

## **Increasing the Material and Technical Competitiveness of Enterprises.**

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### **Abstract**

This article is about transformation processes in many sectors of the socio-economic sphere as a result of the rapid development of new information technologies in the conditions of the digital economy, and the assessment of the level of competitiveness of enterprises to ensure the competitiveness of retail service enterprises in the service market and the implementation of strategic directions for ensuring competitiveness are the main points of the article.

**Keywords-** Digital economy, information and communication technologies, competition, competitiveness, trade services, retail trade services, enterprise, strategy.

### **INTRODUCTION**

"In the 70s of the 20th century, the scientific research of a number of scientists played an important role in the formation of the digital economy. The development of information technologies, the computer becoming the main tool of work and the emergence of a global network in data transmission networks, the Internet, and similar factors caused the development of the digital economy. As a result of the development of global information and communication technologies, the emergence of an electronic environment and the presence of enough enterprises that use this environment in their activities is one of the unique features of the economy of our republic. This creates conditions for wide use of information technologies in the field of modern entrepreneurship. At the same time, the effective use of these technologies in business activity determines the level of successful activity of entrepreneurs in the domestic and international market.

In today's competitive environment of modern business, for any manager, the fate of the company he manages undoubtedly depends on his competitiveness.

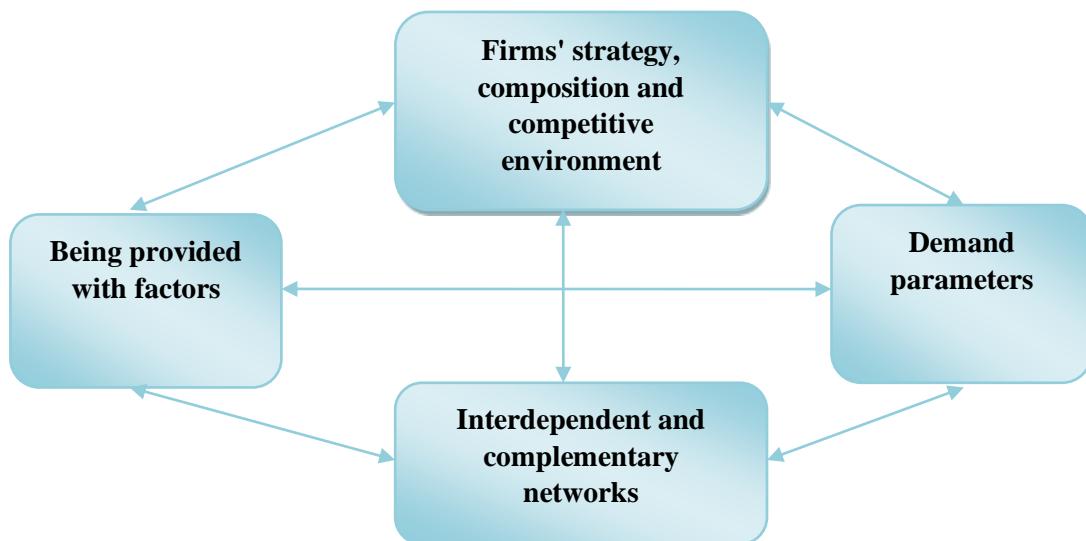
In the process of fundamental reform of the national economy in Uzbekistan, one of the priority tasks of the socio-economic policy is to increase the competitiveness of service enterprises, to organize modern trade services for the timely delivery and sale of quality goods to consumers, trade based on the use of information and communication technologies, and the effective use of these service opportunities. becomes important. The largest share in the structure of services corresponds to the contribution of trade services, that is, this indicator is 32.3%.

The need to revise the main approaches to ensure the competitiveness of trade services enterprises in our country is mainly due to the unprecedented high share of foreign enterprises in the domestic services market.

Today, human interests are above all else. Trade has important social and economic importance in each region and country as a whole. So, trade is a type of business activity that is closely related to buying and selling goods and providing services to customers.

Retail service is the result of direct interaction between the seller and the buyer, and is a private activity of the seller to satisfy the demand of the buyer in the acquisition of goods for use, which is not related to the business activity under the sales contract.

**Materials and methods.** The American scientist Porter developed the concept of competitive strategy in 1975-1980 during the period of declining growth in most sectors of the economy. The focus of the enterprise is not only customer satisfaction, but also competitive forces in the market. Porter's five driving forces of competition are given in the diagram below.



**Figure 1. Competitive forces.**

According to Michael Porter's theory, the development of the industry and the achievement of economic competitive advantage at the world level are related to the production of innovations and require the innovation of technologies in the industry. In this regard, the use of these technologies requires us to see the direction of their management in terms of clusters. In this case, as a result of making radical innovative changes to the technology of product production and by managing these technologies, it creates an opportunity to achieve a high level of development in the industry.

Also, M. Porter distinguished the types of competitive forces and strategies, taking into account companies that produce products similar in terms of characteristics and functional goals, that is, substitute goods, and determined that the level of competition in the industry depends on five competitive forces:

- internal struggle of competitors in the market;
- risk of new competitors;
- risk of emergence of substitute goods;
- bargaining power of buyers;
- bargaining power of suppliers.

The analysis of Porter's five competitive forces model makes it possible to identify the strengths and weaknesses of the enterprise, to determine the areas where strategic changes will give

maximum results for increasing business efficiency, and to create a competition matrix that shows the relationship between the level of competition in the market and the competitive advantage of the firm.

