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MAIN DIRECTIONS OF WHOLESALE TRADE DEVELOPMENT IN UZBEKISTAN

Abstract: *The article discusses the concept of wholesale trade, its main and auxiliary functions, the relevance of the development of wholesale trade. The wholesale market was based on the scientific views of scientists, analyzed the indicators of the development of wholesale trade in Uzbekistan and made recommendations for its improvement.*

Key words: *wholesale trade, marketing, sale, wholesale trade, export potential, brand strategy, wholesale trade, product competitiveness in the domestic and foreign markets.*

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Introduction

The current challenges facing today are the achievement of free competition of service providers and consumers in Uzbekistan in the conditions of modernization and diversification of the economy, as well as the effective use of every opportunity and resources by market entities. Therefore, it is crucial for companies providing wholesale trade to pay attention to issues such as the demand for consumer goods and their position in the market and the market, following the principles of marketing in their business.

As stated in the Action Strategy for the Further Development of the Republic of Uzbekistan, "The sharp competition in global markets indicates that nowadays enterprises should not only focus on the simple demand and supply of products, but also the needs, preferences and needs of potential consumers. It is important for them to keep their goals in mind, to deeply study them, and to implement a strategy that meets those conditions." [1].

Structural changes in the economy of Uzbekistan, modernization and diversification processes require a new approach to the essence and functions of wholesale trade. Therefore, it is important to study the essence of wholesale trade and its functions from a scientific and practical point of view and to analyze wholesale trade strategies.

Literature review

In the context of contemporary economic development, enterprises with the production and sale of demanded products are gaining momentum in the market. The most effective type of trade services is wholesale and wholesale trade promotes the identification of future plans of manufacturing enterprises.

This requires a further increase in the effectiveness of the wholesale trade companies serving the markets under conditions of sharp competition.

Theoretical foundations of wholesale trade development are one of the world's leading marketers. Porter, F. Kotler [11], P. Druker, Dj. Shoness [2], F. Kotler [3], F. Sherer, D. Ross, F. Vud, R. Merfi, D. Krevens [4], R. Fatxuddinov [5] and others studied profoundly. Aware of market researchers from Uzbekistan: A. Fattachov [6], J. Jalolov, M. Ikramov, A. Bekmurodov, M. Kasimova, Sh. Ergashhodjaeva [7] and others have widely covered the concept of wholesale trade, commerce services, brand strategies.

Theoretical aspects

One of the priorities of socio-economic policy in the process of economic reform in Uzbekistan is to increase the competitiveness of manufacturing enterprises, to create modern services for timely



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delivery and sale of high-quality, competitive products to external and internal markets, and to effectively utilize these capacities. . In the context of contemporary economic development, enterprises with the production and sale of demanded products are gaining momentum in the market. The most effective type of trading services is wholesale and wholesale trade development helps to identify the future plans of manufacturing companies.

It is crucial to develop marketing research in developing the country's wholesale trade, develop promising strategies for the production of new products and services, develop scientifically-practical foundations such as competitive and export-oriented and improved marketing-oriented products. In this regard, one of the topical issues of today is to raise the competitiveness of products in domestic and foreign markets in the wholesale trade, to expand the range of new goods and services, and to develop scientifically sound proposals and recommendations on the effective use of commodity strategy in the development of promising wholesale markets for product sales.

Famous marketer F.Kotler describes the concept of wholesale sales as follows: "Wholesale is a sale that includes any activities for the sale of goods or services to buyers for professional use."

Wholesale trading enterprises vary from one to another depending on the characteristics of retailers:

First of all, the wholesale trade does not pay attention to the promotion of trade, instead of the place of its business venture and environment, because it treats not only the ultimate consumers, but also mostly professional clients.

Secondly, the sales area of the wholesale trade is greater than that of a retail outlet, which is usually higher than retail sales, with the volume of wholesale transactions.

Thirdly, the government and the retail sector are subject to varying degrees of legal and regulatory authority.

