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# Directions of development of the services on the basis of modern marketing strategies

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## Abstract

The main problems of development of the services market in the Republic of Uzbekistan are considered in the article. Based on the strategic analysis of the BCG matrix, the development of the services market in the regions is analyzed. Based on the results of the strategic analysis, recommendations for the development of the market of services in the regions of the republic on marketing strategy have been developed

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# Introduction

One of the most important infrastructure sectors of the world economy is the transport system, and its development is one of the priorities of the national economic policy. In the context of the globalization of international trade and economic relations, high competitiveness is determined by the development of domestic and foreign markets, including the level of quality development of the transport system. According to the World Bank, 20.0% of all passenger transport by rail, including high-speed trains, which currently make up only 1.0%, is in the world (in India and Japan, passenger traffic exceeds freight traffic). At this stage, more than 2 trillion. passenger-km of passenger traffic in the global transport system is distributed by country as follows: Japan and Europe -370-380 billion passenger-km; India and China - almost 300 billion passenger-km; other countries -200 billion passenger-km[1]

One of the important factors and directions of deepening the structural transformation and diversification of the national economy, ensuring employment, improving the incomes and quality of life of our people is the accelerated development of the service sector.

The strategy of action on the five priority directions of development of the Republic of Uzbekistan in 2017-2021, adopted by the Decree of the President of the Republic of Uzbekistan dated February 7, 2017 "On the role and contribution of services in accelerated development of the service sector, GDP formation" increase of the structure of rendered services, first of all, due to their high-tech rish " has been identified as one of the key areas.

The development of marketing strategies for the consistent development of the service sector in our cities and villages is critical in addressing the priorities outlined in the cost strategy.

# Literature review

The services sector is one of the fastest growing sectors of the economy, and the experience of developed countries shows that demand for services is growing as a result of complication of production and saturation of the market. It is the most important tool in furthering the level of development of the services sector, providing new and modern services to the population, ensuring economic growth and addressing employment, especially in rural areas.

Theory and Methodology of Marketing Research in Marketing Research in Research and Development by J.J. Lamben [2], F. Kotler, F. Armstrong [3], M. Porter [4], E. Dix tel, X. Hershgen [6] J. O'Shaughnessy [7], Walkerml. O. [8], N Malhotra [9],

The service sector saves material, labor and financial resources, maximizes a person's free time, increases the creative content of his or her work, reduces unreasonable expenses outside of working hours, and makes life more comfortable and enjoyable for all segments of the population interests [11].

# Research Methodology

The marketing planning process at a service company is a strict sequence of logically interconnected procedures, including: pre-planned analysis, developing a company's mission, developing specific goals, developing strategies to achieve goals, developing specific action plans and monitoring.

In formulating the mission of the company, one must strive to ensure that, firstly, it is oriented not only towards the employees of the company, but also to the external environment that surrounds the given company. Secondly, the mission should be specific. And thirdly, its content should include the highest moral and ethical values that would be achievable for the company. The development of strategic marketing plans at the enterprise includes four consecutive stages (Fig 1.)

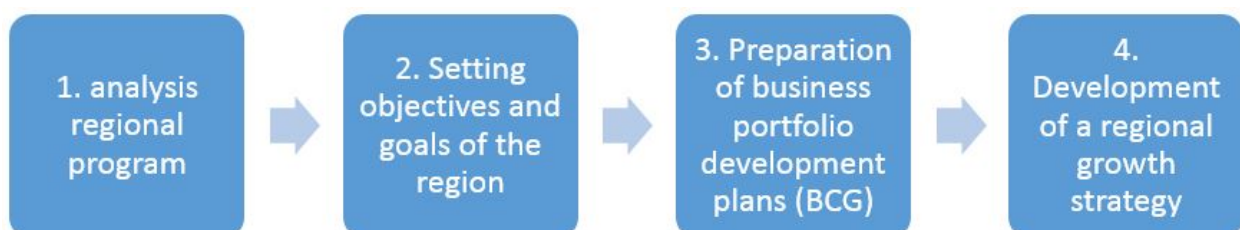Figure 1 **Stages of developing strategic marketing plans**

**Figure 1.**

Managers should evaluate each of the identified opportunities for their potential attractiveness and the likelihood of success, therefore, the implementation of any of them involves the need for additional costs and risk. Also, the leader should focus on the most likely and dangerous threats and think in advance of measures to neutralize them. Based on the analysis and objectives, management should plan their business portfolio.

The purpose of the analysis is to find ways to optimally distribute the forces and means of the organization to take advantage of the attractive opportunities of the marketing environment. For this, the key areas of the organization's activity are identified - the strategic elements of business (SEB), and then an assessment of the attractiveness of various SEBs is made and a decision is made on the level of their support. It is clear that it is better to invest resources in promising industries than subsidize weak ones, and it makes sense to get rid of weak ones in general, as they undermine not only financial performance, but also the reputation of the company in general.

