



Experiences of Foreign Countries in the Use of Marketing Research in Retail Trade and Their Application in the Context of Uzbekistan

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Abstract

This research paper examines marketing research used in the U.S., German, and Chinese retail systems (mainly supermarkets and online sales). As a result of the analysis, the possibility of applying in Uzbekistan the tools and methods used by retail representatives of these countries in the study of markets was studied.

Keywords: *Retail; Supermarket; Online Sales; Valmart; JS.Kom; Amazon.Som; Anglesey Food; Consumer; Marketing Research*

Introduction

Modern retail includes all activities related to the sale of goods and services directly to the consumer for personal, non-commercial purposes. Retail in foreign countries has gone through several stages of development. In modern conditions, foreign retailers are increasingly offering services, expanding the range of goods, which increases their prestige in the world market and leads to an increase in revenue. In particular, as a result of the development of the digital economy, as in other industries and sectors, the retail system is developing electronic platforms, electronic trading platforms and online stores.

In the context of globalization, it is becoming increasingly difficult to surprise consumers in the retail system. This process requires retailers to conduct well-thought-out marketing research.

Typically, retail marketing research is conducted in two types:

The first round is a general study. Common directions include the study of the development of forms of trade.

The second type is private research. Thematic areas of this type of research include the study of consumers, sales organizations, marketing environment, competition, as well as segmentation analysis.

Within the thematic areas of the second type of research:

- 1) sources of market resources are analyzed;
- 2) consumers are given features;
- 3) retailers will have the opportunity to study consumer behavior using traditional forms of trade;
- 4) study of consumer attitudes to new forms of trade;
- 5) the most important and profitable segment is studied [1].

The goal of any marketing research is ultimately to shape a company's strategy and tactics, taking into account, on the one hand, real potential factors and market conditions, and, on the other hand, its position and prospects. At the same time, the essence of the research is not traditionally to determine any absolute truth, but to reduce the level of uncertainty in the market situation, especially in the long run. Based on well-conducted research, the company will be able to reduce business risks and potential losses. A special demand for such research is in the surplus in the market, and the advantage arises in the buyer, not in the seller [2].

In modern times, marketing research in the retail system is advanced on a theoretical basis and differs in terms of the size, scope and mission of the retail representative. Retailers based in foreign countries conduct marketing research based on the mentality of the nation, the economy and policies of the state.

In Uzbekistan, in 2020, retail sales amounted to 199,518.8 billion soums [3]. This indicator has an upward trend. Such a figure is formed, of course, at the expense of sales of retailers.

One such high-performing retailer is Anglesey Food. Anglesey Food Company was established in 1996 and is one of the first retail chains in the Republic of Uzbekistan to operate in the form of a "supermarket". Initially, the company operated under the Anglesey Food brand in the format of "home stores". The rebranding policy pursued in 2005 can go down in history as the first stage in the development of the network under the brand name korzinka.uz.

Regular work to improve the quality of service, favorable pricing policy, a unique loyalty system program play an important role in strengthening the confidence of our customers. Due to its experience in the field of retail food and related products, the network korzinka.uz strives to fully ensure quality assurance, taking into account the needs of customers for goods. At present, through the sustainable development of our network, it is gaining a unique reputation among customers. The very fact that the word "basket" is almost synonymous with the concept of a supermarket in everyday life means a lot. Due to the expansion of the network and the increase in the number of stores, in 2010 the relatively small stores were merged into a separate group in the form of a "home-based store". Through the establishment of the Smart Affiliate brand, their concept and assortment policy were developed.

Korzinka.uz DISCOUNT is the first network of local retailers in Uzbekistan to establish wholesale stores. Prices lower than the average market offer set for most product categories are the most basic feature of stores in this format. Convenient ramps adapted for loading goods, the size of the area in the sales hall, the placement of products - all indicate that the store is designed for a smaller type of wholesale buyers.

Korzinka.uz cards have also been introduced for supermarket consumers, which can be saved up to 3% of the purchase amount [4].

This information is about one of the leading retail representatives conducting marketing research in the country. However, not all retailers operating in Uzbekistan have such evidence. Most of them do no

marketing tools and research other than advertising. This situation makes it necessary to study the experience of retail representatives operating in foreign countries in conducting marketing research and recommend directions for their application in the country. In this regard, too, the topic of the scientific article is relevant and allows to study the marketing research applied in foreign countries.

