% compared to 2000 (Figure 2).



Source: Data of the State Statistics Committee of the Republic of Uzbekistan

Figure 2. The share of small business in the country's exports in 2000-2018,%

Exports play an important role in the foreign economic activity of any country. The development of our economy is directly related to the growth of export potential. During the years of independence, the export potential of our country has changed radically. The role of small business in this is also invaluable. Today, small businesses not only fill the domestic consumer market with import-substituting goods, but also offer high-quality, competitive goods to the world market. The share of small business in exports in 2018 was 27.2%, which is the highest figure for 2000-2018. Extensive work is underway in our country to increase this figure in the future.

Clearly define the goals and objectives of exporting enterprises in the effective use and expansion of the export potential of the country, the formation of export strategies based on the directions of their implementation will help enterprises to correctly determine their position and position in today's highly competitive conditions. will give. The sharp increase in competition in world markets shows that now in defining their goals and objectives, enterprises must not only follow the simple demand and supply of the product, but, first of all, always pay attention to the needs, desires, and goals of potential consumers. it remains important to keep them at the center, to study them in-depth, and to implement a strategy appropriate to those conditions.

As a result of measures taken in recent years to diversify and increase the competitiveness of the economy, the crisis in the global economy and the low level of prices on world markets have reduced the impact of our country on key exports.

To maintain the position of domestic exporters in foreign markets and strengthen the country's potential, work is underway to increase the volume of exports, diversify the range and geography of exported products, attract new enterprises to export activities.

In his report to the enlarged meeting of the Cabinet of Ministers on the main results of socio-economic development of the country in 2016 and the most important priorities of the economic program for 2017, President of the Republic of Uzbekistan Shavkat Mirziyoyev said: "Further development of the export potential of industries and regions The implementation of comprehensive measures on the development of the country in 2017 should become an undoubted decisive area of activity. "We are working hard to develop this work," he said.¹

In any case, the development of small businesses, their support, especially the creation of favorable conditions for the export of their products to ensure economic stability, is one of the most pressing issues today. In our study, we classified the problems associated with the development of small business exports as follows (Figure 3).

The authors divided the problems related to the development of export activities of small businesses in Uzbekistan into four groups:

- organizational and legal;
- economic and financial;

¹ Shavkat Mirziyoev. Critical analysis, strict discipline and personal responsibility should be the daily rule of every leader // "Xalq so'zi", January 15, 2017

- marketing;
- logistics.

Organizational and legal issues are the exemption from a single social payment, all other types of taxes and customs duties, improvement of legal mechanisms to ensure the fulfillment of contractual obligations of small businesses, customs, sanitary, quarantine, veterinary activities that control the customs posts reform, further improvement of the mechanism of regulation of foreign trade activities, harmonization of national standards with international trade standards.



Figure 3. Problems in the development of export activities of small businesses²

Economic and financial problems include ensuring unimpeded access to credit for businesses, expanding the rights of borrowers and creditors on secured transactions, improving credit information exchange mechanisms, improving insolvency, water export of products through the secondary policy, reduction of export costs, etc.

The problems related to marketing are to further expand the export potential of small businesses, to conduct marketing research in foreign markets to study the current and future situation based on demand and needs, to implement market segmentation to expand foreign trade. and identifying target markets, forming sales channels, establishing their distribution activities, and using promotion tools for external consumers to promote the brand of their goods.

Logistics problems Development of the transport and logistics sector in the delivery of small businesses to foreign markets, stockpiling, storage, delivery, improvement of transport-related infrastructure, use of transit potential, timely delivery of the required range of products, the required volume, orders acceptance and execution, placement of export products in the required containers, packaging, wrapping, sorting, etc.

Our research focuses on marketing among these issues. Any marketing activity is primarily aimed at maximizing the needs of consumers, and marketing problems in the development of export activities of small businesses also have an active impact on this process. It is through the development of an export activity that the needs of end consumers in a particular product are met through the provision of trade services through the channels of movement of goods. Each manufacturer determines the structure of possible channels of product movement, specific segments of consumers, and their relationship to each other based on marketing research of their product sales market. Based on specific marketing research, the forms of delivery of goods to the consumer are determined, first of all, the nature of the goods, production, place of consumption, conditions, and transport opportunities. Regular marketing research is conducted to increase the efficiency of export movement channels. Exports are determined by the volume of sales of a product in a particular segment of the market through the channels of movement of goods and the cost of delivery of goods to the final consumer, the level of service, etc. marketing research. Small businesses are always interested in the demand for and sale of goods. These problems are clarified directly as a result of marketing research.

