

WAYS TO INCREASE THE EFFECTIVENESS OF USING MARKETING STRATEGIES IN THE DEVELOPMENT OF THE CONFECTIONERY MARKET

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Annotation

This scientific article describes the formation of a marketing strategy in meeting consumer demand for confectionery products, the choice of competitive advantage (cost advantage, market opportunity advantage, etc.), the achievement of strategic goals set by the enterprise using the competitive advantage of its choice, the choice of a base marketing strategy based on a certain advantage, proposals and recommendations on ways to improve the marketing strategy.

Keywords

consumer market, food market, confectionery, marketing strategy, competitive advantage, market opportunities, confectionery, base marketing strategies, alternative strategy, price strategy, distribution strategy, shift strategy, segmentation strategy.

Introduction. A key factor in the growth of confectionery sales within market economies is the development of effective marketing strategies tailored to each specific competitive advantage. In a competitive market, it is essential for businesses to select appropriate marketing strategies to optimize their market performance. This process involves aligning a company's capabilities with market demand, and developing marketing strategies based on thorough market research, strategic planning, and comprehensive studies of both product lines and consumer behavior."

"The global confectionery market is currently witnessing a growing trend towards healthy eating. Notably, between 2020 and 2024, international consumers have shown an increased preference for lighter, more easily digestible sweets. In response, confectionery businesses are increasingly incorporating natural sugar substitutes into their products.

Ensuring food security and adequately supplying the consumer market with food products is crucial for maintaining stability in our Republic. Agriculture and

related food industries, including the confectionery market, play a vital role in achieving this goal. The confectionery market contributes to food security by meeting the population's needs, supporting economic growth. In this context, the President of the Republic of Uzbekistan, Sh. Mirziyoyev, emphasized in a joint session speech to the Legislative Assembly of the Republic of Uzbekistan that "the issues of agricultural reform and food security will undoubtedly remain one of our most important tasks" [1].

"The global confectionery market is currently witnessing a growing trend towards healthy eating. Notably, between 2020 and 2024, international consumers have shown an increased preference for lighter, more easily digestible sweets. In response, confectionery businesses are increasingly incorporating natural sugar substitutes into their products.

Nielsen research indicates that 67% of consumers actively monitor their diets to prevent disease, while 39% limit their sugar and fat intake. These changes in consumer habits are reflected in purchasing behavior, with 74% of buyers in Russia carefully examining the composition of food and beverages before purchasing, and approximately 70% of consumers willing to pay a premium for products free from harmful additives [2]. Consequently, there is a growing consumer preference for natural confectionery products, without harmful additives, artificial flavorings, and genetically modified organisms.

Ensuring food security and adequately supplying the consumer market with food products is crucial for maintaining stability in our Republic. Agriculture and related food industries, including the confectionery market, play a vital role in achieving this goal. The confectionery market contributes to food security by meeting the population's needs and supporting economic growth. In this context, the President of the Republic of Uzbekistan, Sh. Mirziyoyev, emphasized in a joint session speech to the Legislative Assembly of the Republic of Uzbekistan that "the issues of agricultural reform and food security will undoubtedly remain one of our most important tasks" [1].

To meet these evolving consumer demands, confectionery enterprises should develop programs that integrate measures to organize and systematize their marketing activities for the development of effective marketing strategies. These programs should be structured on the principles of openness, systematicity, accuracy, and speed. Adhering to these principles will help ensure that marketing strategies are not only thorough and reliable but also facilitate well-informed management decisions, thereby strengthening the enterprise's market position."

Analysis of thematic literature. "The food goods market is characterized by the interplay of consumer needs and effective demand, facilitated by continuous

interaction between producers and consumers. The efficiency of this interaction, and the overall effectiveness of the consumer market, is largely dependent on the development of its infrastructure. A well-developed infrastructure is essential for fostering harmonious relationships within the region's food market, enabling the formation of Agricultural Market Relations among market entities.

The food goods market infrastructure comprises an interconnected complex of elements. These include wholesale and retail trade, material and technical supply and warehousing, finance and credit, insurance, information systems, and the legal and regulatory framework. These components operate within the country's socio-economic environment and contribute to effective interaction among market participants.