Literature Review

F. Kuesnay, F. Liszt, T. Mann, D. Ricardo, A. Smith and others as the first bases in the study of the economic laws of the development of trade and its regulation by the state. Their activities will be the basis for the development of public policy in the field of trade regulation in a developing market economy [5].

Theory and practice of organization and management of commercial activity CIS economists L.I. Abalkina, Yu.A. Avanesova, A.G. Aganbegyan, M.I. Bakanova, V.G. Burmistrova, I.A. Blanka, V.V. Lukashevich Z.M. Okruta, F.G. Pankratova, F.G. Pambuxchiyantsa, T.K. Seregina and a number of other scientists [6].

Fundamentals of the marketing approach used in retail management P.S. Zavyalova, F. Kotler, I.V., Korneeva, Ya.S. Krulis Randa, A.M. Lavrova, J.J. Lamben, A.P. Pankruxin, R. Purcourt, B.C. Surnin [7] et al. The study of these publications has allowed the use of methodological concepts that are able to more effectively perform marketing functions in the field of retail trade [8].

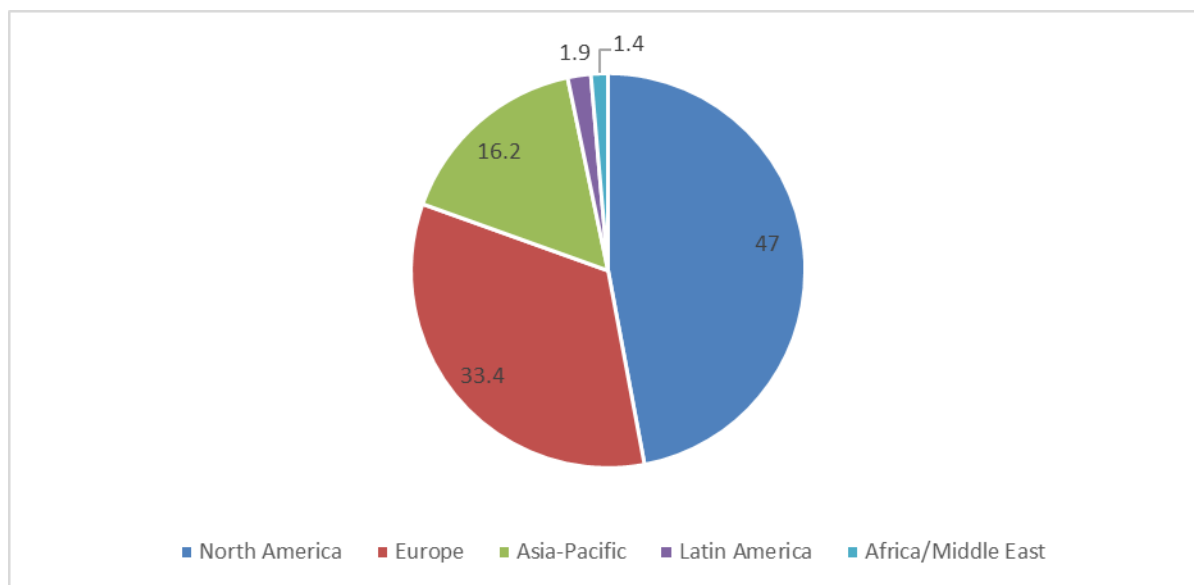


Figure 1. Revenue balloon of the world leading 250 retailers in 2019, by the region [9]

Analysis and Results

In 2019, of the 250 retailers operating in the global economy, 47% were in North America, 33.4% in Europe, 16.2% in the Asia-Pacific region, 1.9% in Latin America, 1.4% in the Middle East and Located in Africa (Figure 1).

As of 2021, 3 of the world's top 10 retailers (Walmart, Amazon.com, Costco) are U.S. companies, 2 (Schwarz Group, Aldi) are German companies, 2 are Netherlands (Ahold Delhaize, Ikea), 2 are China (Alibaba, JD.com) and 1 is a French company (Carrefour). Unlike wholesale, retail is particularly important as it is directly consumer-oriented. For this reason, a company's revenue will depend on whether it conducts its marketing research correctly and purposefully. Studying this on the example of companies on this list allows us to think more broadly about the experience of foreign countries in the use of marketing research in retail enterprises (Table 1).

