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SHORT COMMUNICATION

Paradigm of marketing relations in the market of furniture production

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ABSTRACT

In the years of independence Uzbekistan has diffused market oriented economy while consumer behavior and analyze consumer's level of satisfaction has also altered positively on this way. Using a questionnaire survey and in-depth interviews with respondents' the consumer behavior the study examines the product attribution. Hence, consumers consider important when choosing furniture for household use. The results indicate that Uzbek consumers' purchasing relations and behavior mainly on the furniture quality, design and the price. Consequently, practical suggestions and recommendations were formulated for industry policy and strategy while making deep analyses as whole.

Keywords: marketing relations, furniture production, furniture industry, entrepreneurship and small business, competitive environment, segmentation, customers' behavior, marketing complex

1. INTRODUCTION

Nowadays, furniture factories and shops that are operating in Uzbekistan have been increasing dramatically. Most of them are considered as enterprises and the rest ones are

small businesses and micro-firms. In early years of independence there were several large companies in furniture market. Modern marketing has stepped over the logic of its traditionality and has abandoned its representation as a simple exchange process based on transactions (Abdukarimov B.A, 2013) .

Marketing can no longer be considered only as a function with a predetermined range of specific tasks. The range of issues that are in the sphere of the interests of marketing of furniture products is expanding - in the focus of marketing, in addition to classical components, consumer behavior and the vital interests of clients are (Abdukhalil, 2016).

The furniture industry of the national economy is a complex, high-yielding complex, a rapidly growing sector of the economy of Uzbekistan, which has a stimulating effect on the welfare of the population (Akimov & Dollery, 2006).

The commercial success of a company in the furniture products market essentially depends on how much it can support the existing structure of the population's targeted needs in home furniture and organizations in office furniture and form an optimal portfolio of furniture products. In the conditions of sustainable economic growth and modernization of enterprises, marketing is a strategic guideline, the goal of which is to establish long-term partnerships at micro and macro levels (Ames, Brown, Devarajan, Izquierdo, & others, 2001).

Expansion of the traditional boundaries of furniture marketing is associated with the formation of a new paradigm of relations with consumer audiences, based on the formation and maintenance of loyalty to furniture manufacturers and their services (Akmal, 2016).

In modern times, marketing relations as a fundamentally new concept of marketing considers the relationships of furniture market participants as a result of effective interaction of producers and consumers, in which intellectual and information resources are integrated. At the same time, the emphasis in communication activities is transferred to the individualization of interaction with participants in the marketing system, which is possible only on the basis of the development of long-term partner relationships (Foreman-Peck, Zhou, & others, 2016).

In the context of globalization of the economy, especially the acute problem is the development of technology for the formation of relations aimed at communication space in order to attract all stakeholders to design, create and promote a new product, as a result of innovative activity of enterprises (Anvardjanovich, 2017).

The solution of this problem requires the search for new approaches and appropriate scientific elaboration of theoretical and methodological aspects, justification of methods and recommendations for the effective implementation of relationship marketing as the basis for competitiveness and sustainable and dynamic development of business entities (Brück et al., 2014).

2. STATUS QUO OF SECTOR IN UZBEKISTAN

In foreign and domestic literature, the problem of the formation of a new marketing paradigm has not been adequately reflected, as applied to the furniture products market, taking into account the influence of a wide range of factors that determine its functioning and contemporary processes of developing a competitive environment. Many issues of the formation of the concept of relationship marketing are still unresolved or are of a debating nature. For example, in the economic literature there is no single approach to determining the

essence of the marketing concept of relations, insufficient attention is paid to the specifics of the paradigm of relations between business entities and the scientifically substantiated need for the development of a strategy and tactics of relationships, which significantly complicates the formation of the mechanism of interaction (Ahmedov et al., 2007; Djanibekov & others, 2008).

The models of consumer behavior under the new conditions, in the conditions of formation of the economy based on knowledge, are not sufficiently developed. Current trends in the consumer environment, including factors that shape consumer demand and innovation in production technologies, require the development of adequate solutions to manage the means of communication impact on existing and potential carriers of furniture products.