The emphasis on food safety in our country is yielding positive results, as evidenced by Uzbekistan's improving position in global rankings. The United Nations Food and Agriculture Organization's 2024 Global Hunger Index, which assessed 127 countries, categorized Uzbekistan as a "low-hunger" country [3].

Marketing strategy plays a crucial role in the effective management of manufacturing enterprises. It serves to align the enterprise's activities with market conditions through comprehensive market analysis and to define the enterprise's development prospects.

To fully understand the concept of marketing strategy, it's useful to consider the definition of "strategy" itself. Originally a military term, "strategy" refers to the set of tools employed to achieve specific goals in confronting an adversary. The term was first used by the ancient Greeks to describe the actions of their commanders, or strategists [4].

In a marketing context, strategy involves the establishment of an enterprise's long-term primary goals and objectives, ensuring the coherence of its actions, and allocating the necessary resources to achieve those goals [5]. Another perspective defines marketing strategy as "the search for an answer to the question of how to act to achieve the goal of studying and organizing the market for goods and services" [6].

More broadly, "marketing strategy is the alignment of an enterprise's capabilities with the market situation, and the definition of a set of means for achieving the established goals" [7].

In essence, a marketing strategy is a comprehensive plan for an enterprise's marketing activities within its target market. It encompasses the primary areas of the enterprise's marketing activities and the elements of the marketing mix.

A marketing strategy is oriented towards establishing demand-driven production and generating profit through product sales. This involves several key processes:

- Systematic analysis of the needs and demands of key consumer groups, and the development of a product and service concept that enables the enterprise to better serve the selected customer segments than its competitors, thereby gaining a competitive advantage.
- Analysis of the needs of enterprises and individual consumers.
- Definition of the enterprise's goals and the development of an overall development strategy.
- Development of the enterprise's strategic policies in the areas of product development, pricing, communication, distribution, and sales, considering the factors of the evolving marketing environment.

For domestic consumer markets, and particularly the confectionery sector, to be effectively saturated with food products, manufacturing enterprises must develop and implement comprehensive and well-designed marketing strategies. A critical consideration in this process is accounting for the specific characteristics of both the industry in which the enterprise operates and the products it manufactures and offers to the market."

Research Methodology

This article employs a range of scientific research methods, including comparative analysis, economic comparison, analysis of existing challenges in the application of marketing strategies within the confectionery market, logical reasoning, scientific abstraction, analysis and synthesis, and both inductive and deductive approaches.

Analysis and Results

In our assessment, PEST analysis is a particularly suitable tool for strategic analysis of the macro-environment. PEST analysis is a marketing framework used to identify the political, economic, social, and technological factors in the external environment that can influence a company's business.

The PEST analysis conducted indicates increasing competition among manufacturers in the Uzbek market, particularly among domestic producers.

Currently, the confectionery market in Uzbekistan has not reached full saturation. The product range and variety remain limited, although sales volumes are gradually increasing. Competition is intensifying both between domestic and foreign manufacturers and among the market participants already operating in this sector."

Table 1.

PEST analysis of the confectionery market of Uzbekistan

Political factors	Economic factors
<ul style="list-style-type: none"> - support of confectionery manufacturers; - new technology and technology, non-availability of tax duties; - irregular sugar supply; - the involvement of foreign investors for the development of the network. 	<ul style="list-style-type: none"> - decrease in real incomes of the population; - rise in inflation; - increased share of domestic manufacturers in the confectionery market (up to 60%); - growth in the turnover of wholesale and retail trade in domestic confectionery products; - high level of competition in the market at the expense of market participation of world-renowned leading enterprises of the confectionery industry.
Social factors	Technological factors
<ul style="list-style-type: none"> - the total number of consumers of confectionery products is growing; - consumer "thirst for sweetness"; - a relatively low level of income, the impact of advertising and, accordingly, relatively low prices force people to choose their products from more domestic manufacturers. - the culture of "kneading" to various traditional events (wedding weddings, aqiqat weddings, "circumcision weddings", funeral, "divine" and "donation" works with various cultural and traditional reasons) is a stimulus for the development of the confectionery market, especially in local productions due to relatively low prices. 	<ul style="list-style-type: none"> - improvement of production; - purchase of equipment of a new kind, which allows you to produce products with two to three different additives at the same time; - at the expense of new equipment, the total range of manufactured products on the market will increase; - improving the technology of sales and movement of products on the basis of digital technologies.