Table 1. 2021 Top 10 Global Retailers [10]

Ranking	Retailer	Home country	Business foundations	Total company revenues (billions)
1	Walmart	USA	Mass/Hyper	\$519.93
2	Amazon.com	USA	Ecommerce	\$280.52
3	Schwarz Group	Germany	Discount Grocery	\$133.89
4	Aldi	Germany	Discount Grocery	\$116.06
5	Alibaba	China	Ecommerce	\$71.99
6	Costco	USA	Club	\$163.22
7	Ahold Delhaize	Netherlands	Grocery	\$78.17
8	Carrefour	France	Mass/Hyper	\$82.60
9	Ikea	Netherlands	Furniture	\$45.18
10	JD.com	China	Ecommerce	\$82.86

United States

The development of retail trade is of particular importance for the country and is one of the key tools in ensuring food security. For this reason, the Retail Index has been introduced in the United States, which shows changes in trade, describes consumer spending and demand levels. This indicator is divided into: "sales of cars" and "sales of all other goods". Since the number of cars sold is a very variable quantity, the part of the indicator that does not take into account "car sales" contains the most accurate information.

Retail sales are included in the GDP formula, which is about 2/3 of total GDP (including consumer spending). An important piece of information in the GDP report is the percentage change in sales of consumer goods. The growth of the indicator is a positive factor for the economy, leading to an increase in the national exchange rate. Lower-than-expected figures are being interpreted as a signal of slower GDP growth, lower inflation, lower interest rates and stronger bond markets.

Trade is divided into 2 main categories, long-term (40%) and non-long-term (60%) goods. In durable goods (3/5) cars predominate; the remaining 2/5 consists of building materials, furniture, household items. Non-durable goods include consumer goods, foodstuffs, motor fuel, restaurant meals, and medicines.

Walmart is one of the most important companies in the U.S. retail system.

One of the strengths of Walmart's business is its use of marketing research and the Marketing Mix. Survival in the retail market is not about luck or big expense, but about actively conducting market research.

Founded in 1962, Walmart is the world's largest retail store, with more than two million employees and managing more than 10,000 retail stores worldwide.

It is available in more than 50 countries around the world.

Company Marketing Mix is based on five basic principles: price, product, advertising, location and people.

1. The price of a product affects its future success and long-term continuity. It determines the profit from sales and the competitiveness of the product in the market. If the price of the product is high, the profit per unit sold will be high. On the other hand, if prices are low, demand may be high. Companies can operate high-value, low-volume, or low-value, high-volume. Walmart prices are determined in the following ways:

Customer-friendly pricing and wholesale direction to maximize sales rather than over-selling products.

Great buying strategies that allow the company to trade with the most convenient players in the supply chain to keep prices low.

Diversification ensures that if one of them is not adequately advertised, additional products can encourage the sale of other products.

Universal barcode systems create a more efficient supply chain that reduces costs.

Various shopping options (e.g. for home appliances or furniture) with the option to pay in cash or in installments for large purchases.

2. Walmart stores sell a wide range of products. They bring what the customers want to the market. It's easier to sell and promote a product that people want than to try to innovate. When choosing a product range, Walmart uses the following strategies:

They offer a wide range of products in almost all categories. They range from food, hardware, furniture, home appliances, health and wellness products to entertainment.

They buy in bulk to achieve discounts and scale savings.

They maintain strong relationships with their suppliers.

3. Advertising strategies are strategies that an organization uses to engage or inform the public about its product.

Walmart often holds discounted promotions throughout the year.

The store uses slogans such as “Save Money, Live Better”, “Lowest Price Store”, “Neglected New Products” and the most common “Lowest Prices for Everyday” associated with low prices.

Walmart uses a variety of advertising tools, including TV commercials, billboards, social media, and even an e-commerce platform.

They provide safe shipping methods that provide the highest level of customer service when shopping online.

Walmart offers strong warranties and exchange policies for many of the products it sells, giving customers peace of mind when shopping.

4. Location is important in any business. The location and geographical location of the business are key elements for customers. As part of the Walmart marketing mix, it uses a variety of strategies to ensure that all location-related factors are effective:

A powerful e-commerce platform that allows customers to purchase products without having to go to a physical address.

A network of well-planned distribution centers allows stores to easily collect their orders and deliver their products directly to consumers.

Advanced IT systems allow an organization to track whether products are in transit or inventory.

Great geographical location, especially in the U.S., strategically located Walmart outlets.

Truck fleet for efficient door-to-door delivery.

Branding and differentiation of many Walmart stores such as Walmart Supercenters, Walmart Neighborhood Market, Walmart Express stores and Walmart discount stores.

There are several lessons to be learned from the Walmart marketing mix:

Effective pricing of products is the key to demand formation. Businesses need to know where to place their products from the beginning and how to price them for their target demographics.

