



ENHANCING MARKETING AND PROMOTIONAL STRATEGIES WITHIN AUTOMOTIVE COMPANIES INCLUDING LADA COMPANY IN UZBEKISTAN

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ABSTRACT

In this period of globalization companies are getting higher their production behavior in different countries. In this process production faces pole apart challenge where cultural barrier play a significant role. The businesses need to appreciate the new marketplace culture and its enlightening elements which really matter for production to design promotion strategy. This investigation has depicted marketing strategies made up by cultural dimensions, which influence on sales of automobile business namely, "LADA Uzbekistan" company. In this methodology econometric analysis including linear correlation and regression analysis were conducted in order to find out the most suitable marketing strategy for the company. To have an exact outcome, qualitative and quantitative method were used to obtain necessary data for the methodology. All the marketing strategies are based on the result of Hofstede's cultural dimensions, only those can be ahead which have the right marketing strategies because it increases the chances of better market penetration with proper utilization of resources. Marketing strategies include all basic and long-term activities in the field of marketing that deal with the analysis of the strategic initial situation of a company and formulation, evaluation and selection of market-oriented strategies and therefore contribute to the goals of the company and its marketing objectives.

CCS CONCEPTS

• **Information systems**; • **Marketing**; • **Promotional strategies**; • **Market analysis, multi regression analysis marketing, digital marketing, sales promotion and cross-cultural marketing**;

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1 INTRODUCTION

Marketing policy is a 2nd strategy to achieving strategic advertising policy objectives that focuses on the whole advertising approach.

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The combination is a collection of factors available to the buyer. These include the produced items or service itself (its recompense), its simplicity of usage (where and when it is available, supplied, or otherwise disseminated), as well as its depiction (the way by which it is promoted) and, of course, the value that should be misrepresented. As a result, market strategy represents a group of several components that make up a firm's marketing group as a whole. They are frequently categorized into four categories: course of action, product, cost of allocation and encouragement, sales promotion advertising, and marketing investigate. Several researches have carried out in the past, but there is still a gap to reveal evidence of the potential untapped passenger vehicle market in the Uzbek state of affairs, as well as potential car manufacturers. The paper is to be an attempt to make an all-encompassing situation investigation of Uzbek auto market by using the data, collected through the qualitative and quantitative methods, and econometric analysis.

2 LITERATURE REVIEW

According to Kotler (2014), marketing is divided into managerial and societal. The skill of selling items is referred to as management marketing, however the selling process is not a fundamental component of marketing. The seller is only the tip of the marketing iceberg. Marketing is described as a social process in which people and groups achieve what they want and desire via the production of value-added products and services that are freely exchanged with others. As Kotler (2015) states that the key to attaining an organizational objective is for a corporation to become more effective than rivals at producing, presenting, and communicating the value of clients in targeted markets. A marketing strategy is a method of achieving a firm's objectives. "Tactic is a set of outstanding blueprints that outline how a firm should operate to achieve its objectives," Helmuth (2016) agrees. Moreover, a tactic is a strategic plan for a firm or a business unit to achieve a certain aim and for the international companies, it is of critical importance to have a powerful and appropriate strategy in order to enter into international competitive market. Besides effective strategy, it is necessary to investigate the culture of the country where the international corporation plans to enter.

Marketing strategies of corporations are meaningfully impacted by national cultural factors since desire of consumers and incentives they are fairly inclined to respond to, can be impacted by their culture and society. One of the most popular methods of marketing used for international corporations is advertising and people usually interpret advertisement messages by their relationship to culture and the widespread ethnicities or morals that individuals obtain.