"As the PEST analysis illustrates, social, economic, and technological factors are contributing to the expansion of the confectionery market, particularly benefiting domestic producers. However, competition is intensified by the presence of international firms with advanced technological capabilities and extensive experience in distribution and logistics. To effectively compete, medium- and small-sized confectionery enterprises must enhance their competitive advantages through the implementation of well-defined marketing strategies.

The findings of this study include a SWOT analysis of 'N. Medov' Limited Liability Company, along with Sladus Produce Limited Liability Company and Crafers Limited Liability Company."

Table 2

SWOT analysis of the confectionery factory "N.Medov"

Strengths	Weaknesses
<ul style="list-style-type: none"> - popularity in the Uzbek market, strong brand; - solid economic condition; - large investments including advertising budget; - modern equipment; - presence of its own receptor; - active implementation of innovations; - strong position in the "economy" class; - constantly growing assortment; - regularity of advertising; - production capacities. 	<ul style="list-style-type: none"> - lack of assortment width; - absence of products in the "premium" class; - lack of his own creative ideas when creating advertising; - the unavailability of international market access.
Options	Risks
<ul style="list-style-type: none"> - expanding the range; - use of innovations; - the leading place in the production of class products "economy"; - increase production capacity. 	<ul style="list-style-type: none"> increased competition in the market segment that the firm is using.

Table 3.
SWOT analysis of the limited liability company "Crafers"

Strengths	Weaknesses
<ul style="list-style-type: none"> - Popularity in the Uzbek market; - use of natural products; - wide range; - presence of a specific receptor; - consumer confidence; - availability of a type of product in the "premium" class; -high quality of raw materials in use. 	<ul style="list-style-type: none"> - lack of investment; - lack of innovation in production; - the absence of a wide trade market, including its own trading places; - the absence of the production of specific products that are fundamentally different from the products of competitors.
Options	Hazards
<ul style="list-style-type: none"> - there are growth opportunities of the enterprise based on product quality benchmark; - creation and development of a marketing company; - increase market share in the "economy" class; - expand the sales market through its own trading locations. 	<ul style="list-style-type: none"> - dependence on the supply of raw materials, can cause interruptions in production; -the increase in the prices of raw materials leads to a change in the price of the product, a variety of demand; - product owners of the same variety, only with a lower quality-an increase in the number of competitors; - obsolescence of existing equipment; - loss of the "premium" class.

The composition and geography of product sales are differentiated in a unique way. In particular, in the regions, districts that are far from the center, the price segment is more convenient, they consume cheaper products, the price is relatively high in the city of Tashkent. This is explained by the high demand in Tashkent for solvency in relation to the regions. However, in terms of the volume of consumption, the regions are several times superior to Tashkent.

How the size of the market share of domestic manufacturers has increased several times in recent years, in particular, earlier the domestic manufacturer had 15 % of the market size, and now the share of domestic manufacturers is 60 %. In fact, the capacity of the confectionery market has a much wider potential compared to the state it occupies today, but achieving the maximum level of consumption in the country without the necessary support of the network is a complex issue.

Table 4

SWOT analysis of the confectionery factory "Sladus Produce"

Strengths	Weaknesses
<ul style="list-style-type: none"> - solid economic condition; - export 80% of its products abroad; - possession of new technologies; - presence of its own receptor; - strong position in the "economy" class; - constantly growing assortment; - expansion of production capacity; - research on opening new routes; - the fact that Drage specializes in products and there are no competitors in this direction. 	<ul style="list-style-type: none"> - not popular in the domestic market; - lack of assortment width; - Failure to provide products of the "Premium" class; - lack of his own creative ideas when creating advertising; - based on more manual labor; - the scarcity of powerful technologists.
Options	Risks
<ul style="list-style-type: none"> - conduct marketing research; - establishment of the marketing department; - expansion of the assortment of confectionery products; - establishing the production of flour confectionery products; - diversification of production (flour confectionery); - effective use of advertising; 	<ul style="list-style-type: none"> - increased competition in the market segment used by the firm; - increased production of contrafactual products.