They operated as an individual and unique service suppliers but nowadays it has become as monopolistic competition market with few large companies and hundred small and private emerging small sized enterprises. In fact, furniture industry does not require large amount of capital investment, it does not restrict newcomers to industry. Because of large number of emerging small businesses and tough competition we can observe high level of product differentiation and development of the industry (Salami, Shahnooshi, & Thomson, 2009).

In order to sustain competition, manufacturers of country win it with the price factor which will result in decrease of income margins in this sector. Relative decrease of its attractiveness on the other hand needs to be maintained as whole. In order to sustain competition but also to make high profits, it is necessary for them to determine their positions in the market, including differentiation their goods from that of their competitors, such as determining exact point of differentiation and provide the export oriented and localization strategy.

The objective of this paper is to investigate trends in marketing and consumer behavior during privatization of the furniture industry of Uzbekistan between 1998-2010. Furthermore because of globalization, competition and development of information communication technologies consumers have been becoming market “power”.

The research question is what factors effecting on consumer choice in the emerging furniture market of Uzbekistan and what are the dynamics?

3. THEORETICAL BACKGROUND

Several studies addressed this important issue of consumer behavior. In particular, the model developed in 1969 by Howard and Sheth became after-wards as the ‘Theory of Buyer Behavior’. Input variables were the environmental stimuli that consumer is subjected from a variety of sources. Significant stimuli are actual elements of products and brands that buyer confronts (Loudon and Della Bitta, 1993), while symbolic stimuli refers to the representations of products and brands as constructed by marketers through advertising and act on consumer indirectly (Foxall, 1990). Social stimuli include the influence of family and other peer and reference groups. The influence of such stimuli is internalized by the consumer before they affect the decision process.

As stated by authors (Steven, Bullard and West, 2002) “An extremely important impact of Internet and other new information technologies is that consumers will have increasing “power” in the market for nearly all goods and services.” The “power” comes from two

sources: consumers' now have the ability to compare products and prices easily; and consumers can easily communicate, individually and in the aggregate, information about their needs and their satisfaction with the products and services of individual manufacturers and retailers. The stable development of any kind of industry is directly related to the process of producing and selling goods that have particular demands. This process demands rigorous – examination of consumers' behavior of these goods and factors which impact the decisions consumers make during the purchasing process (Khalilov, 2014).

As stated by the Theory of Reasoned Action, behavioral intention can be formed by two determinants which are attitude toward the behavior and subjective norms. [Miller, Rich and Steve Matthews (2013), "The Long, Slow, but Still-Going Recovery," Bloomberg Business week, June 10, 49-51] The attitude toward the behavior consists of three elements including seven variables in shop service image, five variables in shopping reliability facility, and six variables in basic merchandise nature. The subjective norms consist of two elements including two variables in major reference group and one variable in minor reference group.

4. METHODOLOGY

Furniture market could be is divided into two big categories: for household and for organizations. The furniture market for organizations can also be further divided into several areas with their own specifics and characteristics, such as: special furniture for business offices, educational institutions, clinics and hospitals, restaurants, stores and warehouses. In this article we aim to study the furniture market of Uzbekistan, which makes up the 58 percent of the market.

We analyzed the structure of the production based on the types of furniture goods manufactured in Uzbekistan, 58 percent of the total production ac-counts for household furniture, 39 percent for organization and 3 percent for other furniture.

As it is seen from the data, the manufacturing companies operate not only in consumer market, such as B to C (Business to Consumer) but they operate in the B to B (Business to Business) markets as well. This, in turn, means that there are significant differences in the activities and characteristics of the consumers of these markets (Djanibekov, Hornidge, & Ul-Hassan, 2012; Kaminsky & Reinhart, 1999).

Data collection. In order to explore the market of household furniture of Uzbekistan and collection of primary information were carried out written surveys in 1050 sample of respondents, followed covert surveillance up for 2 months were held in 15 furniture stores and oral interviews with 20 selected respondents using such methods of marketing research as a written questionnaire, conducting verbal interviews and covert surveillance. The survey questions were of four categories: social demographic data, characteristics of furniture equipment, the behavior of the consumers during the furniture purchasing process and the factors impacting the furniture purchasing. Data were collected in early May and late July of 2015

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categories: social demographic data, characteristics of furniture equipment, the behavior of the consumers during the furniture purchasing process and the factors impacting the furniture purchasing.