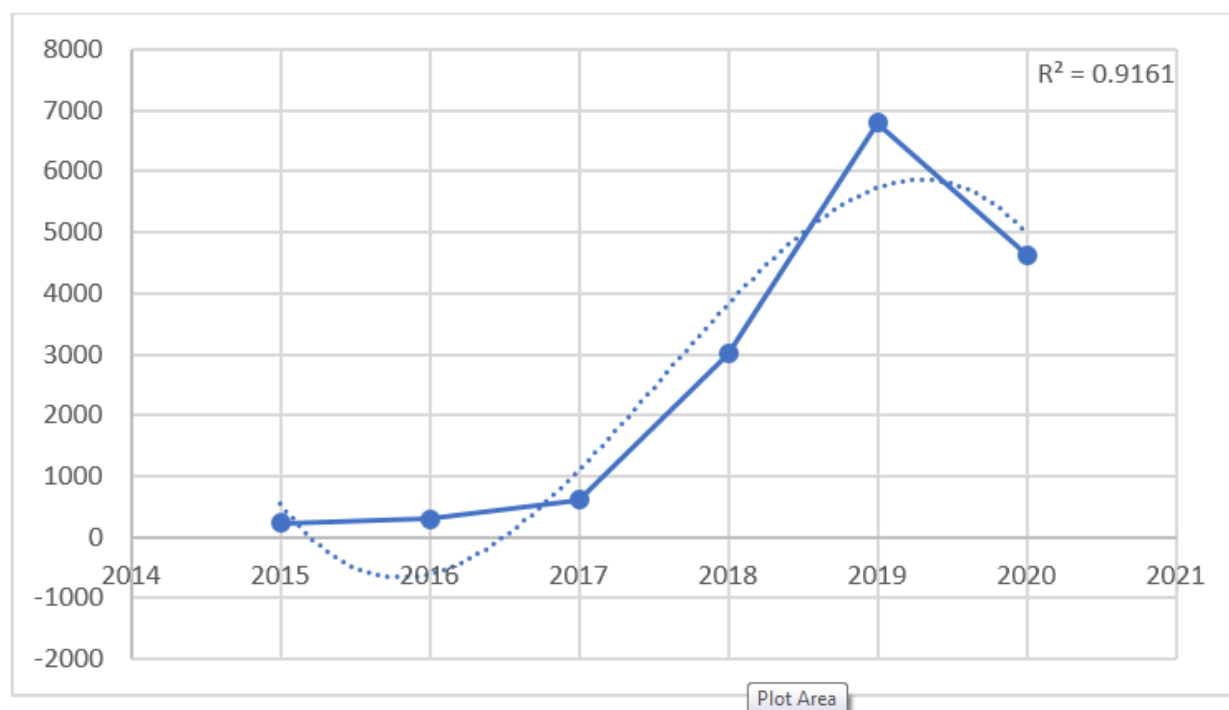


Figure 1: The number of Lada cars sold in Uzbekistan (2015-2020)

Table 1: Correlation matrix

	Y	X ₁	X ₂	X ₃	X ₄
Y	1				
X ₁	0.918447232	1			
X ₂	0.761595168	0.633754582	1		
X ₃	0.794532925	0.759622276	0.82027765	1	
X ₄	0.495150773	0.414407933	0.87158854	0.531257	1

Consequently, advertisements need to be employed within the cultural framework of the culture they focus on and can only be effective tools of influence if marketers are culturally aware. Advertisement is a reflection of society as well as a participant in its growth, and it plays a significant role in cultural expression. When promoting in a foreign nation, the advertising agency must consider cultural values and beliefs.

3 METHODOLOGY AND RESULTS

After a review of literature related to the developments of this research, this part is focused on development of econometric analysis of marketing strategy of the Lada Uzbekistan company in order to find out the most effective and efficient marketing strategies used by the company. The figure 1 clearly shows the dynamic of Lada cars sold in the period of 2015 and 2020 and its multiple regression function which approximate changes of the sales amount in these periods.

$$Y = -305.9x_3 + 2E + 06x_2 - 4E + 09x + 3E + 12$$

In the following table, the regression analysis of sales and marketing strategies of Lada Uzbekistan company is demonstrated, "Y" (sales) is as a dependent variable while advertising (using bloggers to attract Uzbek people's attention), sales promotions (valuable prizes including apartment, car and so on), digital marketing (developing search engine) and development of brand and product value are marked as dependent variables "X₁", "X₂", "X₃" and "X₄" respectively.

The first consider the mutual correlation of these indicators, for which we form a correlation matrix

According to the correlation matrix, the indicators with the strongest correlation coefficient with Y are X₁ (advertising) and X₃ (sales promotion) and X₂ (digital marketing) have medium correlation coefficient. However, the correlation between X₂ and X₃, X₄ and X₂ is also high, which means that Y can also be affected by the multi-correlation state.

We see the regression function of the above indicators through econometric analysis programs. The following is a summary of regression analysis statistics.

Years	Half year	Number of Lada car sales	The cost of advertising (in millions)	The cost of sales promotion (in millions)	The cost of digital marketing (in millions)	The cost of brand development (in millions)
		Y	X ₁	X ₂	X ₃	X ₄
2015	I	101	UZS 107	UZS 35	UZS 35	UZS 71
	II	129	UZS 103	UZS 44	UZS 43	UZS 86
2016	I	140	UZS 139	UZS 29	UZS 29	UZS 90
	II	160	UZS 145	UZS 34	UZS 34	UZS 130
2017	I	267	UZS 95	UZS 73	UZS 63	UZS 144
	II	339	UZS 111	UZS 86	UZS 71	UZS 146
2018	I	765	UZS 250	UZS 150	UZS 152	UZS 168
	II	2241	UZS 231	UZS 156	UZS 157	UZS 193
2019	I	3084	UZS 356	UZS 159	UZS 169	UZS 336
	II	3707	UZS 534	UZS 130	UZS 187	UZS 354
2020	I	2476	UZS 255	UZS 228	UZS 178	UZS 534
	II	2154	UZS 338	UZS 210	UZS 209	UZS 627