In marketing practice, the most popular today are matrix methods of analysis of SEB. The most convenient and best analysis is this BCG.

The matrix of the Boston Consulting Group (English - The Boston Consulting Group, BCG) is considered the first successful attempt to apply a strategic approach to the analysis and formation of the product and competitive strategy of the enterprise. It was first introduced in the late 1960s by the founder of BCG, Bruce Henderson, as a tool for analyzing the position of the company's products on the market. Out of the whole variety of factors characterizing it, only two main ones were selected for constructing the matrix: sales growth (profitability) of the product and its market share relative to its main competitors. The authors proceeded from the assumption that on these grounds it is possible to classify all products of the enterprise and develop proposals on business strategies based on this analysis.

The method of the company Boston Consulting Group. The company developed a product portfolio matrix (BCG matrix), dividing all the organization's products into four categories (Fig. 2) According to two criteria: market share relative to the main competitor and the rate of growth of product sales on the market. Market share is a relative value, showing how many times the sales volumes of your product are inferior to / exceed the sales volumes of the goods of the analogue of the main competitor (leader, if you do not take into account your own positions).
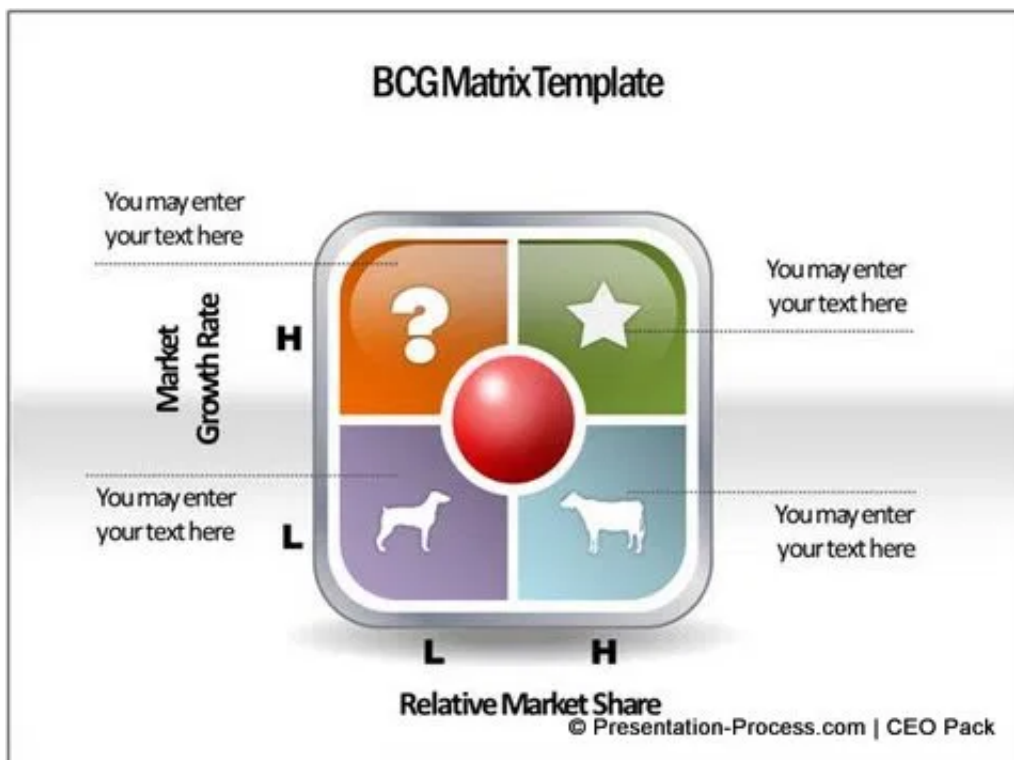
Figure 2 **BCG matrix template**



**Figure 2.**

If this value is 1, then your sales volumes and those of the leader are fully consistent, if less than 1 - you are inferior and vice versa. The upper limit is limited by specialists to 10, above which it makes no sense to use the BCG matrix,

since you are the sole leader in the market more than ten times ahead of your main competitor.

The growth rate of the product's sales on the market determines, as a percentage, the increase in the sales figures of the product in question for the last certain period of time in relation to the same previous one.

This matrix cannot be used for goods that are in the stage of decline and the final stage of the stage of maturity of their life cycle, at which, as you know, a decrease in sales volumes is observed.