Wholesale trading companies ensure the efficiency of the trading process. Nowadays, retailers and manufacturers have every reason to resort to the services of wholesalers. Manufacturers and retailers may, with the help of wholesalers, perform one or more of the following functions efficiently:

1. Sale and promotion;
2. Formation of goods and brand assortment;
3. Divide large party goods into smaller parties;
4. Storage in warehouses;
5. Transportation by traffic;
6. Financing;
7. Risk acceptance;
8. Providing market information and more.

Most of the features of the wholesale trade have been studied by the authors as their main and auxiliary features. The basic functions of the wholesale trade are reflected in the bilateral service

oriented to its production and retail market. The following are the functions of wholesale trade within the manufacturing industry [8]:

- incentives and centralization of business activities of all types, forms and forms;
- active participation in designing and designing production of goods and services, increasing the overall quality of produced material resources;
- Organize and process investments in ready-made material resources and create new channels of merchandising;
- Preventing and minimizing the risks of business risks in the life cycle of marketable goods and services, diametrically contraversing business risks;
- Implementation of the real market principles, taking into account commercial interests of other market entities in order to benefit from the formation of the concept of optimal logistics of modern production based on commercial requirements.

Wholesale trade, as well as retail, carries out a number of key functions that address the needs of individual users of goods and services [9]:

- Continuous and systematic study of the current demand constraints of specific target market segments;
- Change of large-scale production assortment to existing real retail and small retail trade networks;
- Forming a service infrastructure at the expense of own funds and attracted funds for the purpose of equality of trade organizations with tangible assets;
- Carry out the technological operations of internal warehouse associated with the process of storage of commodity stocks;
- organization of timely delivery of goods to retail chains;
- provision of consumer and consumer loans (retail trade) with financial and commercial loans;
- Providing information services to existing and potential buyers who purchase wholesale goods and complex services.

Apart from the basic functions of wholesale trade, it also carries out all the auxiliary complex functions associated with the infrastructure that provides wholesale and retail sale. These auxiliary functions include seasonal and temporal storage, packaging and sorting in wholesale trade organizations, reorganization of large commodities markets by the requirements of consumer market or other wholesale merchandise [10].

Wholesale trade is the main link of commodity circulation in the market and the basis of the public distribution of goods. Accumulating the dispersed commodity resources of individual manufacturers, the wholesale enterprise has the ability to form a product range and supply the retail trading enterprise in accordance with the requirements and specifics of the local market. Wholesale trade in market

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conditions most actively solves the problems of the market organizer, since it is directly connected with both the manufacturer and the consumer. It is she who has real information about supply and demand, trends in their development, and therefore, has the ability to realistically assess the market situation, form a commodity offer in the consumer market in accordance with the volume and structure of demand.

The regulatory role, which is manifested in the construction of an efficient distribution policy in order to maximize the satisfaction of final consumers and obtain high economic results, necessitates the

effective management of distribution channels. Thus, improving the efficiency of the distribution network and its optimization is one of the most important criteria for the effective functioning of wholesale enterprises.

Distribution channels (distribution channels, distribution network) are all organizations acting as intermediaries or participants in sales, assuming or helping to transfer ownership of the goods to another person; This is the way in which goods move from the supplier to the final consumer.