5. PARADIGM OF MARKETING RELATIONS IN THE MARKET OF FURNITURE PRODUCTION

The development and wide use in the economic practice of the basic categories of marketing testifies to increasing attention to marketing and increasing the degree of its application (Fry, 1988).

Based on the specific characteristics and features of the functioning of the furniture products market, we consider it expedient to distinguish a number of marketing features:

- the account of behavioral and psychological factors of consumers in strategy and tactics of marketing; Coordinate marketing activities of all participants in the process of production, sale and consumption of furniture products; Diversify the assortment portfolio of enterprises, including for smoothing off-season trends; The formation of a system of service support for furniture products and a package of additional services.

On the basis of the analysis of existing approaches, as the basic principles of marketing relations in the market of furniture products, we propose to consider the following:

- Marketing of relations in the market of furniture production places emphasis on long-term relationships, as well as attracting new customers;
- marketing of relations in the market of furniture products has an economic justification, which determines the target orientation for specific segments;
- In marketing relations in the furniture market, the emphasis is shifted to product quality and service;
- in the marketing of relations in the market, the priority is the communication component;

It can be concluded that the known marketing paradigms in the process of evolution reach their culmination in the final stage of marketing relationships – marketing the quality of life, improving the welfare of the population, completing its ethics of marketing and business.

As it is vital, the main goal of marketing quality of life is to protect the interests of the consumer, rather than short-term satisfaction of needs and requests. Firms producing furniture should follow the strategy of improving the living conditions of the population, for example, the quality of life.

Marketing of the quality of life is connected with the emerging system of small business and private entrepreneurship, which involves planning, production, pricing, promotion of goods in the interests of the consumer business, aimed at gaining benefits while respecting the interests of other participants in this process. At the operational level, the benefits of marketing activities and marketing, excluding damage, can become a long-term strategy if one considers the firm's position from the point of view of its understanding of the priority of consumer interests while respecting the interests of other participants in the marketing space (Foreman-Peck et al., 2016).

As a result of conducted research, we have made the following conclusions as well as provided general recommendations regarding the development of the marketing activities of

the furniture manufacturing enterprises and creating the strategy for advantage of the efficient competition. Many of the larger furniture manufacturers in Uzbekistan have invested heavily over the decade in new facilities, equipment, and manufacturing processes and methods. Although individual firms may find it difficult to “stay ahead” of competitors for very long, intense local competition has resulted in localized furniture industries that are highly efficient using mass production techniques. Mass production techniques are less effective than “lean” production processes, and significant changes are occurring in factory-level organization and management. Local rivalry is helping to ensure that these changes take place. (S. H. Bullard and C. D. West, 2002).

Larger firm size has been advantageous in the furniture industry in the past and the expansion and consolidation of firms may continue in the future. Today, however, there are also reasons to expect that relatively small firms will grow in number.

5. CONCLUSIONS

In conclusion of conducted research, we have made the following conclusions as well as provided general recommendations regarding the development of the marketing activities of the furniture manufacturing enterprises and creating the strategy for advantage of the efficient competition. Many of the larger furniture manufacturers in Uzbekistan have invested heavily over the decade in new facilities, equipment, and manufacturing processes and methods. Mass production techniques are less effective than “lean” production processes, and significant changes are occurring in factory-level organization and management. Local rivalry is helping to ensure that these changes take place.

To conclude with, research is an exploratory study of the consumers in the furniture market of the emerging economy. In today’s unstable business environment and growing furniture, market in the transition consumers can make a crucial strategic contribution to competitive success. It has clear value to strategic planning for marketing in Uzbekistan. The paper offers empirical findings from furniture retailing companies, where a shortage of studies have been observed and broadly confirms the findings and conclusions of earlier studies in other industries in the international context.

Future research concerning the case of the furniture manufacturing industry in Uzbekistan is needed as the story continues to develop. Further, the implications of the consumer behavior are enormous for domestic industries. The furniture manufacturing industry is not in isolation in this regard. Moreover, many domestic industries have encountered similar situations. Additionally, future research on consumer behavior in Uzbek market could also better in-form furniture producers.

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