



COMPETITIVE STRATEGIES IN SERVICE INDUSTRY TRADE ENTERPRISES

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Abstract

This article focuses on the globalization of the world economy, strengthening of integration processes, rapid development of innovations, endless growth of human needs, the desire for innovations. development of the service sector not only in the national market but also in the world market, as well as strengthening of the competitive environment between industries, the authors analyze competitive strategies and their practical examples and draw conclusions.

Keywords: Service, provision of services, competition, competitiveness, competitive strategy. competitive advantage, competitive environment.

Introduction

The globalization of the world economy, the strengthening of integration processes, the rapid development of innovations, the endless growth of human desire, the desire for new things, not only in the national market, but also in the world market, lead to the development of the service industry and the strengthening of the competitive environment between industries. It is known that the emergence of new innovations causes the emergence of new types of services connected to this innovation and requires the training of new educated and young personnel for these sectors and industries. In addition, the service sector plays an important role in modern economies, including many areas such as fiscal policy, social protection, tourism, logistics and media marketing. Researches in the direction of improvement of the organizational and economic mechanisms of development and competitiveness of service industries in the world in accordance with digitalization of economic sectors and rapid development of innovative approach are being carried out at a priority level.



LITERATURE REVIEW

The experience of developed countries shows that competition arises on the basis of economic development. Therefore, the formation of a competitive environment is a vital necessity for every country that has transitioned to market relations, because it is impossible to form market relations without allowing healthy competition and developing competitive relations in the economy. Sh. Mirziyoyev stated that "Liberalization of the economy is inextricably linked with the formation of a real competitive environment. Without competition, a market economy cannot be established. Competition is the main condition of the market, it can be said that it is its law." The law of competition is such an economic law of the market system, according to which the mutual struggle of economic subjects in the direction of their goals is inevitable, this struggle is conducted in market-specific ways and creates economic selection of subjects. Therefore, the formation of the competitive environment in the field of services is the driving force of the service market, it encourages the increase of the quality of services, the provision of many, high-quality and low-cost services, the pursuit of innovation by service enterprises, and it ensures the creation of a stable service market.

M. Porter developed a recognized method of analyzing competitiveness, and also described the stages of growth of national economic competitiveness (from the stage of "primary factors" such as cheap labor, to competition based on innovation and the last stage, competition based on wealth). According to M. Porter, the more developed the competition within the country and the higher the demands of buyers, the higher the probability of success of the companies of this country in the international market, and on the contrary, the weakening of competition in the national market, as a rule, leads to the loss of competitive advantages. From a theoretical point of view, competition, which A. Smith described as the "invisible hand" of the market, was considered as a factor of equalizing profit norms for the purpose of coordinating private and social interests and optimal distribution of labor and capital in his "Research on the nature and causes of the wealth of nations". According to his tariff, the pursuit of profit and competition are activities that benefit society as a whole.

Pierre Buagelberg argued that the real value in the goods market and the economy will be balanced only in the case of "free competition". The main work of the scientist is related to this idea and shows that it is related to the spontaneous formation of free competition as an important condition for ensuring "moderation of market prices or



optimal prices". F. Kene put forward the concept of "Natural order" and approved the concept of capitalism emerging and strengthening in his time. In such conditions, he supported its development based on "free competition", while denying the spontaneous change of the market price and the intervention of the state in this process. The above theoretical views have confirmed that market relations are a means of ensuring its development if they are based on free competition.

METHODOLOGY & EMPIRICAL ANALYSIS

The scientific-theoretical basis of the research is scientific research on improving quality, achieving efficiency and ensuring competitiveness in the activities of enterprises in the field of household services. In the process of research, methods such as systematic approach, analysis and synthesis, and comparative analysis were used.

