

Conceptual Foundations of the Innovative Strategy of the Automotive Industry: In Case of Uzbekistan

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Abstract- The article studies the scientific solutions to the problems of increasing the efficiency of industrial enterprises through the development of management and the introduction of innovations. The conceptual foundations of the formation of innovative strategies of industrial enterprises are considered. In addition, the main factors forming innovative ones are identified and recommendations are proposed for eliminating the problems of effective marketing innovations in the industry of Uzbekistan.

Key words: Marketing innovations, innovations in industry, marketing strategies, and marketing technologies.

1. INTRODUCTION

The growing competitive environment at the modern stage of integration processes in the international and national economy complicates the businesses' business activity. Therefore, effective use of innovation achievements in marketing activity remains one of the most important directions of increasing the competitiveness of enterprises at the stage of development of market relations. It has been demonstrated that using innovative marketing capabilities, which is a powerful tool for improving the market competitiveness of the enterprise and developing new management methods, is an effective tool. Typically, innovative development mechanisms are used to transition from the technological development resource and investment to an innovation-based level. Therefore, it is important to develop scientifically-based methodological guidelines that help shape the innovative marketing strategy as a tool for further market development.

2. LITERATURE REVIEW

Theoretical bases of innovative marketing and market-oriented marketing strategy Tinoco, J. K. [5], Schumpeter J.[6], O.Belenov, E. Golubkov, Dj.Shonessi, D.Yampolskoy, Katkalo V.S.[7], A.A.Vravermana, S.Minett, N.Molchanov, O By well - known foreign scientists such as Walter, Porter M.[8], J. Larshe, Hamel G.[9], V. Saly, I.Solskaya, Prahalad K.K. [10], G. Kharding, I.Ansoff [11], Postaluk M.P. [12], A.J. Strickland [13], Meskon M. [14], Mintsberg G. [15] and others.

The issues of forming a marketing strategy in the industrial enterprises of the republic in the context of modernization of the economy A.Bekmurodov, G.Ahunova, M.Boltaboiev, J.Jalolov, I.Ivatov, D.Mukhamiddinov, A.Soliev, A.Fattaxov, M.Yusupov, M.Kosimova, Sh. Ergashhodzhaeva's scientific findings.

M.Kosimova has been studying the marketing of marketing services by our country's economists, while M.Boltabaev, A. Soliev, A.Fattohov, Sh.Ergashhodzhaeva have studied the issues of developing and improving marketing strategies. It should be noted that the scientists of the republic have not studied the theoretical and methodological foundations of innovation marketing strategy at industrial enterprises in the conditions of international competition and modernization of national production, as a separate research object. In particular, the use of innovative marketing strategies in industrial enterprises in Uzbekistan has not been studied. This was the basis for the selection of the topic of dissertation and the scope of the research task.

3. METHODOLOGY

In today's global economy, the key factor of national and international competitiveness in the industry is the level of innovation.

Based on the basic principles of increasing the competitiveness based on innovative development of the industry, three main elements can be observed: transfer, cluster, infrastructure.

The scientific literature defines the efficiency of their innovative activity as an essential element of the competitiveness of enterprises.

Innovative activity of many enterprises focuses on the organization of their production processes, and its mission is to reduce the costs of the enterprise through innovation innovation. In general, innovations in the production of the enterprises provide synergy effect. [1]

Innovations are primarily related to the production process and are subsequently focused on the innuendo products. In many studies, both innovations and organizational and management innovation are highlighted. Innovations in organizational and process processes are often not regarded as important research and their impact on enterprise efficiency is insufficient.

The first scientific innovation innovation was introduced by Theodore Levitt in 1960, and its impact on the efficiency of its operation. Regardless of marketing innovation, many businesses now focus on innovations in products and processes. Livvet argues that "it is incredibly active in creating and maintaining the efficiency that it sees in managing enterprise management through the introduction of innovations in the production process, as well as the introduction of new marketing systems, even if they are aware of the production of new and new products." [2] According to Livwith, marketing innovations are viewed as a process that is neglected by businesses and comes about by itself or by some coincidence.

Many studies have pointed out that it is unlikely that economic productivity will be achieved by going beyond the product innovation, i.e. by simply linking it with it [3].

Generally, marketing innovations require a multitude of systematic approaches that need to be explored widely. These conceptual approaches can be seen as a major challenge in promoting innovative marketing and learning it as a special marketing aspect.

