Ways of the Marketing Strategy Forming of Fruit and Vegetable Products

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Abstract: **In the article have been studied the issues of improving the methodology for the formation of an international marketing strategy for fruit and vegetable products. By author was provided important scientific advice on the development of export strategies in accessing international markets and the "Commodity Market" matrix developed by I. Ansoff was used in the research of the fruit and vegetable products market.**

Keywords*:* Competition, marketing, export, determining, strategy, food, I. Ansoff, vegetable products.

I. INTRODUCTION

According to the development of foreign trade in the world, special attention is paid to the development of marketing strategies aimed at enhancing the competitiveness of the country's economy and expanding its export potential. According to the International Food Safety Organization (FAO), global exports of agricultural products increased by 0.6% in 2017 compared to 2016, accounting for 7.8% of total trade. Annual export of fruits and vegetables in the world market in 2017 amounted to 180.0 billion. US dollars, which is mainly in developed countries, such as the Netherlands, USA, Spain, China and Brazil.

The dramatic increase in consumption of fruit and vegetable products in the world makes it even more relevant to develop effective export marketing strategies aimed at ensuring competitiveness. In international practice in many countries, access to foreign markets through the use of marketing strategies such as "diversification", "integration growth", "competitiveness based on relative advantage" is one of the main scientific trends.

II. LITERATURE REVIEW

Development of marketing strategies for production and export of fruit and vegetable products by foreign scientists L. Tsfu [13], TS Fan, L. Zhou, F. Kotler [1], O. Walker [2], B. Balassa [3] , L. De Benedictis [4], U. Utkulu, D. Seimen, G. Varela [5] and others have been studied.

Some issues of marketing strategies of fruit and vegetable export from the scientists of the Commonwealth of Independent States as well as: I.S.Buzdalov [6], A. Dankevich [7], I.A. Baranov [8], N.A. Popov [9] and others. Despite the significant contribution of these researchers to the economic science, they do not take into account the structural and functional aspects of exporting fruit and vegetable products to foreign markets.

One of the leading economists of the Republic Gulyamov, A.Sh.Bekmurodov, D.Mukhitdinov. Soliev, N.Q.Yuldashev, M.S.Kasymova, A.A.Fattakhov. The research work of Boltabaev, G.N. Akhunova and others is aimed at creating scientific-theoretical foundations of the marketing strategy for the development of the goods and services market. The authors supplement the theory of export marketing with new information and study the general problems of foreign markets. Also, theoretical and methodological foundations for the development of fruit and vegetable processing systems, export and marketing strategies were discussed. Ergashkhodjaeva Sh.J., Adilova N.R., U.P.Umurzakov, X.S.Hushvaktova, Bakhodir Yu. Khodiev, Sherzod I. Mustafakulov [10], Bobir O. Tursunov [11] and others.

Local scientists have done research on the development of fruit and vegetable production, transportation and storage industries, and scientific solutions to the problems in the domestic market. However, the problems of developing marketing strategies to increase exports in line with fruit and vegetable production, ensuring competitiveness through active participation in international markets and increasing their market share have not been adequately explored.

III. ANALYSIS AND RESULTS

Sales market segmentation is a set of measures related to identifying a group of buyers by their characteristics and conducting marketing research on them.

One of the main directions of economic reforms is the segmentation of the target international markets for fruit and vegetable products. Below is an analysis of the share of the international market segment of the total output of the fruit and vegetable sector of Uzbekistan in 2010-2017.

Most of the fruit and vegetables are exported to Kazakhstan and Russia (Table 1).

Table 3.7 shows that, in the analysis of exports of fruits and vegetables in the Republic of Uzbekistan in 2010-2017, the largest volume of products among the CIS countries in the Russian Federation was 423400.3 tons (770,424,600 USD) and in Kazakhstan - 13,8681. , 1 ton (USD 197,203,400) was exported.