RESULTS

The classical way of formation of the market economy is in the Western countries, where the competitive environment has been formed spontaneously for many years, without the participation of the state. In this way, free competition appeared. However, with the emergence of monopolization tendencies in the economy, free competition has been limited, so the state also participates in creating a healthy competitive environment. The reason is the competitive environment, according to the theory of A. Smith and other scientists, the market economy is formed and developed only when there is an environment of free competition in the country. We can see this in the antimonopoly policy of the state. This policy is aimed not at creating a new environment of free competition, but at preserving it, restoring it when the time comes, and deciding on cultured methods of competition.

State measures aimed at limiting private monopolies are the "Sherman Act" adopted in the USA in 1890, which is historically known as the "antitrust" law. A monopoly situation can arise on the basis of forced capture of service sectors in the network, secret and open agreements on the distribution of markets and price levels, creation of artificial shortages, and other conditions. Accordingly, in the developed countries of the United States and Europe, efforts aimed at introducing certain limitations to the negative forces of monopoly began to intensify at the end of the 19th century.

Healthy competition is an important requirement of market reforms. It is worth noting that in the years of independence, as a result of the implementation of effective



competition policy by the state, the degree of monopolization of goods and services markets has significantly decreased. In particular, during the last ten years, the number of monopoly enterprises decreased by 75.2%, including the share of monopoly goods in the country's GDP decreased from 26% to 19.2% in 2004-2010. This is a sign that a wide opportunity has been created for further development of competition and the number of enterprises occupying a dominant position in the markets of goods and services has significantly decreased. In turn, the positive changes taking place in the economy of our republic require further improvement of anti-monopoly legislation. Because the Law of the Republic of Uzbekistan "On Limitation of Monopolistic Activities and Competition in Commodity Markets" adopted in 1996 did not include issues of regulation of competition in financial services markets. This made it impossible to take measures to prevent anti-competitive and restrictive actions in this field. Such situations are also observed in the field of regulation of sales (tenders) and stock market trading. Therefore, in these processes, it is necessary to give the appropriate powers to the anti-monopoly body. At the same time, there was a great need to clearly distinguish and define the main concepts such as "market", "substitutable goods", "unfair competition", "discriminatory terms", "unfair comparison", "monopoly high price of goods", "monopoly low price of goods", "group of persons", "dominant position" in the legislation on competition.

The Law of the Republic of Uzbekistan "On Competition", which is expected to be discussed at the seventh plenary session of the Senate of the Oliy Majlis of the Republic of Uzbekistan, was developed taking into account these aspects. In this sense, this law is of great importance in improving the legal regulation of competition relations.

In addition, this law is aimed at clarifying the legal basis of state policy in the field, updating legal tools for preventing and stopping monopolistic activities in commodity and financial markets. One of the main aspects of the law is the application of antimonopoly regulation to the market of financial services and the establishment of criteria for regulating the activities of the subjects of these markets.

Competition is a struggle between independent producers (enterprises) to provide services under favorable conditions and sell goods at a profitable price, to strengthen their position in the economy as a whole. It represents complex relations between all market entities. Competition is an economic mechanism for producers to take their



place in the market, to increase their share in the sale of goods and to be in constant motion. The Law of the Republic of Uzbekistan "On Competition" defines competition as "competition of economic entities (competitors), in which their independent actions exclude or limit the possibility of each of them to unilaterally influence the general conditions of commodity circulation in the commodity or financial market."

The service sector is the largest part of the economy today and is the main source of labor around the world. According to the World Bank, the share of the service sector in the economy of developed countries is 60-70%, while in developing countries this indicator is increasing every year. According to Statista, the service sector will account for 77% of the US gross domestic product (GDP) in 2022. These indicators confirm the importance of successful competitive strategies in the service industry.

In today's competitive environment, service businesses are using a variety of strategies to increase their competitiveness. This article aims to analyze the types of competitive strategies in the service sector and their practical examples.

The concept of competition in the service sector

Competition in the service sector is based not only on the material characteristics of the product, but also on direct contact with the customer. Therefore, the competitiveness of services is often determined by the service culture and the level of adaptation to customer needs. Research shows that a 10% increase in customer satisfaction in the service industry increases the likelihood of repeat purchases by 30% (Harvard Business Review, 2018).