It is crucial to learn marketing innovations by:

- what marketing innovations are and how they are transformed during the lifetime of the industry;
- how it affects marketing innovations to increase the company's competitiveness and market leadership.
- What synergistic effect will be the outcome of the introduction of marketing innovations.
- When installing the above, you should specify:
- introducing the current definition of marketing innovation;
- solving the problem of dynamics of development of marketing innovations;
- determine the relative relative frequency of marketing innovations;
- identifying innovations in product or manufacturing processes with marketing innovations and changing their interconnected development frequencies;

The next process will explore the impact of marketing innovations on enterprise development and evaluate innovation product innovation on marketing innovations. Innovation-oriented products require introduction of marketing innovations, as old ways to market new products do not sufficiently yield. The use of old marketing methods in market access with new products does not allow for a sufficient level of sales of new goods.

The use of marketing innovations creates opportunities for added value, reduction of costs and increasing the cost of consuming new products and services. [4]

Generally speaking, marketing innovations are often considered as part of business processes, organizing marketing activities, communicating, creating value, and managing customer relationships. Marketing innovations and their results can be summarized in the following table.

In summarizing the definition of marketing innovations, it should be noted that marketing innovations should be defined as creating value for clients, communicating, delivering ideas for relationships and making them available.

Thus, innovative marketing activities of the enterprise are the process of creating and implementing new ideas related to branding, communication, consumer value, market management.

The dynamics of marketing innovations apply. This dynamics is three-stage (fluid, transitional, and specific) at these stages of innovation in the production process, on radical and contradictory states (Figure 1).

According to the picture, innovation in the economy is primarily dominated by brand innovation. But at the next stages of innovation development, there is a rapid growth in marketing innovation, either of economic development or marketing innovation. In most cases, businesses are focused primarily on product innovation, and less attention to marketing innovation. However, the intensification of competition in the marketplace will further increase marketing innovation and make enterprises more productive.

4. ANALYSIS AND RESULTS

Strategic strategies for industrial innovation in Uzbekistan require significant changes in market entities and their adaptation to market requirements. Innovations, which are an important factor in increasing the competitiveness of the economy, are considered as a priority.

In the years of independence in the country the necessary infrastructure has been created in the field of science and technology development, the formation of certain intellectual and technological potential. However, insufficient use of available capacity and capacities for the development and implementation of innovative ideas and technologies has led to the existence of a number of problems that hinder the effective implementation of reforms and accelerated innovation development in the country and the need to identify targeted strategies for

their effective solution, in particular:

- Identify trends and trends in science and innovation in industry;
- organization of fundamental and applied research, effective integration of science, education and production;
- Introduction of high-tech production in industrial enterprises, introduction of effective mechanisms of know-how and modernization;
- further strengthening of cooperation with foreign (international) organizations with high expertise and potential in the production and implementation of innovative products;
- Effective use of innovations in addressing topical issues of industry development;

The Strategy for the five main priorities of the Republic of Uzbekistan for 2017-2021 sets out specific targets for radical improvement of the well-being of the population and improvement of living standards, comprehensive and dynamic development of society and state, modernization of the country and liberalization of all spheres of life. Also, our main task is to transform Uzbekistan into a stable market economy with a high share of innovation and intellectual contribution to production, competitive industry in the modern and global market, and rapidly developing country with a favorable investment and business environment.

In view of the above, the Decree of the President of the Republic of Uzbekistan dated November 29, 2017, №PF-5264 "On the Establishment of the Ministry of Innovative Development of the Republic of Uzbekistan" was adopted. According to this Decree, an effective system of state support for innovation in Uzbekistan and stimulation of the effective implementation of innovative ideas, developments and technologies in public administration, economy priorities and social sphere have been created.

Introduce innovations to their initial assessment should be justified. Creating methodological basis for such an assessment first of all affect the total innovation process and ultimately, the effectiveness of this or that innovation a set of determinants must be identified.

The development of Uzbekistan's economy is seen as a key aspect of innovation, and over the last 10 years, the focus is on technological innovation in the industry.

In the country for 2008-2016 there are 4762 innovations in the industry, 4620 of which are technological innovations. Over the analyzed years, 81 new marketing innovations have been implemented in the industry, with 61 innovation innovations.

Table-1: The number of technological, marketing and organizational innovations in the Uzbekistan`s industry

Years	Industrial output, UZS bn	Total innovations	Technological innovations, total	Marketing innovations, total	Organizational innovations, total
	MIC	JI	TI	MI	TAI
2008 y.	23848	243	243	0	0
2009 y.	28387,3	231	226	0	5
2010 y.	38119	248	243	0	5
2011 y.	47587,1	307	300	1	6
2012 y.	57552,5	288	264	10	14
2013 y.	70634,8	693	665	19	9
2014 y.	84011,6	882	837	35	10
2015 y.	97598,2	889	866	16	7
2016 y.	111869,4	982	976	1	5
Total	559608	4763	4620	81	61

Source: Data from the Statistics Committee of the Republic of Uzbekistan.