Figure 2: Indicators of marketing strategies and sales of Lada Uzbekistan company

Table 2: Regression statistics

Regression statistics	
R	0.954728739
R-square	0.911506966
Normalized R -square	0.954831214
Standard error	576.0523635
Observations	12

Table 3: Dispersion analysis

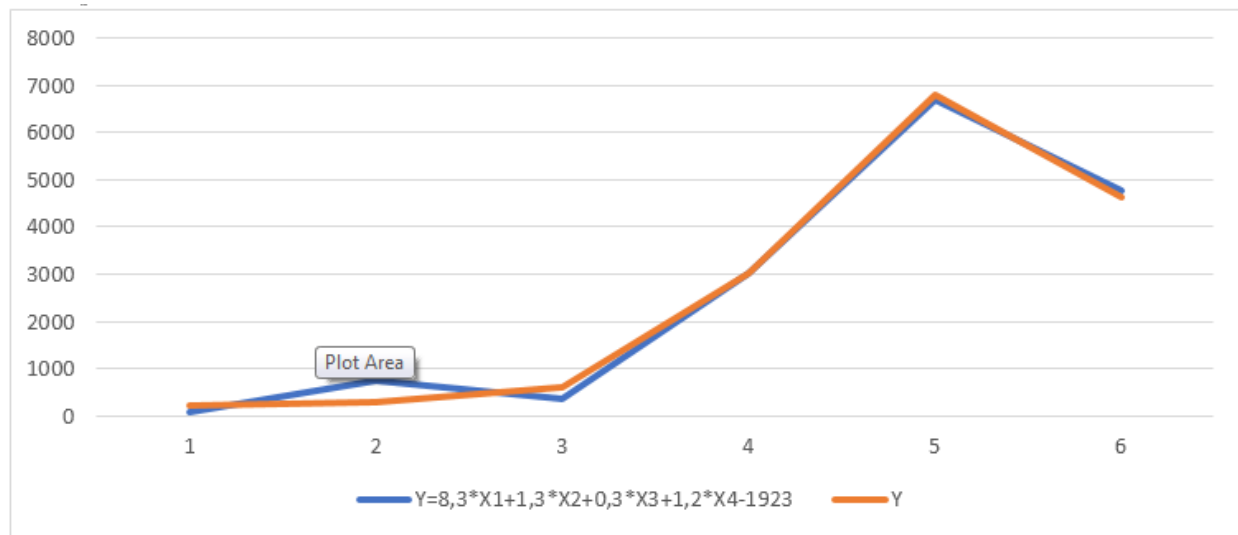
Dispersion analysis					
	df	SS	MS	F	Significance F
Regression	4	36401088.51	9100272.127	27.42397811	0.142139808
Remainder	1	331836.3255	331836.3255		
Total	5	36732924.83			

According to the analysis of regression statistics, the coefficient of determination of the R-square is 0.95, which means that the function of giving an initial positive conclusion is of statistical significance.

An important indicator in the conclusion of the dispersion analysis is the value of the fisher test, which indicates the presence of the hypothesis 0 and the low statistical significance of our function,

Table 4: Regression coefficient

	Coefficients	Standard error	t-statistic	P-value
Y intersection	-1923.770263	580.1325933	-3.316087192	0.186458023
Variable X_1	8.346259727	1.989612452	4.194917315	0.148979321
Variable X_2	1.259840731	5.044214501	0.249759547	0.84418582
Variable X_3	0.252722118	5.674079126	0.044539759	0.971663836
Variable X_4	1.181380605	2.690280471	0.439129161	0.736581349

**Figure 3: Graph of regression functions**

the critical value of which should be less than 0.05. The value of the Fisher test is 0.0002, which is below the critical point.

We can obtain the coefficients of the generated regression function from the following analytical table.

The t-statistic in this analytical table finds the regression coefficients by dividing them by standard errors.

This condition indicates how far the errors are from the error regression function line. That is, the value of the regression function Y^* indicates how much the current exponent Y differs from the current, which we can see in the graph below.