<ul style="list-style-type: none"> - use of innovations; - The leading place in the production of class products "economy"; - improvement of production capacity. 	
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Market segmentation is considered strategically important for confectionery enterprises. The segmentation strategy is the backbone of competitiveness. The market segmentation strategy is aimed at providing resources for areas of activity with high usutnness, and assumes that the strengths and weaknesses of the enterprise are taken into account when choosing marketing methods (Figure 1).

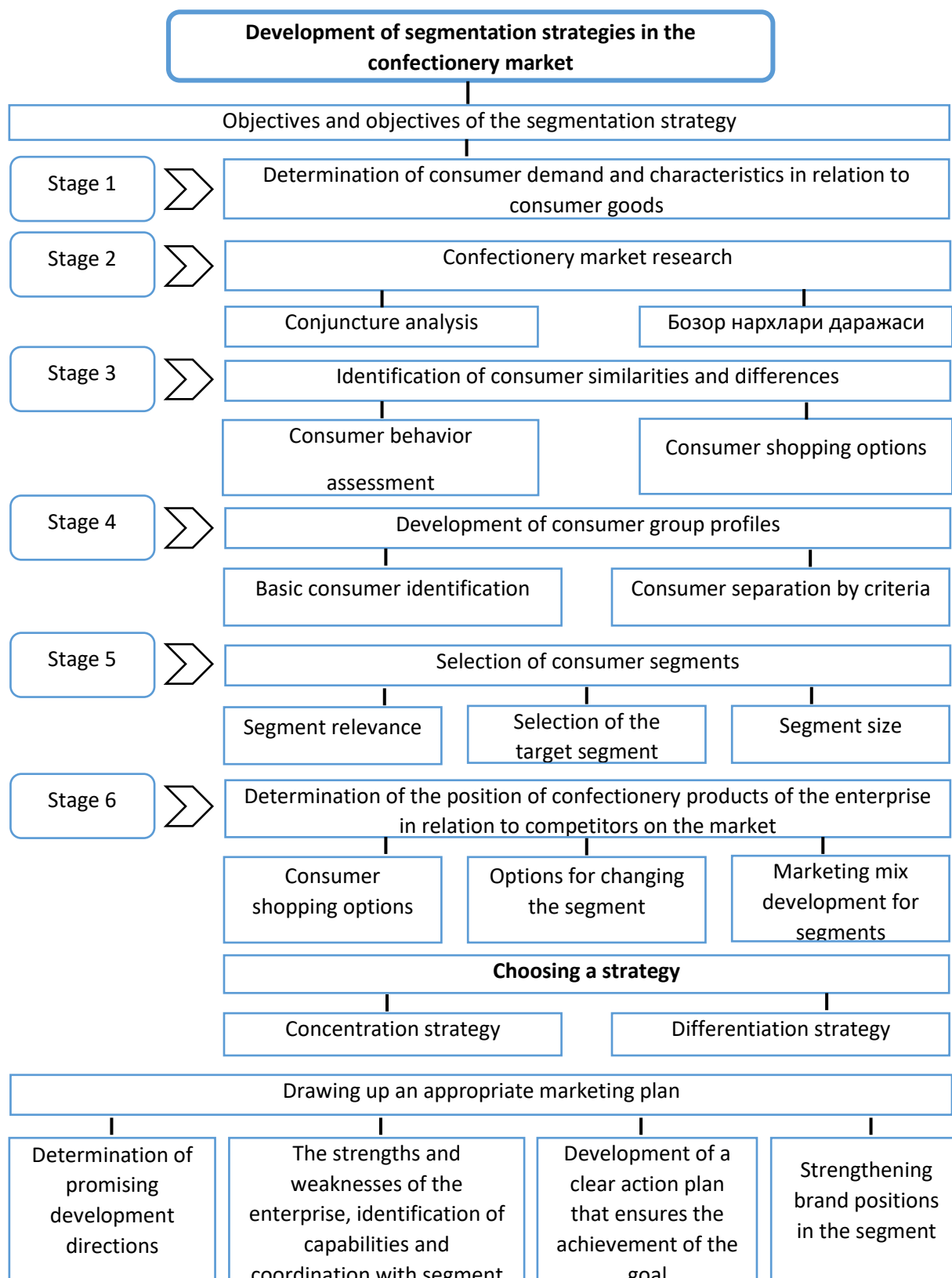


Figure 1. Conceptual model for the development of segmentation strategies in the confectionery market