An efficient supply chain allows retailers to reduce costs for their customers.

Organizations can use stocks not only to increase demand, but also to instill confidence in their customers, especially in terms of return policies and guarantees.

In today’s rapidly evolving world, while digital presence is more important than physical presence, the strategic geographical distribution of outlets is also an important part of marketing strategy [11].

Amazon.com ranks second in the world among U.S.-registered and fastest-growing retailers today.

Starting with “Earth’s Largest Bookstore,” the activity has grown to become a leader in the food, appliances, and even the fashion industry. The success of Amazon.com is largely due to the fact that the company focuses on the long term rather than the pursuit of making big big money fast. To adapt to this long-term view, their main task is to build customer loyalty by providing a good experience for each customer. They want to make sure customers can find and buy what they need at the right time without having to understand technologies that don’t work or aren’t user-friendly.

Amazon.com technicians are accustomed to finding the latest technology solutions, and when they can’t find what they need from a third party, they invent the technology themselves; hence, many of their technologies are self-generated. One of the most exciting technologies they have developed and are currently using from other online stores is the “Customers who bought this product have also purchased this other product” feature.

Of course, Amazon.com uses a variety of online marketing channels to provide the best experience to its customers, which contributes to customer loyalty. One of the innovations provided by Amazon.com is the use of a responsive web design that allows you to quickly replace blocks (or modules) or move them to another part of the page.

Amazon.com has created a culture of indicators that consist of data collected from measuring customer decisions. This means that all their decisions are based on information, not intuition. “I don’t think buyers buy products that look luxurious,” they say. Instead, they collect and analyze data to determine what customers are actually doing and what trends are emerging [12].

Germany

The development of the retail system in the country also has its own historical experience. For 100 years, the German Retail Federation has been the main organization of the German retail sector with about 300,000 independent companies, 3 million employees and an annual turnover of more than 500 billion euros. Retail is the third largest sector of the German economy after industry and handicrafts.

The headquarters of the Retail Federation is located in Berlin. It represents the needs and interests of the entire retail sector of all sectors, locations and sizes. The Retail Federation is the sector’s legitimate voice in relation to national and EU-level policies, as well as other business sectors, the media and the public. The Retail Federation is an active member of more than 60 national and international organizations. As a leading retail organization, the Retail Federation supports individual companies in all professional fields. It provides and protects the voice and space of economic importance to the retail sector.

At the regional level, the German Retail Federation works with:

8 state retail associations;

70 regional trade associations;

26 professional trade unions at the federal level;

About 100 professional trade unions at the state level.

In addition, the Retail Federation cooperates with a number of external consultants and professional associations in various fields, including business consultants, insurance groups, training centers, and best practice groups. These areas include:

- social work;
- economy, taxation and finance;
- education and training sector data;
- online trading;
- small and medium business policy;
- logistics and transport policy;
- the environment;
- consumer policy [13].

A well-organized retail system is paying off. According to 2021 data, German companies such as Schwartz Group and Aldi, the world's top 10 retailers, also hold high positions.

The Schwartz Group is a family retailer group that operates more than 12,100 grocery stores, supermarkets, hypermarkets and discount stores in 30 countries under the Lidl and Kaufland brands. The Schwarz Group will make several commitments to the public on all dimensions, but there is room for improvement in all three dimensions. In terms of the environment, the Schwartz Group aims to use 20% less plastic by 2025, making its personal label packaging 100% recyclable in all countries and business units. The company has also committed to a 50 percent reduction in food waste by the end of 2030. However, it only provides greenhouse gas reduction targets for the Kaufland subsidiary.

The group's food retail chains are Lidl and Kaufland.

Lidl is an efficient and hassle-free shopping, as well as high quality goods at the lowest prices. Everyday relationships with customers, employees and business partners are defined by a spirit of transparency, fairness and equal communication. The Lidl range includes well-known brands in the food and non-food industries, ranging from private labels. Lidl operates as a chain of grocery stores in Europe, offering food and non-food products to its customers. Through Liddle, the group expanded its U.S. presence through recent agreements with U.S. supermarket operator Best Market to buy stores in New York and New Jersey.

Kaufland means reliable quality, wide selection and low prices. With an average of 30,000 products, the company offers a wide range of products and everything for daily needs. A full-fledged retailer is committed to sustainable production and food products resulting from integrated protection of the environment, climate, and species [15]. Kaufland is a discounted retailer offering fresh food, clothing and household items. The company produces most of its fresh meat products in factories in Germany and the Czech Republic.

