



THE ROLE OF MARKETING MANAGEMENT IN ENHANCING THE COMPETITIVENESS OF SMALL BUSINESS ENTITIES

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Abstract

The article examines the role of marketing management in ensuring the competitiveness of small businesses. The main problems faced by small businesses in a competitive environment are identified, and recommendations for overcoming them are proposed. The results of the study emphasize the importance of a strategic approach to marketing management for the long-term sustainable development of small enterprises.

Keywords: marketing management, small business, competitiveness, marketing strategy, digital marketing, personalization, customer experience, sustainable development.

INTRODUCTION

Modern market relations are highly dynamic and independent, enabling the formation of various forms of ownership as well as the construction of diverse structures within them. At present, entrepreneurship constitutes one of the most important components of the economy, with small business occupying a distinctive niche within it. To a large extent, it is precisely small business that fosters competition within the consumer market sector of the economy. In the international context, the influence of small business is also substantial, as it contributes to changes in the economic sphere, particularly in growth rates, and exerts an impact on the gross national product, both in its qualitative and structural dimensions.

Small business plays a pivotal role in the economic development of most countries by generating employment opportunities, stimulating innovation, and



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fostering entrepreneurial activity. However, the highly competitive environment and the limited resources available to small enterprises necessitate the search for more effective approaches to business process management, including marketing. Under contemporary conditions—characterized by accelerated digitalization, shifting consumer preferences, and intensifying global competition—marketing management emerges as one of the key instruments for achieving sustainable development and enhancing the competitiveness of small business entities.

The relevance of the chosen topic is determined by the need for small enterprises to adapt to rapidly changing market conditions and the increasing importance of adopting innovative marketing strategies. Despite the considerable volume of research in the field of marketing, issues of its application in the specific context of small business remain insufficiently studied, particularly with regard to the implementation of personalized approaches, the integration of digital tools, and the optimization of limited resources. The purpose of this article is to examine the role of marketing management in enhancing the competitiveness of small business entities and to develop recommendations for the optimization of marketing processes to ensure the effective utilization of their potential under resource constraints.

METHODS AND MATERIALS

In the preparation of this study, general scientific methods such as description, analysis, comparison, and grouping were employed. The research involved the analysis of sources from scientific and educational literature, as well as online resources.

Small entrepreneurship represents an economic actor within the system of market relations, functioning in the form of small and medium-sized autonomous enterprises. Owing to the activities of small business, the market supply of goods and services becomes more diverse, unemployment rates are reduced, and the tax base for the public sector of the economy significantly expands. Equally important is the contribution of small business to economic development, influencing its dynamics and strengthening the resilience of internal systems.



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Marketing occupies a central position in small business management. Firstly, the application of effective marketing tools leads to an increase in the client base and, consequently, in the profitability of the enterprise. Secondly, marketing activities open new opportunities for supporting business growth.

Marketing in small businesses can be organized and developed in different ways. One of the most effective methods is outsourcing marketing functions. In this case, all marketing processes are delegated to a qualified marketer or an external company that carries out the entire marketing cycle on a “turnkey” basis.

Another approach to organizing marketing in small enterprises is the hybrid model. Under this system, part of the marketing operations is outsourced, while another part is handled by the employees of the enterprise itself. In such an arrangement, external specialists primarily act as coordinators, while the core operations related to the implementation of marketing tools are performed by the company’s own staff.

A third approach involves the independent organization of all marketing activities by the enterprise. This option is the costliest, as it typically requires employing an in-house marketing specialist and providing a regular salary, which is often burdensome for small enterprises.

LITERATURE REVIEW

The issue of enhancing the competitiveness of small business entities through effective marketing management has been the subject of numerous studies. In particular, Fedorova and Nikitina emphasize the significance of digitalization in marketing activities, sales, and communications as a means of strengthening the competitive positions of small enterprises. The authors argue that the introduction of online sales and internet marketing contributes to overcoming modern challenges, including those arising from quarantine restrictions [1].

Ivanova I. N. considers marketing as a tool for increasing organizational competitiveness, highlighting the necessity of developing effective marketing strategies capable of adapting to the dynamic changes of the market environment. The author stresses that the ability to select a promising market niche and effectively position a product or service plays a decisive role in ensuring competitive advantages [2]. A dissertation devoted to marketing



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management of reputation in strengthening the competitiveness of small enterprises justifies the importance of creating a positive corporate image through marketing tools. The researcher emphasizes that reputation represents a significant intangible asset influencing consumer and partner trust, thereby directly affecting competitiveness [3]. In addition, the scientific literature notes that the competitiveness of enterprises is largely determined by the effectiveness of their marketing strategies, the ability to select promising niches, and their adaptability to changes in the business environment [4].