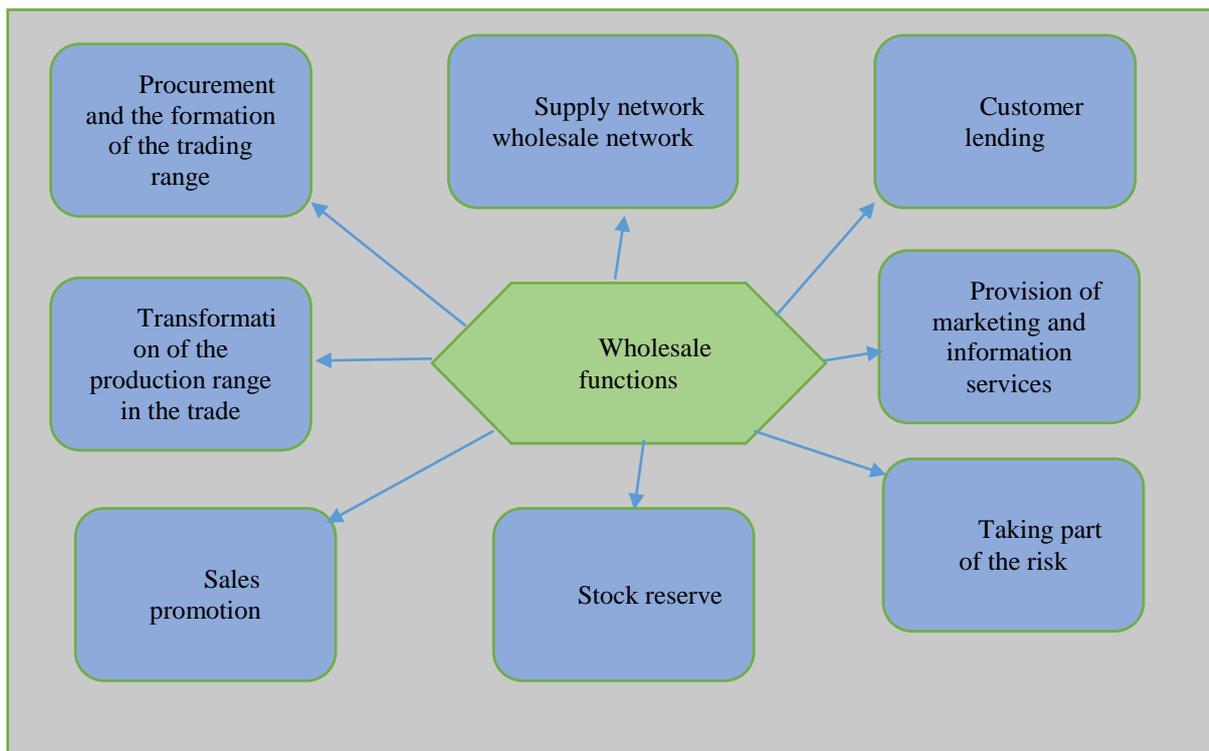


Fig. 1. Wholesale functions.

When building a system of distribution channels, wholesalers should take into account such features of their business as the characteristics of their company, product, target end-users, as well as existing competitors. Let us explain how this affects the choice of distribution channel.

Characteristics of consumers. This refers to the final consumers of the product. We highlight a number of characteristics of consumers that influence the selection and formation of the structure of distribution channels:

- Number of consumers. This characteristic determines the complexity of reaching the target market. A large number of consumers require an extensive distribution channel network (as a rule, long channels), while a small number will have a rather simple structure (a short channel is possible).

- The degree of consumer concentration. If customers are not concentrated (scattered over a large area), then a developed channel structure is required (as a rule, long and wide channels); if concentrated in one (several) place, a simple (short) channel is possible.

- Frequency of consumption. High frequency requires constant availability and ease of access, and therefore, a complex (long and wide) distribution channel.

- Amount of purchase. With a large amount of consumption, the frequency of purchases decreases, with a small - increases. Accordingly, the structure of distribution channels can be simple and complex.

- Involvement in the purchase process. With high involvement in the buying process, the consumer is usually ready to put up with a small prevalence of goods on the market and even engage

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in special searches for goods. In this case, a short and narrow distribution channel is possible. With low involvement, the consumer purchases goods in the nearest outlet, therefore, in order to strengthen its competitiveness, the company must saturate the market with its goods, which requires a complex branched distribution channel structure.