Small businesses engaged in exports can obtain information about changes in foreign market conditions, which is the most valuable, as a result of marketing research. Market information on supply, demand, competition, and price is important for

² Developed as a result of scientific research of the authors

the development of the export activity. Problems related to the development of export activities, including marketing problems, are identified through marketing research.

Exports are based on the capabilities of the producer and then on the characteristics of the consumer. Therefore, exports are based on the relationship between producer and consumer. Prospective plans for the development of export activities will be developed based on the study of the relationship between producers and consumers. To do this, it is necessary to study the following relationship between producer and consumer:

- study of export market conditions, competitors, famous brands, price conditions, the volume of demand;
- study of consumer behavior and factors influencing it;
- the consumer's response to the place of purchase and the object of purchase;
- procurement process, procurement regularity, and repeat procurement rate;
- time and volume of orders;
- the volume of demand, growth dynamics;
- information on stockpiling the required amount of goods;
- the structure of costs associated with the movement of goods, their growth;
- forecast for sales of goods.

One of the important issues in marketing in the development of export activities of small businesses is to identify the factors influencing the purchase choice of buyers (exporters) and assess the level of customer satisfaction. First of all, it is advisable to identify the marketing factors associated with the export activities of small businesses, that is, the factors that affect the choice of buyers. Because it is the basis for small businesses to focus their export activities on consumers. As a result, small businesses will be able to assess the level of customer satisfaction from export activities.

Based on this, the authors conducted an expert survey among small businesses, entrepreneurs, producers, and exporters of agricultural products for technical production. The expert survey focused on what factors exporters of small businesses should pay attention to when purchasing exported goods and the level of importance of the factors. Factors influencing purchasing choice were assessed on a 10-point scale (Table 1).

Table 1: Export activities of small businesses classification of influencing marketing factors and their level of importance³

№	Marketing factors to be taken into account in export activities	Significance of indicators (on a 10-point scale)
Brand-related factors		
1.	Product reliability and strength	8,1
2.	Safety of the product during operation	7,8
3.	The popularity of the brand	7,4
4.	The warranty period and after-sales service	5,9
5.	The suitability of the product for its function	6,1
Price factors		
6.	Payment and initial purchase terms	5,8
7.	Delivery and operating costs	7,1
8.	Competitive commodity prices	6,9
Place factors		
9.	Reliability and stability of delivery	7,3
10.	Level of logistics service	7,2
11.	Terms of delivery	4,8
Promotion factors		
12.	How to sell a product and how to promote it	3,6
13.	Delivery of information about new types of products	5,7

13 factors related to marketing affecting the export activities of small businesses in the context of innovative development of the Uzbek economy have been identified. Of the identified factors, 5 were related to commodity policy, 3 were related to price, 3 were related to sales policy, and 2 were related to promotion policy. Important factors related to the defined product policy are the reliability and strength of the product, the safety of the product during operation, the popularity of the brand, the warranty period and after-sales service, the suitability of the product for its function. Important marketing factors that small businesses need to consider in developing their export activities have been identified within the elements of the marketing mix. The level of importance of factors influencing purchasing activity in export activities is conventionally divided into three groups:

- High impact and high importance (7-10 points);

³ The table is based on the processing of information collected by the authors at the request of an expert

- has a certain impact and is moderate in importance (5-6.9 points);
- Very little effect and low importance (1-4.9 points).

Table 2: Classification of factors affecting export activity by level of importance⁴

№	Factors Affecting Procurement Level of Influence	Selection Criteria
1.	Significant impact:	Product reliability and strength. Safety of the product during operation. The popularity of the brand. Reliability and stability of delivery Level of logistics service Delivery and operating costs
2.	Has a definite effect:	The price of competitive goods. The suitability of the product for its function. The warranty period and the after-sales service. Payment and initial purchase terms. Delivery of information about new types of products.
3.	Very little effect:	Delivery terms. How to sell a product and how to promote it.