# Analysis and results

Currently, the service sector is one of the most promising, rapidly developing sectors of the economy. The range of its activities is very diverse: from trade and transport to financing, insurance and mediation of the most different kinds. Hotels and restaurants, laundries and hairdressers, educational and sports facilities, travel companies, radio and television stations, consulting firms, medical facilities, museums, theaters and cinemas are in the service industry. Almost all organizations provide services to one degree or another.

In the developed countries, the share of services in GDP was 70-80% while in January-March 2018 the share of services in GDP was 51.3%. In rural areas, it is important to increase the provision of various services to the population. In 2010-2018, the growth of services was 13.2% on average. There are currently about 200,000 businesses and organizations operating in this area (Figure 3).

**Figure 3** **Development of the Services Sector in the Republic of Uzbekistan**
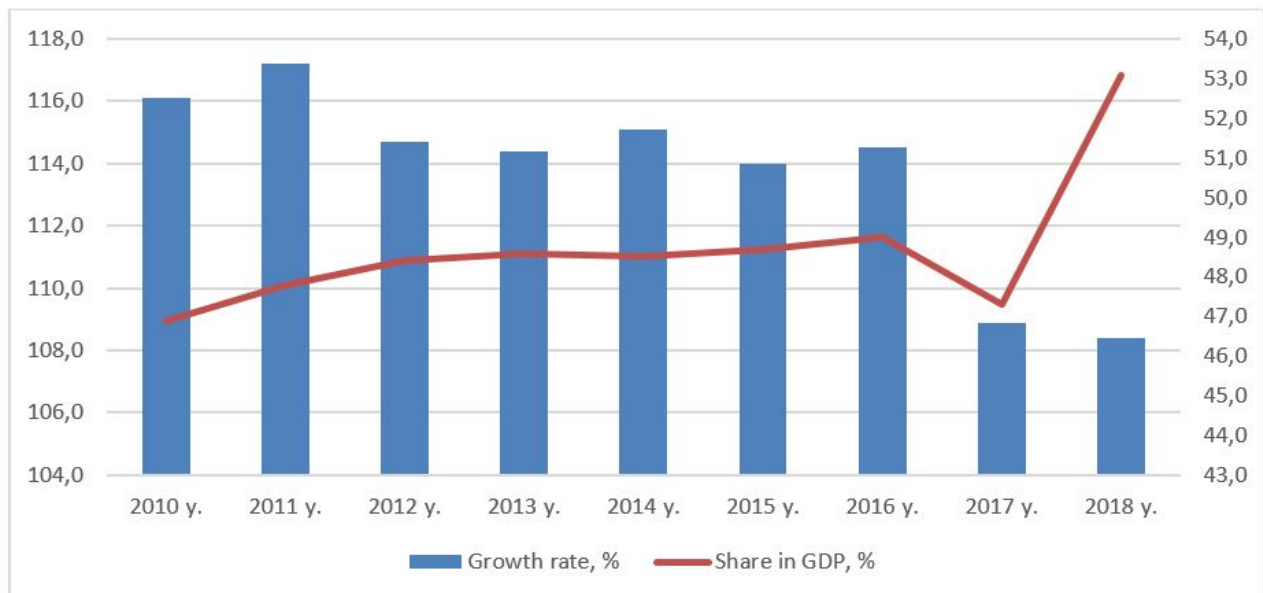


**Figure 3.**

In the Republic, a number of targeted programs to create new businesses and organizations, as well as the use of innovative technologies and expanding the list of services provided by existing enterprises and organizations, have been yielding positive results.

There are also some challenges in the formation and development of the service sector and its high efficiency. The need to address these problems and to solve not only practical but also theoretical issues requires conducting research aimed at sustainable development of socio-economic development of the country in order to increase the efficiency of the sector.

In essence, the services market develops according to the laws of the market economy and is also a part of the commodity market. The services market has a number of features and requires a separate approach to meeting the demand for services in business and marketing.

The development and complexity of material production in society, the development of science and technology, and innovation have led to an increased demand for intangible goods. As the services sector continues to evolve, it not only ensures more employment, but also contributes to increased state tax revenues, more stringent foreign exchange earnings.

Especially, the development of paid services plays an important role in achieving balance in the domestic consumer market and expanding domestic demand, which is a prerequisite for economic growth. From this perspective, the most important task is to introduce innovative marketing approaches to the development of the service market.

It is advisable to use the Boston Consulting Group (BCG) matrix [5] to evaluate the level of market development in the regions of the country.

The BCG rule is a model of strategic planning, reflecting the specific position of a particular type of business in a strategic area, and the location of the point with two coordinate arrows. The first coordinate axis is used to find the growth rate of the services market, and the second is used to determine the regional market share in the services market. The choice of strategic solutions based on the BCG model is limited to four options: 1) increasing the market share of services, 2) maintaining the market share of services, 3) maximizing the market position of services, and 4) fully diversifying the service market. The main analytical value of BCG is to identify strategic aspects of any business, as well as to make strategic recommendations.