Analysis and results

If we analyze the development of wholesale trade in Uzbekistan in recent years, the number of enterprises and firms engaged in wholesale trade in the country by 2016 is more than 11.9 thousand. In 3773 organizations, trade turnover exceeded 1 billion soums. The wholesale trade turnover in the republic amounted to 38.3 trln. It is worth noting that in comparison with 2015 the figure increased by 16.5%. The share of large enterprises in the wholesale trade turnover was 33.9%, the share of small enterprises and microfirms - 66.1%. In the structure of wholesale trade, the share of foodstuffs was 21.3 percent (8152.3 billion soums), and the share of non-food products made up 78.7 percent (30149.7 billion soums).

In 2017, wholesale trade turnover in Uzbekistan amounted to 45,410.0 billion soums. or 101.1% to the level of 2016. In spite of the growth of total wholesale trade turnover in comparison with the previous year, the wholesale trade turnover of large enterprises decreased by 10.4%, amounting to 13 630.2 billion soums. In particular, the wholesale trade turnover of large enterprises compared to the previous year increased: in the Republic of Karakalpakstan - 88.8%, in Andijan - 87.8%, Bukhara - 97.5%, Jizzakh - 99.3%, Kashkadarya - 90.6% - 84.1 percent, Samarkand - 83.3 percent, Tashkent - 88.7 percent, Fergana - 93.9 percent and Tashkent city - 85.8 percent. The wholesale trade turnover of small enterprises and microfirms increased by 7.0 percent and amounted to 31779.8 billion soums. The share of wholesale trade in the total volume of goods turnover was 70.0% [12].

During the process of deepening economic reforms in Uzbekistan, a great deal of attention is paid to the development of domestic production, export promotion and the import of our markets with import-substituting products. As a result of the measures taken to increase the competitiveness of the sectors in the modernization and diversification of the economy, there is still a reduction in the impact of the global economic downturn and the impact on the main export points of the world on the world market.

It is crucial for local businesses that provide wholesale services to pay attention to the needs of consumer goods and their prognosis, market position and market access, following the marketing principles in their activities. The importance of

organizing modern sales services and timely delivery of high-quality, competitive products to consumers on the domestic and foreign markets is crucial. In the context of contemporary economic development, enterprises that produce and sell demanded products are gaining momentum on the market. Wholesale trade is one of the most effective sales services, which will greatly assist in the identification of future plans of local producers.

The development of scientific-practical foundations of such issues as organization of marketing research in the development of wholesale trade in the republic, development of promising strategies for the production of new products and services, development of competitive and export-oriented and export-oriented marketing research.

Conclusions

In this regard, one of the topical issues of today is to increase the competitiveness of products in domestic and foreign markets in the wholesale trade, expand the scope of new goods and services, and elaborate scientifically sound proposals and recommendations on the effective use of commodity strategies for the development of prospective wholesale trade markets for products. Achieving effective sales of domestic products in the implementation of large-scale measures to increase exports and reduce imports in Uzbekistan, as well as deep implementation of marketing research, in particular, the effective use of modern methods in the wholesale trade of goods. In this regard, it is necessary to implement measures to increase the competitiveness of goods in domestic and foreign markets.

In order to increase the competitiveness of goods in domestic and foreign markets, we believe it necessary to implement the following measures for the development of wholesale:

- broader marketing research in the country to develop and expand the wholesale trade;
- Carrying out scientific research on increasing the effectiveness of wholesale trade;
- Development of ways to increase marketing effectiveness in wholesale trade;
- creation of computer programs for the organization of electronic wholesale trade;
- Improvement of the marketing strategy in the wholesale trade and its effective implementation;
- Identify directions of effective sales of goods in wholesale trade using various scientifically-based models;
- Increase their capacity by introducing innovation marketing technologies in wholesale trade;
- forecasting market conjuncture in wholesale trade and improving the methodology for determining market capacity;



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- Improvement of mediation in the implementation of wholesale trade in terms of commodity strategy;

- Implementation of pricing policy and competitive advantage strategies in the implementation of commodity strategies in wholesale trade, etc.

In the event of consistent implementation of such measures, wholesale trade in Uzbekistan will be further developed, thereby increasing the competitiveness of domestic goods both domestically and internationally and achieving their effective sales.

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