Main competitive strategies in service enterprises

1. Differentiation strategy

The differentiation strategy is aimed at distinguishing the types of services and forming the identity of the brand. With this strategy, customers distinguish a particular service or business from others. For example, Amazon Prime services offer customers fast delivery, access to exclusive products, and additional services unlike traditional online shopping platforms. According to research, Amazon Prime members typically make twice as many purchases as non-Prime customers (Consumer Intelligence Research Partners, 2020).



The differentiation strategy varies depending on the type of service, for example, high-end hotels demonstrate their high level through exclusive services, individual rooms and personal services. Through this method, hotels attract high-income customers and increase brand loyalty.

2. The strategy of competing through price

The strategy of competing on price is often used by companies that provide public services. For example, Southwest Airlines has built its customer segment by offering low-cost airline services. According to research by Harrison and Samson (2019), low-cost airlines are the preferred choice for short-haul customers because they prioritize price over quality.

However, a strategy of competing on price reduces profit margins. Therefore, in order to successfully implement such a strategy, enterprises must implement measures aimed at reducing their operating costs. For example, in fast food chains, this method is implemented by automating work processes and improving employee efficiency.

3. Market segmentation strategy

Market segmentation strategy aims to divide the market into different segments and offer different services for each segment. For example, the Marriott International hotel chain offers separate service packages for business and leisure. According to a study by Deloitte, companies that use a market segmentation strategy are able to increase customer loyalty by 20% by providing services that match customer needs. Through this strategy, service enterprises produce products suitable for a specific customer segment and increase their satisfaction. For example, in the field of education, businesses can offer online courses in separate segments for youth, seniors, and career seekers.

4.Strategy of innovation and technological updates

Modernizing services by introducing innovation and technology is essential in today's competitive environment. For example, Uber has introduced an online booking and payment system in the field of transport services, creating a convenient service for passengers. Research shows that technology-based services such as Uber and Lyft provide services up to 35% faster than traditional taxi services, and this has a direct impact on customer satisfaction (Journal of Transport Economics and Policy, 2020).



With the help of technologies, service enterprises will be able to improve the quality of their services, automate processes and improve the efficiency of communication with customers. At the same time, technological innovations aimed at improving the customer experience, such as mobile applications and artificial intelligence, ensure that service is fast and convenient.

5. A strategy to improve service and create a satisfying experience

Creating a satisfying customer experience is one of the most important strategies in the service industry. According to a study conducted by American Express, customers are willing to pay 17% more for good service compared to another brand. Through this approach, businesses can increase customer loyalty and turn them into regular customers.

For example, Zappos has chosen a strategy of highly individualized approach to its customers and full satisfaction. Thanks to this strategy, the company has achieved great loyalty among its customers and is known as a brand that stands out from other competitors.

Methods and means of implementing strategies

For the successful implementation of each strategy, it is necessary to use special tools and methods. For example:

CRM systems - These systems allow you to manage relationships with customers and analyze their needs. CRM systems like Salesforce allow service businesses to manage customer data and analyze their behavior. This provides an opportunity to further customize services and identify customer preferences.

Marketing Strategies - Marketing and advertising campaigns play an important role in maintaining competitiveness. For example, Coca-Cola implemented its competitive strategy through advertising campaigns, increasing its brand recognition among a wide audience worldwide.

Training and motivation of employees - the company's employees play an important role in improving the quality of service. Research shows that satisfied and well-trained employees are more effective in providing customer service and have a positive impact on customer satisfaction. Google has ongoing training programs for employees, through which they provide high quality customer service,



CONCLUSIONS

This article analyzed the competitive strategies used in service enterprises. Research shows that well-chosen and well-executed strategies can increase a company's market success. Examples of this include offering unique services through differentiation, improving service quality using technology, and building effective customer relationships. Therefore, it is necessary for service enterprises to constantly update their strategies and adapt to the needs of customers.

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