Of the 13 factors studied, 6 had a very high effect. Most of the high-impact factors are related to product policy, followed by sales and delivery, and price.

Therefore, the most important aspect of applying the marketing system in small businesses is the need and ability of the company to communicate directly with consumers. Therefore, in small business and private entrepreneurship, the marketing function has its characteristics, from the organization of the market to the organization of pre-sales and after-sales services. As a small business, you need to master all the elements of marketing.

Forming and developing target market segments for specific customers by knowing how many products to produce for small businesses, studying their needs, the customs of foreign consumers, and many other characteristics and grouping them on this basis is a necessary process for businesses.

The key to winning the current competition is to use new, high-quality goods and services, as well as efficient sales methods.

At the same time, before entering new segments, the company should be able to assess its scientific and technical capabilities, staff qualifications, availability of resources, etc., to solve tasks related to entering new segments, general marketing strategy, or product and demand. 'A differentiated marketing strategy by owners, tailored to the characteristics of each segment and shaped into specific private strategies, should be able to have a positive impact on the selection process of target segments.

The organization of effective marketing activities in small businesses will ensure that the industry will become a new source of competitiveness and increase export potential.

To increase the export potential of small businesses, marketing activities should be given more attention. At the same time, every business entity should pay attention to marketing activities and increase its efficiency.

Improving management performance in business entities requires taking into account the real situation in the development of marketing research and marketing programs, a thorough study of market variability, taking into account the competitive situation, and the effective implementation of such work.

Due to the high cost of marketing programs, research and analysis, it would be advisable to conduct large-scale marketing research not only by large businesses, but also by small businesses independently, and to involve market consultants.

CONCLUSIONS

The author's proposals and recommendations on solving problems in the development of export activities of small businesses have been developed (Table 3).

Table 3: Suggestions and recommendations for solving problems in the development of export activities of small businesses

№	Problem direction	Suggestions and recommendations for problem-solving
1.	Organizational and legal	<ul style="list-style-type: none"> - Granting the right to export small business products without prior payment, without opening a letter of credit; - Establishment of customs, sanitary, quarantine and veterinary offices, which

⁴ The author's marketing research is based on the processing of information collected through methods such as focus group, survey, and observation of primary information collection.

		<p>will carry out control at special customs posts working only with small businesses;</p> <ul style="list-style-type: none"> – Establishment of free trade zones for small businesses in the country for the development of exports of small businesses; – introduction of a quality management system based on international standards related to foreign trade; – Improving the legal framework to ensure compliance with international trade treaty obligations.
2.	financial and small businesses	<ul style="list-style-type: none"> – Establishment of the Export Credit Agency to ensure unimpeded access to credit for economic; – Establishment of small business export support departments in commercial banks; – Establishment of a special small business export insurance company; – Establishment of private trading companies to identify the types of products to be purchased, find a market for them, and sell them.
3.	Marketing	<ul style="list-style-type: none"> – study of foreign market conditions, the establishment of marketing agencies, associations conducting marketing research, analyzing supply and demand, price conditions; – Regular study of the price situation in foreign markets, the creation of infrastructure that allows the development of futures, which allows protecting against the effects of adverse changes in foreign market prices; – organization of co-operative international wholesale trade fairs, trade agreements, organization of exhibitions; – Establishment of a special advertising agency to promote the products of small businesses to foreign market partners and potential consumers, advertising, and PR.
4.	Logistics	<ul style="list-style-type: none"> – Providing selected markets with national products in cooperation with foreign logistics partners; – development of customer service infrastructure in the formation of dealer and distribution networks: placement of central and peripheral warehouses, means of delivery, development of service centers; – Establishment of logistics centers for small businesses in industrialized areas of the country.

There are really serious problems with the organization of direct exports of small businesses. It is important to find scientific and practical solutions to these problems, to improve the organizational and economic mechanisms. In particular, it is important to study the situation in foreign markets for small businesses, to introduce modern insurance services for exports, to introduce mechanisms for partial state reimbursement of road and air transport costs.

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