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THE OVERVIEW OF MARKETING STRATEGIES FOR SMEs IN UZBEKISTAN



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Abstract: This paper explores how SMEs should try to use effective marketing strategies to boost and unveil their potentials in Uzbekistan. By leveraging contemporary marketing theories and data from authoritative sources, we provide a comprehensive guide for SMEs to enhance their market presence and competitiveness. The study emphasizes the importance of digital marketing, customer relationship management (CRM), and localization strategies tailored to the unique cultural and economic context of Uzbekistan.

Keywords: marketing strategies, CRM, localization, marketing metrics, marketing program, SMEs.

Introduction

Small and medium-sized enterprises (SMEs) play a crucial role in the economic development of Uzbekistan, contributing significantly to employment and GDP. According to the results of 2023, the share of small business in the GDP in the Republic was 51.2%. The largest share of small businesses in the regions is in Surkhandarya (76.7% of the total gross added value created in the region), Jizzakh (74.2%), Bukhara (73.1%) and Samarkand (73.1%) regions observed. The lowest share of small businesses was recorded in Navoi region (26.7%) and Tashkent city (48.4%) [1]. However, SMEs often face challenges in marketing due to limited resources and expertise. This study aims to identify and analyze marketing strategies that can help Uzbek SMEs improve their market positioning and growth. By examining the global and current marketing trends, this research provides actionable insights for SME owners and managers.

Methods

The research methodology involves a comprehensive literature review, qualitative & quantitative approach, deduction, induction and case study analysis.

Results

In this modern era, it is crucial to implement strategic marketing planning. According to Luck and Ferrel, strategic marketing planning is the process of planning for

the set of determinations that guides or directs the managers of an enterprise to reach their desired long-term market position within a certain target market [2]. This process should be designed based on following steps:

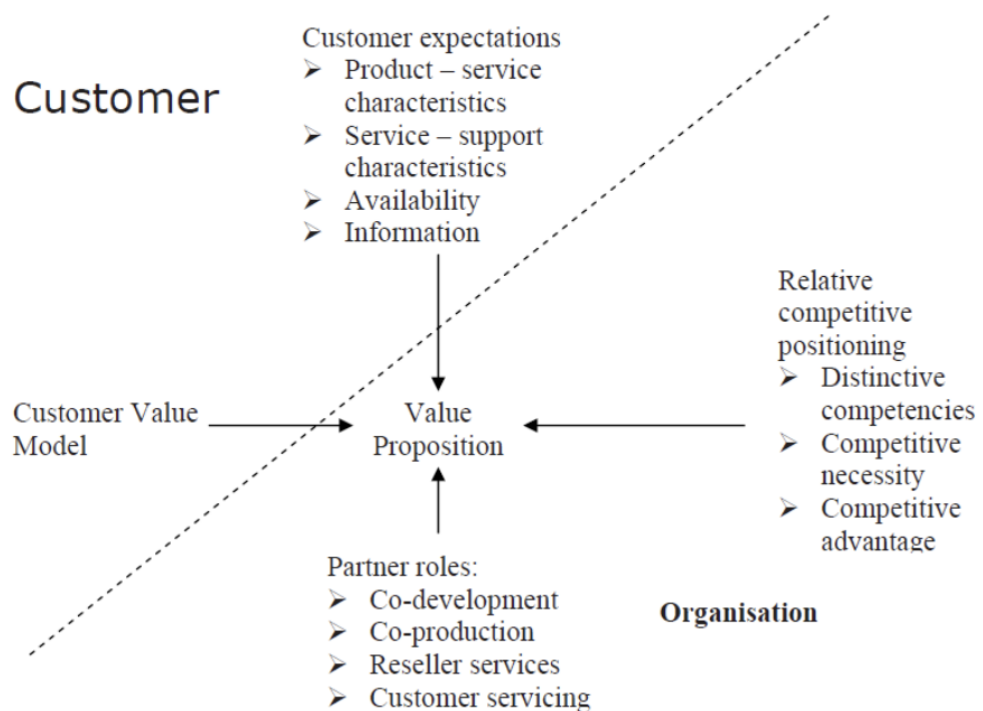


Strategic Marketing Program [3]

In the contemporary marketing landscape, marketers and businesses have unprecedented access to vast quantities of data. Nearly every marketing platform, plugin, and tool provides extensive analytics; however, not all data points hold equal value. Maximizing the utility of this data necessitates a comprehensive understanding of the metrics that directly align with tangible business and marketing objectives. It is imperative to investigate methods for identifying the most pertinent metrics and to recognize key data points relevant to both organic and paid strategies. Metrics that are straightforward and comprehensible across sales, marketing, and other organizational teams are crucial. Complex metrics can lead to inconsistent interpretations, which subsequently impair decision-making processes. Furthermore, it is essential to ensure that the selected metrics deliver consistent data. The effectiveness of marketing efforts hinges on the ability to measure results accurately and iteratively optimize actions and activities. A useful metric is characterized by its ability to provide actionable insights and information. Such metrics must yield data that drives informed business decisions and helps shape both marketing and sales strategies. In essence, the strategic selection and application of metrics are fundamental to the successful navigation of the data-rich environment of modern marketing. By focusing on clear, consistent, and actionable metrics, businesses can