In 2017, the largest volume of goods was exported to Kazakhstan at 44,3267.7 tonnes (US $ 29,7175.5 thousand), with a growth rate of 150.7% in 2017 compared to 2010. Exports to the Russian Federation in 2017 amounted to USD 107834,300, which is 7 times less than in 2010, while exports decreased by 2.7 times.

Exports of fruit and vegetable products to the CIS countries increased from 579,664.2 tons in 2010 to 675,741.2 tons in 2017 and increased to 116.6 5, but the total export volume in US dollars decreased 2.2 times over the same period.

Exports of fruits and vegetables increased in 2017 compared to 2010 in the remaining 8 CIS countries. Thus, Kyrgyzstan increased 7.6 times, Armenia - 7.8 times, Belarus - 5.4 times, Moldova - 2.65 times, Ukraine - 1.36 times, Turkmenistan and Azerbaijan - 1.1 times, and to Tajikistan (not exported in 2010). increased 16.4 times year-on-year [12].

According to the analysis of the volume of exported fruit and vegetable products to other countries, in 2017, exports increased by 2.6 times compared to 2010. In terms of value, exports of fruit and vegetables in US dollars increased 1.3 times over the same period. In particular, during the analyzed period, exports increased by 1.9 times in Afghanistan, 3.5 times in Turkey, 17.3 times in China, 8.5 times in India, 2.3 times in Germany, and 2.9 times in the United States. [6]. (table-1)

Table 1 Volume of Exports of Fruit and Vegetables from Uzbekistan in 2010-2017 [13]

Countries	**2010 y.**		**2016 y.**		**2017 y.**	
	size, tons	**Thous. USD**	**size, tons**	**Thous. USD**	**size, tons**	**Thous. USD**
To the CIS countries	579 664,2	1 008 660,8	621 877,7	409 342,5	675 741,2	454 783,5
Kazakhstan	138 681,1	197 203,4	462 549,3	296 877,0	443 267,7	297 175,5
Russia	423 400,3	770 424,6	119 664,0	84 805,4	157 761,4	107 834,3
Kyrgyzstan	65,4	45,4	14 431,4	7 283,0	49 908,4	28 092,0
Turkmenistan	8 565,6	16 969,4	15 886,2	9 196,1	9 258,0	6 928,9
Ukraine	4 674,0	12 657,3	3 038,5	3 061,5	6 353,8	4 531,6
Belarus	709,9	1 728,4	2 049,6	1 914,1	3 853,8	3 892,8
Azerbaijan	3 266,3	8 468,3	3 419,7	5 353,3	3 620,8	3 825,6
Moldova	259,2	1 029,9	363,0	413,1	686,4	1 649,9
To other countries	60 222,9	106 074,7	174 364,6	144 988,1	155 923,8	137 776,5
Afghanistan	23 023,6	18 958,5	77 585,5	46 041,4	44 582,7	37 171,6
Turkey	7 374,7	16 192,5	16 807,5	19 964,7	25 732,9	29 413,9
China	1 065,8	4 202,9	24 676,2	28 153,4	18 477,4	14 219,7
Iraq	6 525,0	20 972,3	4 867,0	9 629,3	7 745,6	10 087,3
India	1 718,5	2 091,9	17 548,9	11 774,9	14 626,4	9 415,5

Iran	8 546,8	19 283,5	10 924,5	10 252,1	10 218,2	8 776,2
UAE	1 737,4	3 200,4	7 751,6	5 546,1	7 356,9	6 184,6
Vietnam	-	-	706,5	440,3	8 534,5	5 663,3
Latvia	836,2	3 189,9	4 287,1	3 659,2	4 270,4	3 248,0
Pakistan	89,0	367,7	1 799,2	1 386,8	4 453,7	3 206,4
Georgia	4 558,4	4 735,3	3 824,6	3 313,1	1 653,1	1 675,2
Germany	540,0	1 166,4	1 346,7	1 726,4	1 247,1	1 137,7
USA	173,4	254,3	257,2	531,6	509,3	889,6
Korea	202,5	163,5	258,0	366,3	699,9	780,8
Poland	448,0	1 446,6	133,2	222,5	393,0	538,7
Syria	1 120,0	4 127,2	-	-	150,5	453,7
Netherlands	1 304,8	2 889,1	32,9	30,1	297,0	331,8
Total fruit and vegetable products	**639 887,1**	**1 114 735,5**	**796 242,2**	**554 330,6**	**831 665,0**	**592 560,0**