- most confectionery enterprises are equipped with technologies that allow the production of competitive, high-quality products in large volumes. The production of products from original, natural raw materials is widely used;

- due to the fact that all leading participants in the market have a wide and large assortment, it makes it difficult to conduct targeted marketing research of product types;

- exports of products produced in all of the considered confectionery enterprises are also established. But, exports are usually limited to countries within the CIS;

- for all enterprises, the same risks are inherent-dependence on the supply of raw materials, high tax duties on imported raw materials, constant increase in sugar prices, increase in inflation in the country.

"In our view, to effectively supply the food market with high-quality, affordable confectionery products, enterprises must closely monitor consumer preferences and possess a comprehensive understanding of the competitive landscape.

The following key conclusions can be drawn regarding market segmentation strategies for confectionery enterprises:

- A segmentation strategy enables an enterprise to operate across multiple segments, with each segment focused on the research and satisfaction of specific consumer needs, desires, and requirements related to confectionery products.

- By segmenting the confectionery market, enterprises can tailor their product offerings, advertising strategies, distribution systems, and pricing for each segment. This approach stimulates the development of new products and facilitates the creation of a more effective marketing mix.

The development of a market segmentation strategy can be structured into a six-stage model:

1. Determining consumer demand and characteristics in relation to confectionery goods.
2. Conducting thorough research of the confectionery market.
3. Identifying similarities and differences among consumers.
4. Developing detailed profiles of consumer groups.
5. Selecting target consumer segments.
6. Determining the positioning of the enterprise's confectionery products relative to competitors, and developing a corresponding marketing plan.

It is crucial to develop an enterprise's marketing strategy based on a thorough understanding of consumer behavior, as this forms the foundation for planning and coordinating all other aspects of the enterprise's activities (Figure 2).

Implementing marketing research in the confectionery market, based on this model, provides valuable insights for analyzing the effectiveness of segmentation strategies, assessing the achievement of set goals, understanding evolving consumer needs and preferences, and aligning production accordingly.