Hence, the function generated as a result of the regression analysis will have the following appearance.

$$Y = 8,3 * X_1 + 1,3 * X_2 + 0,3 * X_3 + 1,2 * X_4 - 1923$$

With the help of this linear function, we can predict sales of LADA cars by calculating the expenses for marketing strategies, as a result, identify areas for implementation of specific measures for its growth. For example, the function shows that the costs of advertising, sales promotion and branding are positively influenced and have a negative impact on digital marketing. Furthermore, we can clearly state how many units' sales of LADA cars will increase or decrease by one unit for each change that remains unchanged due to non-functional factors.

$$d = \frac{\sum_{t=2}^T (e_t - e_{t-1})^2}{\sum_{t=1}^T e_t^2}$$

Figure 4: Formula of Darbin Watsenf**Table 5: Calculation of Dorbin Watsen**

DW	0.3165
DWL	0.29
DWU	2.03

In the next step, we will perform the Darbin Watsen statistical test in order to clarify the above suspicious cases. For this we refer to the Darbin Watsen equation.

According to the formula, we need to calculate the error from the regression statistics, the ratio of the sum of the squares of the errors.

According to the Dorbin Watsen table, $D = 0.29$ and $D = 2.03$, since our index is greater than DL and less than Du, we can conclude that the function has passed the test and there is an auto-correlation.

Table 6: Calculation of Breusch-Godfrey

	e_t	e_{t-1}
e_t	1	
e_{t-1}	-0.676	1

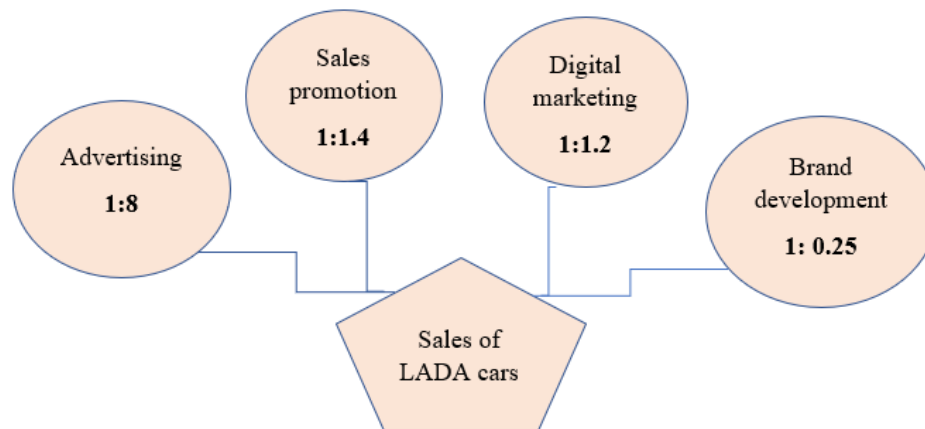


Figure 5: Influence of advertising, sales promotion, brand development and digital marketing indicators on LADA car sales

In the next step, we end the correlation matrix of errors, (e_t and e_{t-1}), in order to determine the autocorrelation between the errors.

We need to calculate the Breusch-Godfrey coefficient of the autocorrelation index of these errors.

Result is 1.39

If we compare the critical value of the Breusch-Godfrey coefficient with 1.86, the coefficient we calculated is smaller than the critical value. That is, there is no auto-correlation between errors, which is the basis for the conclusion.

In addition, a regression analysis was performed on the basis of the relative values of the above parameters, the weight of the coefficients β of the resulting function changed, but the effect of the selected factors remained the same.

The regression function of labor productivity in the above industry is of statistical importance and can be used to predict its results.

At the end of the analysis, the relationship between the impact indicators and the car sales, which is the result, can be summarized as follows.

This figure shows the impact of the factors listed on the sale of LADA cars. That is, all of the variables including advertising, sales promotion, digital marketing and brand development have a positive impact, has a negative impact, and has a positive impact, and measures for increasing sales of LADA cars should be taken into account, first of all, taking into account the direction of the factors affecting it.

4 CONCLUSION & RECOMMENDATION

Auto industry plays one of the most significant roles in the economy of Uzbekistan. The number of international auto companies including KIA, HYUNDAI, SKODA, VOLSWAGEN, RENAULT and

so on are increasing during the last couple years. The analysis conducted for the company of LADA Uzbekistan illustrates that Uzbek market is very hungry for automobiles and there are maybe some barriers such as political, economic and legitimate, but on the other hand, proper analysis of market entry will help fresh companies to compete in rivalry market.

Considering all the econometric analysis and the findings of previous researchers, it can be concluded that spending 1 million sums on advertising results in sales of 8 LADA cars and spending by around 800 thousand sums on sales promotion and brand development accordingly lead to sales of 1 LADA car. Nevertheless, spending 4 million sums on brand development results in sales of 1 LADA car, which is less profitable than other three variables.

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