Exports of fruits and vegetables and processed products, which are expected to make up one of the main foreign trade volumes of the country in the near future, are expected to reach US $ 708.8 million by the end of 2017. Or increased by 15.6% compared to the previous year [14].

The main partners in export of fruits and vegetables in the foreign trade turnover are Kazakhstan (46.4%), Russia (18.0%), Afghanistan (6.6%), and China (5.7%). Turkey (4.5%) and Kyrgyzstan (4.3%). Our statistical analysis shows that in 2016, 697 exporters exported to 51 countries by 697 exporters, and in 2017, 929 enterprises exported fruit and vegetable products [14]. These countries are target markets for Uzbekistan's fruit and vegetable production, so it is advisable to develop measures to improve their segmentation strategies in these markets.

Segmentation of the fruit and vegetable export market provides the following benefits:

Tahlil To analyze the competitors and their capabilities in the selected market segment of the fruit and vegetable industry. On this basis, the strategy should include measures to combat the competitors and to take precedence over the competition;

Bash Predicting which customers need in the market for fruits and vegetables, and creating the necessary database to assess the actual satisfaction of this demand. The introduction of an effective mechanism for predicting the required quantities of products will provide a number of benefits, such as ensuring the product's durability, reducing the cost of products storage

Ensuring proper planning of marketing plans based on the characteristics of market segments.

Marketing Formation of a marketing service structure based on the size of the sales market and the competitors' potential. Analyzes show that in some cases new marketing companies may incur inefficiencies in introducing various marketing services. This in turn negatively affects the financial position of the enterprise;

Effective marketing budgeting based on the received marketing information. Naturally, new markets require significant marketing costs from the enterprise. However, the segmentation of the sales market allows the enterprise to rationalize the costs required to enter the new market.

Accurate and well-developed export strategies are essential for accessing international markets.

Companies that support the global export strategy in their positions do not mean adapting their products to local conditions. Therefore, there is little difference in the international consumption of the products of these enterprises. The advantage of this strategy is that it is possible to increase the amount of profit by reducing the cost of the product. [15]

With the introduction of multidomestic export strategies, exporters adapt their products to the needs of customers and marketing strategies to the chosen market conditions.

Also, many authors have shown the structure of the “commodity-market” marketing strategy matrix developed by I.Ansoff by assessing the competitiveness of the enterprise and its products in the consumer market [8, 9]. Therefore, it is advisable to use the "Commodity Market" matrix for successful mobilization of goods and formation of demand in the fruit and vegetable market. In practice, using this matrix involves the use of the following four alternative marketing strategies (market entry, market development, product development and diversification) in the formation of fruit and vegetable exports and the search for promising market segments.

Analysis of the matrix "Commodity Market" developed by I. Annsoff shows that this matrix contains only two areas of the commodity and market categories, namely "existing and new", which, in our opinion, impede the implementation of this matrix. Based on the methodology outlined in the marketing strategy to promote joint ventures in foreign markets [15], we offer an improved version of the "commodity-market" matrix, since fruits and vegetables are widely considered consumer products in our research. (Table 2).

Based on the relative advantage of developing marketing strategies for the export of fruit and vegetable products, the improved version of the "commodity-market" matrix identified three areas of brand innovation: old goods, new products for the enterprise, and new products for the market.