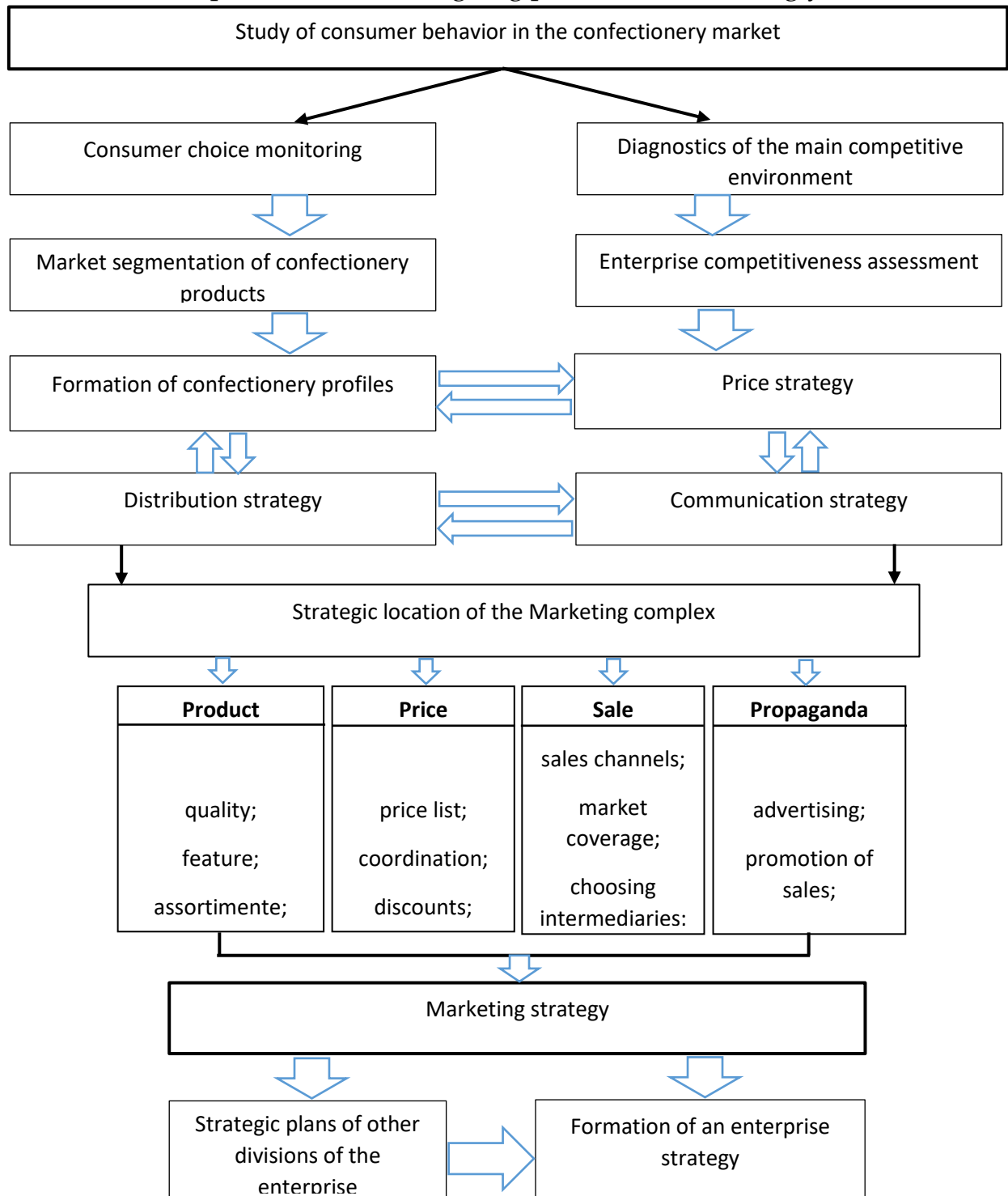


Figure 2. Marketing Strategy for Studying Confectionery Consumer Behavior

When supplying the food market with confectionery products, enterprises should develop a general strategy encompassing the enterprise's mission, goals, and priorities.

To effectively study consumer behavior and develop targeted strategies, programs, and plans, it is essential to determine, based on research findings, the specific consumer groups that Sladus Produce and Crafers Limited Liability Companies are catering to.

Data obtained and analyzed through marketing research serves as a critical database, providing the groundwork for informed planning of enterprises' marketing and business activities.

In developing their marketing strategies, confectionery enterprises should address key questions, such as: "For whom are we producing?", "What are we producing?", and "How effectively are we meeting the needs of our target customers?"

Furthermore, enterprises should develop a detailed marketing mix to support the implementation of promising development programs tailored to the selected market segment."

The study results indicate that 'Sladus Produce' Limited Liability Company's product strategy should focus on several key areas: developing new products, further enhancing product competitiveness, extending its product policy to both domestic and international markets, and expanding its product range.

Product diversification, particularly through the introduction of new product types, is crucial. This necessitates the development of clear criteria and certification processes to accurately assess the novelty of a product.

When evaluating product novelty for confectionery enterprises with a broad product portfolio, the following aspects are important:

1. The addition of a new natural ingredient to a traditional product.
2. The substitution of one ingredient in a traditional product with another natural ingredient.
3. The introduction of a previously unproduced product within the enterprise's network.
4. The introduction of a product not previously produced in the country.
5. The introduction of a product that is new to the food industry as a whole.

All efforts aimed at enhancing the quality and competitiveness of confectionery products should be guided by clearly defined priorities within a comprehensive marketing strategy.

As is well established, the implementation of a product policy in the market requires the development of an appropriate marketing strategy. International research identifies several key marketing strategies [8]: differentiating a product's appearance from that of competitors; developing a distinct marketing mix for each market segment; identifying appropriate applications for each product type; and actively shaping and promoting demand, and introducing new products to new markets.

Currently, confectionery enterprises in the domestic food market are undergoing significant qualitative changes. It is important to align product offerings with the prevailing consumer perception in Uzbekistan that domestically produced goods are superior to imported ones.