China

China's growing retail market offers a number of opportunities for foreign investors, with the country having one of the most lucrative and fastest-growing retail markets in the world.

In China, large differences between regions, income gap between rural and urban areas, purchasing power and retail demand vary greatly Guangdong, Shandong, Jiangsu, Zhejiang and Henan accounted for 42% of China's total retail sales, most of which are prosperous eastern provinces. For comparison, Tibet, Qinghai, Ningxia, Hainan and Gansu have the lowest retail sales this year.

China's retail market is highly fragmented and consists of many small and medium-sized retailers, unlike the United States, which is dominated by large retailers. The development of small and medium-sized retail trade is one of the main directions of the policy of a country with a large population.

Retail sales in China, a key indicator of consumption and the biggest driver of economic growth, grew 12.5 percent in 2021.

According to statistics released by the National Bureau of Statistics, retail sales in 2021 were 44.08 trillion yuan (\$ 6.95 trillion).

Behind the strong growth of retail trade is a stable employment situation and a sharp increase in personal income per capita [17].

The Chinese retail network is radically different from Germany. The majority of the population wants to buy goods online. For this reason, online commercial platforms are developing in the country.

JD.com is China's largest online retailer. It offers customers the best online shopping experience. The company is a member of Fortune Global 500.

JD.com is China's leading e-commerce platform, providing direct access to unparalleled original, high-quality products to more than 550 million active customers, and helping leading domestic and international brands to take advantage of China's fast-growing e-commerce network.

JD.com sets a global standard for the online shopping experience, offering a wide selection of products in every major category (electronics, apparel and home appliances, new food, home appliances, etc.) and delivering them at incredible speeds.

Using JD's unparalleled national logistics network and sophisticated delivery technologies based on data, customers enjoy the same and next-day delivery standard, a level of service that no other company in the world can match.

JD Worldwide, a cross-border platform, also allows global brands to sell directly to Chinese consumers, even those who do not have a physical presence in China, meaning that JD.com customers can receive high-quality products worldwide.

JD Logistics uses this company's advanced technology and logistics experience to provide smart supply chain and logistics services to a wide range of enterprises.

JD.com has one of the largest executive infrastructures of any e-commerce company in the world. As of September 30, 2021, JD.com has managed 41 Asia-1 logistics parks, one of the largest and most automated smart-charging centers in Asia. JD.com also uses a network of 1,300 warehouses with a total area of approximately 23 million square meters, including a warehouse area of cloud warehouses managed under the JD Logistics Open Warehouse Platform.

JD.com offers small and medium-sized warehouses, large-capacity warehouses, cross-border, chain delivery, frozen and refrigerated warehouses, B2B and crowdsourcing logistics. It can provide a leading level of delivery service for JD.com to take advantage of its unparalleled national logistics

network. JD.com can reach about 90% of orders delivered that day or the next day, which is unmatched by any other e-commerce company on a JD.com scale globally.

JD.com's goal is to develop the smartest, most efficient logistics systems using major data resources, information systems and experience in the Chinese market. JD has built the world's first fully automated warehouse in Shanghai and is currently developing its own drone delivery and automatic delivery robots.

The main goal of the company

1. First customer;
2. Integrity;
3. Cooperation;
4. Gratitude;
5. Devotion;
6. Ownership [19].

Conclusion And Recommendations

As a result of the above research, the following conclusions were drawn by the author:

In the 21st century, it is impossible to attract consumers through small discounts or 2 + 1 promotions. He wants to make a real, time-consuming trade. For this reason, the retail system of the world is developing in parallel both offline and online in the developed countries;

As is known from the experience of the USA, Germany and China, the development of retail and retail representatives, encouraging them to study the market is carried out at the level of public policy;

The development of retail trade can also be achieved through the development of e-commerce in the country.

It is advisable to use the experience of the United States, Germany and China to develop marketing research in the retail system in Uzbekistan. In particular, it is necessary to implement the following aspects in the retail system:

- The market research activities of the retail system and retail representatives should be raised to the level of public policy. For example, the establishment of a Retail Agency and the promotion of the marketing activities of retailers through it;
- The number of Internet users in Uzbekistan has exceeded 27 million, of which more than 25 million are mobile Internet users [20]. This information necessitates greater use of digital technologies in the country's retail system;
- The biggest mistake in conducting marketing research in the retail system of Uzbekistan is the incorrect implementation of market and consumer segmentation, the use of mass marketing research. For this reason, retailers need to learn more about consumers and analyze their preferences.

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