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# The Role of Marketing in Small Business and Entrepreneurial Activity

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**Annotation:** *Marketing is the process of understanding consumer problems and regulating market activity and directing it to the goal. Small business enterprises with different forms of ownership should be closely connected with the marketing plan for production and sales activities. The marketing concept envisages making decisions in all spheres of activity of a small business enterprise in the market from the point of view of ensuring its overall success. This situation should be reflected in various types of organizational, management and sales work.*

**Keywords:** *small business, small business entities, marketing, enterprise, market, commodity, functional-commodity, functional-market, functional-geographical, commodity-geographical, commodity-market.*

## I. INTRODUCTION

Marketing services operating in enterprises of different sectors differ from each other in the principles and forms of organization. Most of the literature mentions five principles of organizing marketing services and two forms of its management.

Marketing embodies a philosophical way of thinking. In general, we can define marketing as follows: marketing is a type of human activity aimed at satisfying needs and wants through exchange. One of the main reasons for the emergence of marketing is the increase in the volume of production, the emergence of new industries, the increase in the types of goods, and the emergence of the problem of product sales among entrepreneurs.

It is necessary to indicate the following from the main areas of comprehensive market research on the basis of marketing:

- 1) Demand study;
- 2) Determining the composition of the market;
- 3) Product research;
- 4) Research of competitive conditions;
- 5) Analysis of sales forms and methods.

## II. MARKETING PROMOTES

- 1) Market research;
- 2) Its distribution;
- 3) Placement of goods;
- 4) Conducting marketing policy;
- 5) Commodity policy;
- 6) Price policy;
- 7) Distribution policy;
- 8) Shift (orientation) policy;
- 9) Upgrade, additional services (Plus) - (including brand, after-sales service, warranty and technical support, delivery,
- 10) Assortment, personal consumption, etc. can be included).

Each enterprise relies on its internal capabilities and chooses the most suitable one. These principles are: 1) functional; 2) geographical; 3) goods; 4) market; 5) can be combined. According to the first principle, each function of marketing (advertising, new product creation, sales, research, marketing planning, customer service, etc.) are subject to the deputy. The efficiency of such an organizational structure is high in enterprises with a small range of goods. As a result of the increase in the range of products, on the contrary, the efficiency decreases. Enterprises that sell goods on a large scale are mainly based on the second (geographical) principle. In this case, they organize the company's activities by regions, and organize independent marketing services in each of them. In turn, they all report to the company's vice president for marketing. Enterprises with a wide product nomenclature mainly organize marketing using the third (commodity) principle.

In this case, separate marketers operate for each type of product and are responsible for the sale of brands assigned to them. Based on the fourth principle (market), firms organize marketing services based on the characteristics of market segments. It takes into account the customer's behavior, taste, ability to pay and other indicators. In practice, in addition to marketing services based on the first four principles, they are also used in combination. For example: it can be functional-product, functional-market, functional-geographic, product-geographic, product-market. As a result, there is a marketing service organization principle based on the fifth (combined) principle. Along with the principles listed above, there are two forms of marketing organization. These are: project; matrix. In the first one, the person responsible for each product is given broad powers and provided with individual specialists and other necessary material resources. Each of the groups working separately is a separate project. Each of them is subordinate to only one leader. This can also be called vertical management. In the second, the projects are interdependent, and each one is subordinate to several leaders. The advantage of this form over the first one is that the necessary material resources for each project are not brought separately, but the received resources are used together, which leads to a decrease in costs.

Based on the principles and forms of marketing service organization, in order to organize marketing services in small business entities, in all of them such work is performed not by individual full-time employees, but by the head of the enterprise or his deputy. Along with marketing work, they perform several tasks (accountant, manager, technologist, supplier, etc.). Although most of these leaders have higher, secondary and special education, they are engineers and technologists by specialty. Some of you don't even understand the meaning of the word "marketing". Most of the small enterprises have up to 25 workers and employees, about 90% of them are direct participants in production, and the rest are indirectly involved in this process. If the number of personnel is insufficient, the head of the enterprise will have to directly participate in economic operations. The main part of them are enterprises that have not been established for a long time and are just establishing business. Most of the employees have interchangeable qualifications and experience, the division of labor and specialization has not deepened, and the leader is responsible for solving issues at different levels. Determining the amount of production, supply, management, customer attraction and sales are also among the main tasks of the head of the enterprise. The process of increasing the number of employees and expanding the activities of the enterprise leads to a deepening of the division of labor, in turn, each employee or worker has a function that he performs separately. The same process is observed in enterprises with 25 or more employees. In them, management of the production process, accounting, supply, and sales are assigned to individual persons, and the manager establishes general control. However, companies do not have a marketing staff or department. Therefore, the organization of marketing services, based on the principles and forms presented in the literature, cannot be directly applied to enterprises. Therefore, it is a natural necessity to propose a unique principle of marketing organization in relation to enterprises. In addition, it is impossible to apply project (vertical) or matrix organizational forms of marketing to enterprises. Because such forms require several marketing experts, more material and financial resources. Enterprises do not have such opportunities. Therefore, it is necessary to develop an organizational form of marketing specific to them. Taking into account the characteristics of the network, it is necessary to develop the organizational principle and form of marketing services and create a new model. Proposed model: understaffing of KBS; small volume of production; made taking into account the mode of working hours of managers and employees, etc. That is, in KBS, it is assumed that the employee needs to perform several functions, the production operation in the enterprise is low, and as a result, the manager can find time to deal with other functions. Based on this, the model shows that the manager or his deputy performs other functions in parallel with marketing. The difference from the listed principles is that marketing is attached as a function based on the free time and ability of KBS employees to perform marketing work. No jobs will be created and no workers will be hired to fulfill this responsibility.

In enterprises, a marketing employee must perform a number of functions related to him. They include: market research, planning, development of strategies for the elements of the marketing complex, market positioning of goods, control and analysis. In this regard, each enterprise approaches based on its capabilities, characteristics, existing conditions. In KBS, these works are carried out by the head of the enterprise or his deputy together with other functions. If the KBS are asked the question, "What kind of work does a marketing person in your company do?", most of them answer that it is production planning, control, analysis, and organization of sales. Therefore, other functions of marketing are not paid much attention in such economic entities. Some of them do not even understand the meaning of the word "Marketing". Nevertheless, most of the small enterprises are operating successfully in the market. Although they have no theoretical understanding of this issue, it is observed that they perform marketing functions in practice. Unlike the marketing services presented in the literature, our proposed model is distinguished by its compatibility with the following characteristics of KBS: lack of material, financial, and labor resources; one person to perform several functions, etc. Therefore, none of the above 5 principles can be directly applied to KBS. It is contrary to the organizational structure of marketing in KBS, as presented in the literature, in a "project (vertical)" or "matrix" form. For this reason, an option with a "horizontal" shape is offered.



At the same time, the employee performs other similar economic functions (accounting, finance, management, etc.) along with marketing work. Marketing work (research, planning, implementation of tactical and strategic plans, sales organization, analysis, control, etc.) is carried out in parallel by one employee without being subordinate to others, means "horizontal" form.

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