The quadrants of this matrix represent four competitive strategies:

- cost-saving leadership strategy - implies reduction of general costs for material resources, production and sale of goods and services;

- strategy of alternative costs - minimizes costs to the optimal level, which allows to obtain the maximum volume of production of quality goods and services for profitable market segments;

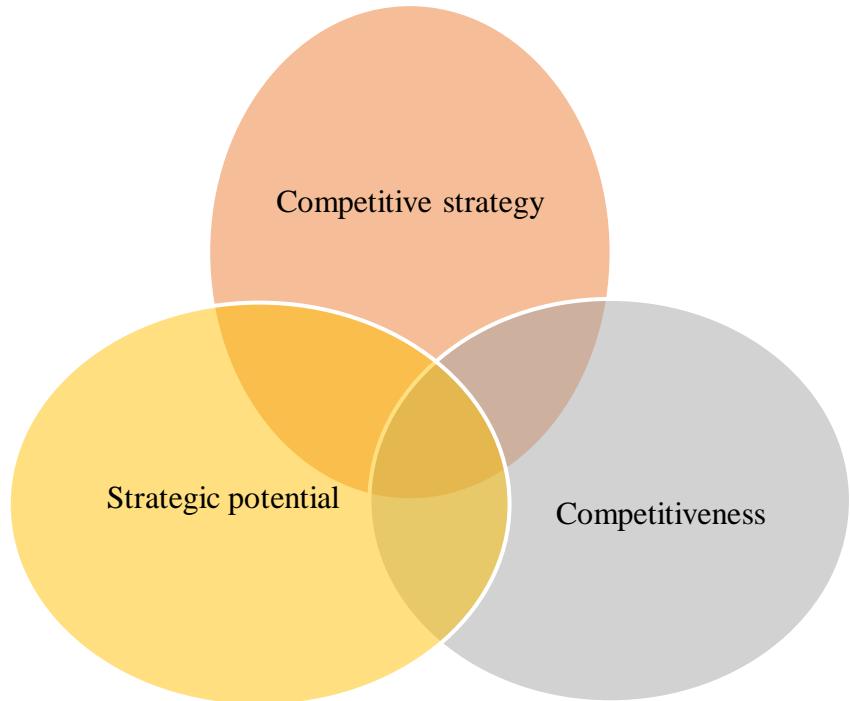
- differentiation strategy - determines the main goal of production of unique goods based on consumer demand;

- focused differentiation strategy - aimed at providing consumers with goods and services that best suit their tastes and requirements.

**Analysis and results.** The conducted studies have shown that in the current environment, the competition for buyers among trade enterprises is increasing, as a result of which the competition for leadership in the market is gaining maximum speed. As a result of increased trade concentration, retail prices are set, and the profitability of trade activities is decreasing. In such conditions, the market is experiencing saturation due to the presence of segmentation. At the same time, the importance of competitive strategies is increasing, favorable conditions are being created for the development of new trade formats. Increased concentration will lead to increased funding for businesses to explore changing consumer needs, as retailers begin to compete for consumer loyalty. Intensification of competition reduces the profitability of sales processes, under such conditions, enterprises are forced to optimize the assortment and increase logistics efficiency.

Today, multi-format (directional) trade is rapidly developing in our country in the conditions of the digital economy, where each format is characterized by a customer-oriented approach and is aimed at fully meeting the needs of the population, regardless of income, age and a number of other indicators. In accordance with the Decree of the President of the Republic of Uzbekistan No. PF-60 of 28.01.2022, tasks for rapid development of the national economy and ensuring high growth rates in the Development Strategy of New Uzbekistan for 2022-2026, which consists of seven priority directions, developed on the basis of the principle "From the strategy of actions to the strategy of development" marked. In particular, by ensuring stable high growth rates in the economic sectors, in the next five years, to increase the gross domestic product per capita - 1.6 times, and by 2030, to increase the per capita income from 4 thousand US dollars, and to join the ranks of "countries with an income above the average". It is aimed to create a foundation, and for this purpose, to ensure macroeconomic stability and gradually reduce the annual inflation rate to 5% in 2023. Also, through the development of services and service sectors in the regions, to increase the volume of services by 3 times in the next 5 years and to create a total of 3.5 million new jobs in this direction, to develop paid plumbing for the development of household and communal services that are highly needed by the population in the centers of cities and districts, development of service points such as electricity, repair of household appliances, catering, 130 modern markets and shopping complexes, as well as 65 large and 5000 small service facilities for the development of roadside infrastructure, in the field of service in order to reduce the share of the hidden economy by 3 times, to increase the attractiveness of the service sector, it is planned to provide additional benefits to business entities in the sector, and it is envisaged to develop the network and distance trade through the trade development strategy, as well as to expand the supply chain. In accordance with the trade development strategy, fairs, agricultural and wholesale food markets are supported by the state, which allows local producers to diversify their supply and obtain cheap distribution channels.

**Discussion.** A review of existing approaches to the formation of competitive strategies of commercial enterprises in the digital economy revealed significant shortcomings in the development and implementation of modern competitive strategies: one of them is the failure to take into account the interdependence of the dominant definitions of "competitiveness" and "competitive strategy". The main link between them is the strategic potential of retail trade enterprises, which is represented by financial opportunities, trade potential, competitiveness of sold products, labor potential, material and technical potential, brand competitiveness, etc. The relationship of dominant definitions is shown in Figure 1.8.



**Figure 2. The relationship of dominant definitions (developed by the author).**

Any enterprise can use these innovative strategies to expand its activities and increase its competitiveness. If the enterprise can effectively use the project in the implementation of its innovation strategy, it will have the opportunity to establish very effective relations with its customers and partners. However, in this case, the enterprise does not fundamentally change its main activity due to corporate projects, but on the contrary, it creates an opportunity to expand its activities. Based on this, it can be said that it is very unlikely that retail enterprises will develop their innovative strategy, implement their strategic goals and general economic strategy without analyzing the actual state of their innovative activities and scientific and technical support and the possibilities of its development.

#### **Literature reviews.**

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