The interconnected development of innovations in relation to the production of industrial products is the following function:

$$MIC = 107,9 * TI - 911,05 * MI + 3159,8 * TAI - 6480,3 \quad (1)$$

$$R^2=0,98; F_{fish}= 84,4; p=0,0004$$

As regards the results of the regression analysis, it is clear that the growth of industrial output in Uzbekistan is largely dependent on technological and organizational innovation, and the realization of marketing innovations has a negative impact on it. In particular, innovation in one industry-based technology allows to increase the volume of production by 107.9 units (billion soums) and organizational innovations - 3159.8 billion soums. However, marketing innovations have led to a decline in product output to 911.05 Conditional units.

A number of other aspects of marketing innovation are related to product manufacturing. The inevitable dependence of marketing innovations on product development is explained by the fact that these innovations are

aimed primarily at increasing the production volume of the enterprise, not directly dependent on the volume of production.

However, from the analysts' findings, in almost every 2016, industrial enterprises did not have any marketing innovations. When analyzing marketing innovation in the sectoral sector, the share of communications and information services is high.

In 2016, 43 marketing innovations have been implemented across the country, with major innovations being 23 (54%) in the field of information and communication, 2 in transport and storage (5%); 7 (16%) wholesale and retail trade; 7 (16%) marketing innovations were implemented in financial services.

Innovative marketing activities of the company have been thoroughly analyzed in the preceding chapters in the formulation of a new idea of creating a brand new product, building up a new brand, and increasing its value in the market.

While adhering to the dynamics of marketing innovation, it has been recognized that it contradicts product and organizational innovation. At the next stages of innovative development of enterprises, the rapid growth of economic development or marketing innovation in marketing innovations was based on theories.

In most cases, businesses focus on product innovation and pay close attention to marketing innovation. However, the results of intensifying competition in the market will increase marketing innovation and encourage enterprises to make these innovations.

In the light of the above, it can be determined by analyzing the correlation of the growth of innovative products, works and services produced in the industrial sector of Uzbekistan by technological, marketing and organizational innovation. Given the adverse impact of marketing innovation on the production of industrial products, marketing innovations develop further after the development of technological and institutional innovations.

In the industrial sector of the Republic of Uzbekistan, the tendency of innovation works and growth of services has been maintained. The use of marketing innovations in the industry has been in effect since 2009, and institutional innovations have been spent by enterprises since 2010. This suggests that marketing innovations have been shaped in the post-technological or post-innovative years (Table-2).

Studying the dynamics of innovation will serve as a basis for targeted decision-making on marketing innovation.

We know that the law of dynamics in marketing innovations is valid. It is possible to divide this dynamic into a three-stage system, ie the period of transition, transitions, and special periods. Innovations at these stages are based on the production process, radical and contradictory, ie the vibration of innovations varies in different ways. According to the data of the table, expenses for marketing innovations in 2009 decreased from 463.8 million soums to 21.7 soums in 2010, and in 2011 - by 335.7 million soums. Marketing innovations, which reflect the dynamics of the post-2012 period, from the final stage of implementation of the anti-crisis program in our country, increased the cost of marketing innovations in high-profile. This situation clearly demonstrates the level of dynamics. Also, innovation costs can not fully support the growth of sales of innovative products this year, and its return will be seen later in the year.

To further clarify this analysis, it is necessary to study the dependence of industry-created innovations on costs. Accordingly, we create a linear equation for the effects of industry innovations on the impact of marketing innovations.

Table-2: Innovative work in the industrial sector of Turkey, the cost of services and innovation costs

Years	Volume of innovation products, works, services, mln.UZS	Technological innovation costs, UZS mln	Marketing Innovation Costs, mln UZS	Costs for organizational innovation, mln UZS
	INN	TI	MI	TAS
2008 y.	1164868,2	297757,6	0,0	0,0
2009 y.	1648601,0	275850,1	463,8	0,0
2010 y.	1762157,7	241915,7	21,7	136,5
2011 y.	1193220,7	185370,9	335,7	3076,8
2012 y.	3533801,4	271396,5	255,9	2752,0
2013 y.	3900658,5	3119985,5	3531,3	2506,0
2014 y.	6118385,8	3254354,9	3671,9	2191,4
2015 y.	5384817,4	6831107,8	7794,8	10526,2

2016 y.	6715334,7	13476844,7	15253,9	17975,6
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Source: Data from the Statistics Committee of the Republic of Uzbekistan.

The results of the regression analysis have enabled the following functionality:

$$INN = -1,55 * TI + 2031,62 * MI - 281,9 * TAS + 2479670,8 \quad (2)$$

$$R^2=0,71; F_{fish}= 0,715; p=0,007$$

It is known from this function that marketing innovations are inextricably linked with technological and organizational innovation, and its formation has been driven primarily by increasing technological and organizational innovation.