In Uzbekistan, the study of marketing management in small business has also been addressed by a number of scholars. For instance, the article “Issues of Assessing the Level of Development of Marketing Activities of Small Entrepreneurship in the Republic of Uzbekistan” analyzes the current state of marketing in small businesses in the country. The author underlines the necessity of improving marketing strategies to enhance the competitiveness of small enterprises [5]. D. R. Umarova, in her work “Methods of Improving Marketing in the Republic of Uzbekistan”, examines the existing shortcomings in the marketing sphere and proposes solutions for overcoming them. Special attention is paid to the adaptation to digital technologies and the improvement of specialists’ qualifications in marketing [6]. S. Z. Narzullaev, in the article “The Role of Marketing in Corporate Management in Uzbekistan”, studies the impact of marketing on corporate governance, emphasizing its importance in shaping corporate culture and strategic development [7]. Moreover, the paper “Formation of a Digital Marketing System in Small Business” considers the role of digital marketing in the development of entrepreneurship and analyzes the factors that contribute to its effective implementation [8].

Thus, the literature review confirms that marketing management plays a central role in enhancing the competitiveness of small business entities. Particular importance is attached to the digitalization of marketing processes, reputation management, and the adaptability of strategies to changing market conditions.

ANALYSIS AND RESULTS

The conducted analysis demonstrates that the development of small business remains a crucial factor in ensuring the competitiveness of the regional



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economy. Statistical data confirm that while the overall volume of industrial production in the studied region has shown steady growth, the share of small business entities in industrial output has fluctuated, reflecting both structural changes and external influences.

The assessment of the activity level and survival coefficient of small industrial enterprises revealed that, despite certain declines in specific periods, small businesses retain significant potential for sustainable development. In particular, the highest growth rates were observed among newly established enterprises, which indicates the attractiveness of entrepreneurship and the demand for new business initiatives. At the same time, the relatively high share of inactive enterprises underscores the necessity of improving management efficiency and strengthening institutional support mechanisms.

The analysis of per-enterprise indicators further highlights the problem of declining real output per small business entity, which reflects not only the impact of external factors such as the pandemic but also internal challenges related to the organization of production processes and the efficiency of resource utilization. These findings suggest that intensifying production processes and improving the efficiency of management systems are essential for enhancing the contribution of small businesses to industrial development. Moreover, comparative analysis of marketing organization models—outsourced, hybrid, and in-house—shows that each approach has its advantages and limitations depending on the resource base and strategic objectives of the enterprise. Outsourcing provides access to professional expertise and reduces operational costs, while hybrid systems allow for better coordination of marketing functions. Independent organization, though costly, ensures full control over marketing processes.

In the Republic of Uzbekistan, small business plays a key role in the national economy, providing a significant share of the gross domestic product (GDP). According to the Statistics Agency under the President of the Republic of Uzbekistan, in 2023 the share of small entrepreneurship in GDP amounted to 52.8% [9].

However, despite the significance of this sector, the level of development of marketing activities in small business remains insufficient. Many small



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enterprises do not pay adequate attention to the development of marketing strategies, which limits their competitiveness and their ability to adapt to market changes. As of 2024, the total number of active small enterprises and microfirms amounted to 401.3 thousand. The number of small business entities per 1,000 people was 13.4 units.

At the regional level, the highest indicator of the number of small business entities per 1,000 people was recorded in Tashkent city (28.7 units), followed by Navoi region (20.4 units), Syrdarya region (16.2 units), Bukhara region (15.6 units), and Jizzakh region (15.6 units). At the district and city level, the highest number of active small business entities per 1,000 people was observed in Yakkasaray district (58.5 units), Mirabad district (48.6 units), Tamdyn district (47.4 units), Karaulbazar district (42.5 units), Gazgan city (40.6 units), Bektmir district (40.5 units), Chilanzar district (37.8 units), Mirzo Ulugbek district (30.9 units), and Sergeli district (30.3 units).

As a result of the measures undertaken to further improve the system of business support and enhance the investment climate, as well as presidential decrees and resolutions adopted between January and March of 2019–2024, a total of 146.6 thousand small enterprises and microfirms were established. It should be noted that the largest number of new entities was created in trade — 56.0 thousand units (38.2%), in services — 34.1 thousand units (23.3%), in industry — 28.3 thousand units (19.2%), in agriculture, forestry, and fisheries — 18.1 thousand units (12.4%), and in construction — 10.1 thousand units (6.9%).

In January–March 2024, the share of small business entities in GDP amounted to 42.7%, which represents a decrease of 1.3 percentage points compared to the corresponding period of 2023. The primary reason for this decline was the increase in value added generated by large enterprises.

By types of economic activity, in the first quarter of 2024 the highest share of small business in GDP was recorded in agriculture, forestry, and fisheries — 96.1%; construction — 79.3%; services — 40.6%; and industry — 19.1%.

During the same period, small business entities produced industrial output worth 41,032.6 billion soums, accounting for 24.7% of the total volume of industrial production. At the regional level, the highest share of small business in total industrial output was observed in Surkhandarya region (53.7%), Fergana region



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(51.5%), Samarkand region (47.7%), Namangan region (43.9%), and Bukhara region (30.5%).