Figure 4 presents the BCG matrix in the Republic in terms of market share in 2016-2017 and market share in the region. The points A and B are the arrows that indicate the average development of the services market in the regions.

According to the analysis, the most developed region is the Andijan region. The growth of services in Andijan region is considered to be higher than the national average.

The regions with the highest share in the market of services are Kashkadarya, Fergana, Samarkand and Tashkent regions, where in 2017 the growth of services was lower than the average national level. In these regions, it is advisable to establish targeted strategies for the development of the services market and pay special attention to the introduction of new services.

The Republic of Karakalpakstan , Navoi and Syrdarya regions are among the regions with high growth rates in 2017, though they have a small share in the market of services. Adopted programs for market development in these regions have been yielding positive results. It is desirable to introduce new services in these regions and strive for high market share.

Figure 4 BCG matrix for market development in the regions of the Republic of Uzbekistan.
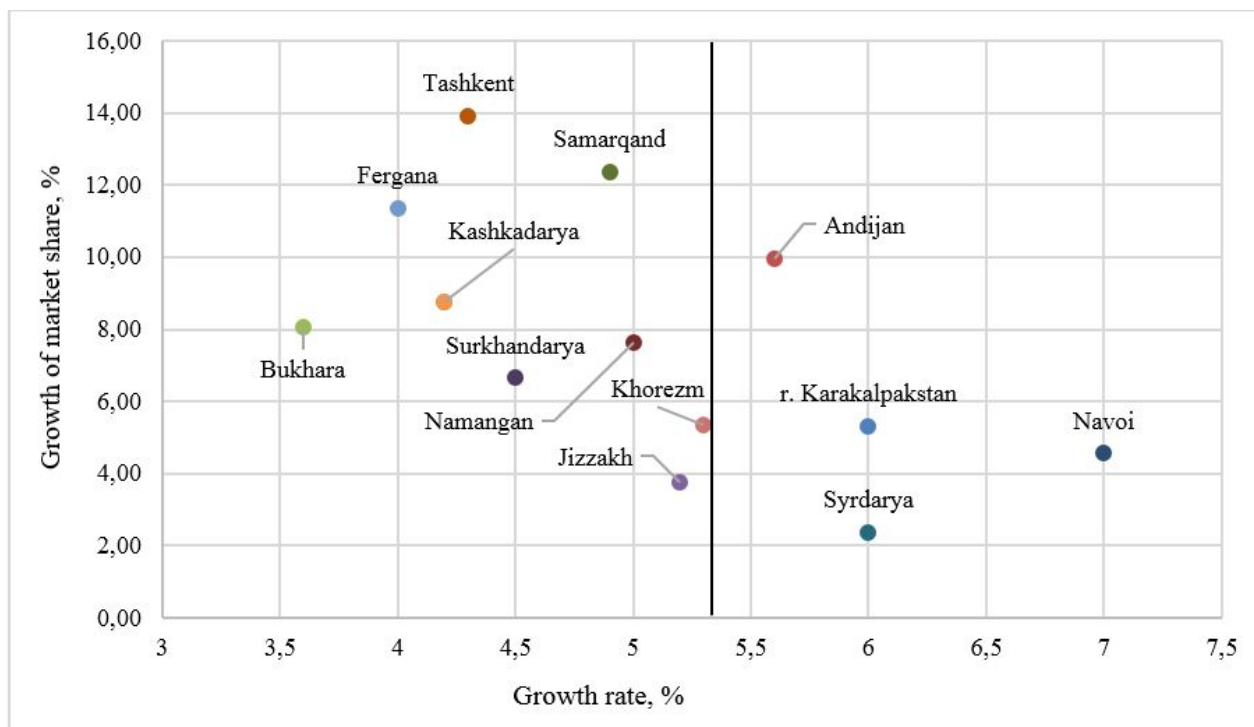


**Figure 4.**

BCG matrix's strategic analysis reveals that the market for services is lower in Bukhara, Surkhandarya, Khorezm, Namangan and Jizzakh regions than in other regions. It is advisable to develop separate marketing strategies to develop the service market in these regions.

# Conclusions

The development of regional marketing strategies for the development of the services market is a complex process that requires intellectual resources and knowledge. Proper organization of this process will ensure long-term development of the market of services in the regions and improve the quality of life of the population. However, the specifics of each province require the development of common criteria and strategies for the formulation of strategies and strategies for creating strong and successful strategies for different purposes and tasks. This defines a range of methodological and methodological issues that need to be learned in marketing of services and requires a scientifically sound answer to them.

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