At the same time, the unified cost of marketing innovations was determined by the probability of 71% increase of innovative goods and services by 2061.6 mln. This, in turn, highlights the necessity of establishing the necessary infrastructure for the industrial enterprises to address the most complex issues in the process of establishing the innovation system and implementing perspective strategies, and introducing innovations in industrial enterprises.

The share of machine-building and metal-working industry in innovations in the Republic of Uzbekistan has been maintaining leadership over the years.

The share of finished goods with high added value in the machine-building and metal-working industry is rising.

The machine-building and metal processing industries accounted for 93.4% of the innovations in the national industry in 2008, down from 72.7% in 2014. However, in the analyzed years, the share of machine building in innovative products, jobs and services is high (Table-3).

Table -3: The share of sectors of innovative products, works, services in the industrial sectors of Uzbekistan

Rates	2008 y.	2009 y.	2010 y.	2011 y.	2012 y.	2013 y.	2014 y.
Total industry	100,0	100,0	100,0	100,0	100,0	100,0	100,0
Electroenergetics	0,0	0,0	0,0	0,2	0,0	0,0	0,0
Fuel industry	0,1	10,5	13,5	4,3	0,0	0,0	0,1
Metallurgy	0,0	0,2	4,2	14,4	5,0	12,6	9,5
Chemical and petrochemical industry(except chemical and pharmaceutical industry)	1,0	0,5	2,8	3,5	1,3	6,3	4,7
Machine-building and metalworking (without the medical engineering industry)	93,4	76,8	73,9	59,7	84,7	68,3	72,7
Building materials industry	3,6	9,2	1,8	2,3	0,9	2,2	2,8
Light industry	0,1	0,6	2,4	7,1	4,7	4,5	5,2
Food industry	1,0	2,0	1,0	7,5	3,1	5,1	3,4
Others	0,8	0,3	0,3	1,0	0,3	0,9	1,7

Source: Data from the Statistics Committee of the Republic of Uzbekistan.

The above analyzes show that the Uzbek industry is not paying much attention to the introduction of marketing innovations. Compared to industries, the share of the machine-building industry in marketing innovations is high.

5. CONCLUSION

It is important to use different methods and models in the process of developing and implementing an innovative development strategy. Analysis of the basic models of strategic planning and other methodological approaches will allow the methodological improvement of the process of formation and implementation of an innovative strategy of the enterprise.

The process of forming and implementing an innovative strategy for the enterprise involves the development of a long-term innovation activity and the most effective ways to implement them. However, it should be borne in mind that the innovative activity of the enterprise forms the various directions of the strategic choice of the

enterprise. Therefore, a systematic approach to formulating and implementing an innovative strategy is essential. This, in turn, provides the opportunity to interact and co-ordinate the activities of all departments of the enterprise.

A number of targeted materials are being implemented in the country aimed at innovative development of automobile industry. In this regard, the Resolution of the President of the Republic of Uzbekistan № PP-3028 "On measures to accelerate the development and management of automobile industry in 2017-2021" as of June 1, 2017, has been defined as the most important tasks:

- ❖ Ensuring increase in the output of competitive automobiles in foreign and domestic markets through the implementation of investment projects aimed at the acquisition of new modern types and brands of products with attraction of foreign investors;
- ❖ further diversification of external markets and exporting products, strengthening the role and position in foreign markets;
- ❖ reducing the share of imports and reducing the cost of production through the intensification of inter-sectoral collaboration links to mastering the production of basic raw materials and materials required for the deepening of localization of production of components and joints;
- ❖ to ensure sustainable development of the sector in the conditions of tight competition environment in foreign markets and liberalization of the monetary policy, increase profitability of the enterprises of Uzavtosanoat JSC and their financial support;
- ❖ improvement of corporate governance of "Uzavtosanoat" JSC by introduction of modern international standards;
- ❖ strengthening the personnel potential of the sector, strengthening the cooperation between the production organizations of JSC "Uzavtosanoat" and higher and secondary special, professional education and research institutions, involving young and talented specialists in the field;
- ❖ to radically improve the retail sales of automobiles manufactured in our country and to improve the public service delivery system, to increase the transparency and effectiveness of the "Uzavtosanoat" JSC in accordance with modern requirements;
- ❖ development of scientific and applied research and innovation development, introduction of processes of modernization, technical and technological modernization of production, further strengthening of science and production.

The main direction of effective implementation of these tasks and further improvement of the corporate management system of the automotive industry, the sustainable development of foreign markets and the liberalization of the monetary policy, the main direction of increasing the production of competitive products and increasing the productivity of the organizations is to develop effective marketing strategies introduction.

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