According to a survey conducted in the first quarter of 2024, the largest share of small enterprises and microfirms that assessed the current economic situation as favorable was observed in trade (38.7%), services (36.7%), and agriculture, forestry, and fisheries (36.6%). The majority of enterprises that described the economic situation as satisfactory were concentrated in industry (59.3%), agriculture, forestry, and fisheries (57.3%), and services (56.5%).

A significant proportion of enterprises that rated the economic situation as unfavorable were found in construction (10.3%), industry (7.9%), and services (6.8%).

In terms of expectations, the largest share of small enterprises and microfirms anticipating improvements in the economic situation over the next three months was recorded in construction (53.9%), trade (52.4%), and agriculture, forestry, and fisheries (52.3%). Meanwhile, the share of enterprises not expecting any changes in the short term was highest in industry (46.6%), services (46.1%), and agriculture, forestry, and fisheries (45.6%). Only a small proportion of enterprises anticipated a deterioration in the economic situation, with industry at 3.5%, construction at 3.0%, and trade at 3.0%.

Nevertheless, despite the significant contribution of small business to the national economy, research indicates that its marketing activities remain underdeveloped and do not always make effective use of available opportunities to enhance competitiveness. According to empirical findings, small enterprises in Uzbekistan face several key challenges in the field of marketing: a low level of awareness of modern marketing tools, a shortage of qualified specialists, and the absence of a systematic approach to strategic planning and market analysis. These findings highlight an important imbalance: while small business entities contribute significantly to GDP and demonstrate strong positions in several key sectors such as agriculture, construction, and trade, their marketing practices do not yet correspond to the same level of development. The limited use of advanced marketing tools and insufficient investment in professional marketing expertise restrict the ability of small enterprises to fully capitalize on existing market opportunities. This gap between economic performance and marketing



capacity suggests that enhancing marketing management is not merely a supporting function but a strategic necessity for sustaining competitiveness. Addressing these challenges through the integration of digital technologies, systematic market research, and capacity building in marketing will allow small businesses in Uzbekistan to align their high economic potential with equally strong market positioning.

DISCUSSION

The results of the analysis provide valuable insights into both the achievements and the challenges faced by small businesses in Uzbekistan. On the one hand, the sector demonstrates a substantial contribution to GDP and exhibits particularly strong positions in agriculture, construction, and trade. These figures confirm the importance of small enterprises as a driver of economic growth, regional development, and employment creation.

On the other hand, the marketing activities of small businesses remain relatively underdeveloped compared to their economic performance. The survey data illustrate that, while many enterprises assess the current business climate positively, their ability to adapt to market fluctuations and sustain competitiveness is limited by weaknesses in marketing management. Among the most pressing issues are insufficient awareness of modern marketing instruments, the lack of qualified marketing specialists, and the absence of systematic approaches to strategic planning and market research.

This imbalance between economic output and marketing capacity underscores the strategic importance of marketing management for small enterprises. In the current context of digital transformation, globalization, and shifting consumer preferences, the competitiveness of small business entities cannot be secured solely through production growth or expansion of market share. It increasingly depends on their ability to implement innovative marketing strategies, integrate digital tools, and build strong reputational capital.

Thus, the discussion reveals a dual reality: small businesses in Uzbekistan have demonstrated significant economic resilience and growth potential, yet without adequate improvements in marketing management, this potential cannot be fully realized. Bridging this gap requires coordinated efforts from both the enterprises



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themselves and institutional stakeholders, including government bodies, business associations, and educational institutions.

CONCLUSION

Marketing management plays a crucial role in enhancing the competitiveness of small enterprises, which is particularly relevant for Uzbekistan, where small business constitutes an important sector of the national economy. Despite the considerable contribution of small businesses to the country's GDP, their marketing activities remain underdeveloped and do not always make efficient use of available resources and opportunities. This constrains the potential of small enterprises and limits their growth in both domestic and international markets.

The main problems encountered by small enterprises in managing marketing activities include:

- high financial costs, as small businesses often lack sufficient funds to design and implement marketing tools;
- the absence of qualified marketing specialists within the enterprise staff;
- limited managerial time available for analyzing market challenges and opportunities;
- the growing volume of information that must be processed for the effective organization of marketing activities.

To improve the effectiveness of marketing tools in small enterprises, the following measures should be undertaken:

- engaging outsourcing companies for the organization of marketing activities;
- establishing control over the implementation of marketing functions by specialists and comparing actual performance with planned indicators;
- assigning marketing specialists, the responsibility of producing reliable forecasts for enterprise development through the use of advanced marketing tools.

Special attention should be paid to introducing a systematic approach to marketing activities, which will strengthen the position of enterprises in a competitive environment and under changing external conditions. It is essential that small businesses focus not only on short-term results but also on long-term



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sustainable development by employing marketing tools to create customer value and build a positive corporate image.

Thus, improving the efficiency of marketing management in Uzbekistan's small business sector represents an important step towards enhancing its competitiveness, ensuring resilience, and contributing to the overall economic development of the country.

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