The effectiveness of an enterprise's pricing strategy is critical to its success. A well-chosen pricing strategy can significantly increase sales volumes and profitability. 'Sladus Produce' Limited Liability Company has formulated an effective pricing strategy, resulting in confectionery products that are considered affordable in both the Uzbek market and neighboring countries. The company aims to set prices that ensure a normal level of profit while covering all production costs. To achieve this, the enterprise regularly monitors competitor products and pricing.

An enterprise's success depends on meeting customer needs and achieving its established goals. However, certain shortcomings may hinder further development. Addressing these shortcomings is essential for strengthening the enterprise's position in the confectionery market. For example, the enterprise faces a shortage of qualified confectionery specialists and technologists. In the near term, recruiting additional technologists and marketing professionals is necessary to expedite the achievement of company objectives.

At the same time, the enterprise should focus on:

- Further improving product quality.
- Diversifying the range of products for both domestic and export markets.
- Developing a proactive marketing strategy to identify and penetrate new market segments.
- Providing regular updates to both potential and existing customers and end-users regarding new product offerings and their benefits.

Analysis of marketing research on meeting the population's needs indicates several key trends, including the acceleration of new investment projects and increased investor involvement by domestic developers, with targeted growth in the production of children's food (up to 10%), butter, cheese and brineza (36%), sugar (73%), and confectionery products. [9]

Our research indicates that the Uzbek confectionery market is experiencing dynamic growth. The further development of confectionery production in the republic is contingent on several factors:

- Expanding the variety of confectionery products.
- Implementing effective marketing research and policies by manufacturing enterprises.
- Optimizing the use of new technologies and equipment.
- Utilizing modern packaging materials and techniques.
- Increasing investment in the confectionery industry.
- Enhancing the availability of knowledgeable and creative professionals and technologists in the confectionery sector.

While confectionery products may not be classified as essential food items, they play an important role in replenishing the body's energy reserves. Their attractiveness and appeal make them highly popular among consumers, resulting in significant purchase demand.

To achieve the goals outlined, it is necessary to translate them into specific, actionable tasks. Key tasks in implementing a confectionery network development strategy include fostering innovation and modernizing existing enterprises.

The implementation of these tasks requires the effective management of various resources. The enterprise's financial resources, including the rational use of its own funds and the attraction of investments, are critical. Additionally, the modernization of infrastructure, technology, and equipment should be prioritized. Promoting technical modernization within the confectionery network, developing its infrastructure, and implementing innovative projects are essential.

The management of all enterprise resources should be aligned with the overall strategy. In the context of raw materials, this includes developing the local raw material base and regulating import-export operations through customs tariffs.

Finally, ensuring the availability of skilled confectionery production technologists through training, professional development, and social support for small businesses is crucial for the development of the national confectionery industry and the successful implementation of its development strategy."

"We believe that the development and implementation of strategies for the confectionery market should include measures related to product sales. These include protecting the domestic market from illegal confectionery products, regulating customs tariffs on finished confectionery goods, and developing a confectionery certification system.

In conclusion, the key conditions for successfully establishing a well-regulated consumer goods market include reducing the import of illegal confectionery

products, stimulating domestic confectionery production, developing the production of essential raw materials, and promoting innovation.

The popularity of confectionery products in our Republic is rooted in our national traditions and culture. They are a staple at various events, holidays, weddings, and celebrations.

Our research indicates that the growth of confectionery production and market development is influenced by the dynamics of the flour, sugar, and oil markets. Additionally, the availability and cost of flavorings, thickeners, essences, preservatives, dried fruits, nuts, and other confectionery ingredients play a significant role.

In summary, the analysis of the confectionery market reveals several distinctive features. In addition to general economic factors such as electricity and freight tariffs, and changes in taxation, this market is also significantly influenced by factors such as global prices for raw materials (including cocoa, sugar, and nuts, which are not produced in Uzbekistan) and the state's foreign economic policies (including customs tariffs, quotas, and trade benefits).

Enterprises with limited capital often struggle with poor market competitiveness. This is due to several factors. First, domestic manufacturers tend to rely on traditional product sales systems that are not aligned with modern market demands. Second, local enterprises often lack the financial resources and expertise needed to effectively develop and implement comprehensive marketing strategies. Third, advertising costs represent a significant financial burden for domestic producers."

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