Table 2 Opportunities on the "commodity market" matrix for fruit and vegetable enterprises

Product	Market	
	Old	New
OLD PRODUCT	1. Deeper market penetration	2. CIS countries
New brand for enterprise	3. Consumer confidence	4. Selection of new market segment and product placement
New brand for the market	5. Avoid this market	6. Gaining dominance. Development of new value-added varieties of fruit and vegetable products.

We relied on the RSA (Relative Comparative advantage) indicator when developing an international marketing strategy for fruit and vegetable exports. According to the theory of effective competition, it is advisable to formulate an international marketing strategy for products that have a comparative advantage in competition. At the same time, two countries, which play a major role in the country's export of fruit and vegetable products, were selected: Kazakhstan and Russia. Estimates show that in Russia, 19 of the 20 selected export products in 2005 have comparative advantages. In 2017, the number of agricultural products with a comparative advantage decreased to 14 units.

During this period, Uzbekistan loses its dominance in the export of such products as onions, cucumbers, peppers, fresh grapes and fresh fruits in the Russian markets. Exports of Uzbekistan to Uzbekistan have dropped sharply. For example, "onion" dropped 82 times, "cucumber" 18.2 times, "fresh pepper 33.3 times" and "fresh grapes" 122.9 times.

Countries such as the Netherlands, Ukraine, Turkey, Egypt, Chile, China, Israel and Spain outperformed Uzbekistan's exports to Russia on these products in Russian markets in 2007-2017. For example, the export of grapes from Uzbekistan to Russia fell from US $ 77.1 million to US $ 627.5 thousand, or by 122.9 times.

Exports from countries such as Turkey, Chile, Italy and Peru from 2005-2017 were 3.57; 2.73; 3.17 and 337.4 times. As mentioned above, Russia has banned imports of agricultural products from countries such as the EU, US, Australia, Norway and Canada due to political disputes in the European countries in mid-2014. [12] Later, in late 2015, some agricultural products were banned from entering Turkey. Thanks to these restrictions, Uzbekistan and other countries were able to increase their market share in the Russian market.

As can be seen from Table 3.2, the most important agricultural products in Uzbekistan increased in 2005-2017. RSA (Relative Comparative Advancement) evaluated this information in this way. Three main products: tomatoes, cucumbers and peanuts in 2017 remained relatively low-income in the Russian market. In 2017, Uzbekistan even had a comparative advantage in exporting lemons. (Uzbekistan did not achieve a comparative advantage in lemon exports in 2007-2013). Nevertheless, RSA prices for some products, such as tomatoes, apricots, cherries, plums, dried peppers, were negative during this period [12].

It is known that the cold weather in spring 2017 and the hot summer weather had a negative impact on the harvest. In addition, BI estimates for some products, such as onions, fresh red peppers, apricots, cherries and fresh fruit, show that there were losses compared to 2015. By comparison, BI prices for products such as cabbage, carrots, vegetables, dried vegetables, peas, fresh grapes, dried grapes, melons, peaches and dried red peppers have increased in this period. Although Uzbekistan increased its exports in 2013-2017, its export value is lower than in 2007.

The study of the BI distribution results showed that Utkuli and Seiman (2004) test was different from the BI. Table 3 shows the current situation in the markets of Russia and Kazakhstan as a result of differences in the estimates of the distribution of BI to agricultural export products of Uzbekistan.