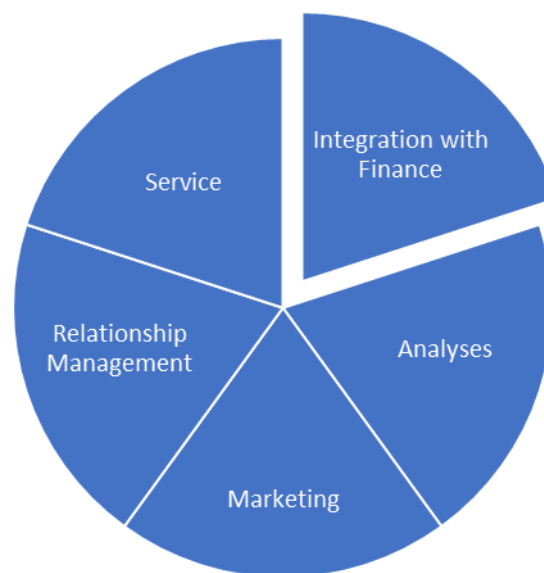
enhance their decision-making processes and optimize their marketing outcomes. The following indicators are found to be crucial for marketing efficiency in Uzbekistan [4]:

Return on ad spend [ROAS] refers to the amount of revenue business is earning from every penny spent on paid ads. It provides deep insights into how effective each of your ad campaigns is, and how paid strategy is contributing to overall return on investment. Customer acquisition cost [CAC] are crucial to measure the overall lifetime value of an average customer, giving an insight how much to it should be willing to spend to gain a new customer. CAC is a vital indicator of how marketing spend should be split between new and returning customers. A marketing qualified lead [MQL] is a prospect that has been deemed as relatively likely to become a customer due to one’s intention for the goods and services. A sales qualified lead [SQL] has passed into sales funnel, having been qualified as a potential customer. Essential discrepancy between MQL and SQL is the intention of buying (MQL possibility < SQL possibility). As many people are spending their most of time on social media, as per global statistics, 2.7 billion people are spending average 2.5 hours per day, the role and impact of social campaigns on social media are crucial [5]. Here, cost-per-click [CPC] and click-through rate [CTR] are central to understanding if budget is being directed to the correct social platforms and campaigns, and how engaging and effective those campaigns are. Since Uzbekistan is a developing country and market is being fiercely competitive, it is already time for market participants to measure with abovementioned metrics. When SME businesses offer their services and goods, it is believed to mix the following components for customers:



Components of the value proposition for customers [6]

Keeping in touch with prospects and customers are one of the guarantees that make businesses successful in the long-term. The enterprises will be successful in the future provided that their business model according to the needs of customer design and as a principle of superior from customer needs in refining strategy to benefit. For this, CRM is a short-term strategy. The purpose of creating customer-based business strategies is planning to determine strategies and opportunities that create a winner-winner situation in a competitive environment. Implementing customer-based business strategies requires changes in organization's interaction and business structure to do this it should be clarified that which sections and parts interact with customers and which section can make more added values for customer.



CRM software solutions [7]

The findings of this study highlight three primary marketing strategies that are particularly effective for SMEs in Uzbekistan:

1. Digital Marketing: The use of social media and messengers, content marketing are essential for reaching a broader audience. Digital platforms such as Facebook, Instagram, Telegram and LinkedIn offer cost-effective means for SMEs to engage with potential customers. Since we are living in digital era, omnichannel marketing is also highly recommend to get the attention of prospects. Omnichannel marketing involves integrating all channels to provide a seamless and consistent customer experience. This includes creating a cohesive brand identity across all channels and ensuring that customers can interact with a brand in their preferred way. By providing a consistent experience across all channels, businesses can increase customer engagement and drive sales [8].

2. Customer Relationship Management (CRM) and metrics: Implementing CRM systems helps SMEs maintain and enhance customer relationships. Effective CRM practices include personalized communication, loyalty programs, and responsive customer service, which can lead to increased customer retention and satisfaction. While

following this line, it is enormously crucial to measure the impact of these tools by implementing the metrics.

3. Localization Strategies: Adapting marketing efforts to the local context is crucial. This includes understanding cultural nuances, language preferences, and local consumer behavior. Successful localization can be seen in tailored advertising campaigns and product offerings that resonate with the local market.

Discussion

Digital marketing has emerged as a pivotal tool for SMEs due to its scalability and affordability. Social media platforms enable SMEs to reach a wider audience without the high costs associated with traditional marketing channels. Moreover, SEO and content marketing help in improving online visibility and driving organic traffic to SME websites.

CRM systems are instrumental in building long-term customer relationships. By leveraging data analytics, SMEs can gain insights into customer preferences and behaviors, allowing for more targeted and effective marketing campaigns. According to a report by McKinsey, businesses that use data-driven insights to inform their marketing strategy see a 20% increase in customer engagement and a 15-20% increase in marketing ROI [9]. Additionally, loyalty programs and personalized communication foster a sense of connection and trust with customers, leading to higher retention rates.

Localization is another critical strategy for SMEs in Uzbekistan. By tailoring marketing messages and products to the local culture and consumer preferences, SMEs can differentiate themselves from competitors. This approach not only enhances customer engagement but also builds brand loyalty within the local market.

Conclusion

Effective marketing strategies are essential for the growth and sustainability of small and medium-sized enterprises (SMEs) in Uzbekistan. Among these strategies, digital marketing, customer relationship management (CRM), and localization have demonstrated significant efficacy. SMEs that implement these approaches can enhance their market visibility, fortify customer relationships, and bolster their overall competitiveness. Moreover, it is crucial for businesses to continuously monitor and evaluate the effectiveness of their marketing efforts to refine their strategies as needed. This iterative process not only helps in building brand loyalty but also enables businesses to maintain a competitive edge in the rapidly changing digital environment. Thus, prioritizing effective marketing strategies is imperative for the success of SMEs in the digital age. Keeping abreast of the latest developments and best practices will empower businesses in Uzbekistan to reach their target audiences more effectively, increase sales, and cultivate lasting brand loyalty. Future research should delve into the evolving digital landscape and its implications for SME marketing practices in Uzbekistan. By integrating emerging trends and best practices, businesses in Uzbekistan can augment brand awareness, foster customer engagement, and drive sales growth.

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