Table 3 Changes in Balance Index for Products Exported to Russia and Kazakhstan (2005-2017)

Indicators	**Years**			
	2005 years	**2010 years**	**2015 years**	**2017 years**
Russia				
Medium (Coefficient)	4,13	4,28	10,48	12,55
Maximum (Coefficient)	23,9	29,27	95,26	84,23
BI>1 (%)	59,5	63,4	66,7	62,4
Kazakstan				
Medium (Coefficient)	22,9	28,14	1,85	1,71
Maximum (Coefficient)	120,2	130,4	5,57	5,09
BI>1(%)	73,12	73,08	55,17	50,55

Comment: *1.* $\overline{\overline{RCA}}$ the average coefficient was calculated using the following formula:

$$\overline{\overline{RCA}} = \frac{\sum_{i=1}^{n} RCA}{N_{ijt}} \qquad (2)$$

here, $\overline{\overline{RCA}}$ - The average value of the coefficient of relative advantage of the Ballass; i – product type (selected fruits and vegetables), j- exporter (Uzbekistan), t-year (2005-2017 years), n- total RCA coefficients determined.(table 3)

2. Maximum RCA index $RCA_{\max}$ Maximum index value, ie:

$RCA_{\max}$ The index is for agricultural products exported for the selected year (m=1,2…..n),

$RCA_{\max} = RCA_m > RCA_1 > RCA_2 > ... > RCA_n$

3. In the RCA Index, the percentage of products above 1 is calculated using the following formula:

RCA > 1 = (indexes which RCA > 1) / Overall RCA *100

This indicator is expressed as a percentage and shows the share of agricultural products in excess of 1, that is, with a comparative advantage in total exports.

According to the results of Table 3.9, the price of the BI in Russia has increased significantly in 2005-2017, with the highest increase from 23.9 to 95.26 in 2005-2015. BI average value rose from 4.13 in 2005 to 12.55 in 2017. However, during this period, the highest export value (BI> 1) increased from 59.5 to 62.4%.[13]

In 2005 Uzbekistan exported 41 types of agricultural products to Kazakhstan. The average RCA index in 2005 was 22.91. The maximum index is 120.2 (121110-sweet brain). Of the exported products (41 total), 30 had a comparative advantage and the Balassa index was higher than 1. This represents 73.12% of total agricultural exports. The BI coefficient of exported products to Kazakhstan increased substantially in 2005, with the highest growth rate falling from 120.2 to 5.1 in 2005-2017. While the BI average increased from 22.91 in 2005 to 28.14 in 2010, its maximum value fell from 130.4 to 5.09 during the period 2010-2017. However, it was also found that the high exported fruits and vegetables (BI> 1) during this period fell from 73.12 to 50.55% during the same period, and its stability was also reduced. It has been reported that the adverse weather conditions of these years and the relatively low production of agricultural products in Uzbekistan (citrus, bananas, palm oil, etc.) have led to a decrease in the competitiveness of fruit and vegetable production in Russia and Kazakhstan.

Thus, the international marketing of the Ministry of Agriculture and fruit and vegetable enterprises of Uzbekistan based on the results of the market situation and the consumer behavior in the consumer market, the analysis of the production capacity of the enterprise, the analysis of its competitive advantage, and the identification of untapped internal opportunities. strategy of "consumer demand - enterprise opportunity",

improved "commodity market" matrix As part of a flexible system of variation in the complaint in accordance with the requirements of consumers in the production of fruit and vegetables a chance.

The first step in developing a development strategy is to identify the status of a competitive advantage, which in turn provides the foundation for further strategic and tactical steps. Marketers of our country and foreign countries have taken a number of approaches to the classification of international market acquisition strategies, such as market segmentation and adaptation to the competitive environment

IV. CONCLUSIONS

Based on the analysis of all the data obtained in our research, we propose a model of marketing strategy based on a "commodity-market" matrix based on the study of fruit and vegetable sector exports in Kazakhstan and Russia, its growth rates, assortment policies and changes in the Balassa index. . Using this model, it can determine the strategic direction of production activities in order to meet the needs of consumers in fruits and vegetables, and to satisfy it within their own capacities. This model includes the production of ready-to-eat fruit and vegetable products with deep value added to it by deep processing.

As we have seen from the foregoing, a well-developed marketing strategy for the sale of fruit and vegetable products is the key to preventing any adverse impacts on the business. Successful implementation of these marketing strategies will increase the export potential of each fruit and vegetable enterprise.

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