



COMPETITION IN THE TEXTILE PRODUCTS MARKET: FACTOR ANALYSIS

Ziyodulla Akhmadovich Hakimov*

Associate Professor at Tashkent State University of Economics, Tashkent, Uzbekistan

Abstract

This present article is based on the need to create a competitive environment in the market of textile goods. The main factors shaping the competitive environment in the market of textile products are classified. A strategic approach based on competitive relationships is proposed for securing competitive advantage in the textile industry.

Keywords: Industry, Competition, Competitive environment, Competitiveness, Cluster, Textile, Fashion and Marketing.

1. Introduction

The country, region, city and district, enterprises, in general, all economic entities have their own market activities, and there is certainly competition between them. Competition is a struggle between independent producers (enterprises) to produce goods under favorable conditions and sell them at a profitable price, to strengthen their position in the economy in general, and represents complex relations between all market subjects. In other words, competition is the struggle between producers or service providers of the same product to occupy the market and ensure its active movement (National encyclopedia of Uzbekistan, 2006). In the Decree of the President of the Republic of Uzbekistan dated January 28, 2022 No. PF-60 "On the Development Strategy of New Uzbekistan for 2022-2026", "Development of competition in consumer markets and taking effective measures against monopoly" is defined as a priority direction. Also, the decision of the President of the Republic of Uzbekistan dated March 6, 2020 "On measures to introduce market principle in the field of cotton production

No. A number of important tasks for effective formation of competitive environment in the cotton-textile industry have been defined in the decisions of PQ-5006 "On measures to implement the tasks defined in the development strategy for 2020-2030 in 2021". Accordingly, it is one of the most important areas of scientific research to determine the competition in the market of textile goods and the factors that shape it. Since the first day of Uzbekistan's independence, textiles, which are the main consumer goods of the population, have been developing based on strategies aimed at radical improvement of production, then modernization and diversification, and in recent years, innovative development.

The textile industry has an important place in the economy of Uzbekistan, its share in GDP in 2021 will be 4.6 percent, its share in total industrial output will be 14.3 percent (including clothing production), and its share in the manufacturing industry will be 17.3 percent (including clothing production) organized. As a result of consistent reforms implemented in Uzbekistan, drastic changes occurred in the development of the textile, sewing and knitting industry, and as a result, this sector became one of the strategically important industries. However, Uzbekistan's share in world textile and

*Corresponding author: Ziyodulla Akhmadovich Hakimov

Received: 27.09.2022; Accepted: 31.10.2022;

Published: 26.11.2022.



clothing exports is only 0.3 percent (Market Analysis and Research, 2017). The steady predominance of the production and export of textile products, the production of finished products with high added value and the insufficient formation of national brands that can adequately compete in the world markets do not allow to increase the competitiveness of enterprises. Also, at the current stage of the development of the textile industry, which is widely used in world practice, incorporating the full cycle of production from raw materials to the production of finished products strategic directions based on effective integration of processes were determined and a number of large cluster projects were implemented. The results of clustering strategies require careful formation of the competitive environment in the network. These circumstances make it necessary to determine important directions aimed at increasing the competitiveness of clusters operating in the network and forming a competitive environment (Abdirahmonovich, 2021).

2. Literature Review

Competition and its theory are studied by many economists in the world, and its scientific and methodological foundations are being improved. Theory of competitionThe first full-fledged theoretical rules about its foundations and driving forces appeared in the middle of the 18th century. The scientific researches of A. Smith, D. Ricardo, F. Keene, A. Marshall, P. Buagelberg, J. Keynes, V. Leontev, Y. Schumpeter, Porter (2005) and others were of great importance in this. Theoretically, Adam Smith states that "competition is an activity that brings benefit to the whole society", while Francois Quenett put forward the concept of "natural order" and approved the concept of capitalism emerging and strengthening in his time, and that its development in such conditions is based on "free competition". in this he supported the spontaneous change of market prices and the denial of state intervention in this process.

In our opinion, M. Porter's five forces of competition and Y. B. Rubin's theories of

enterprise competitiveness are theories specific to a highly developed market economy. M. Porter is better known as a popularizer of the economic "cluster" concept, and justified the fact that the competitiveness of the enterprise is related to the economic environment. The economic environment, in turn, is the main one based on the fact that it is determined by the conditions (general resource, demand) and competition in the cluster. M. Porter developed a recognized method of analyzing competitiveness and justified the development of national economy competitiveness from the stage of "primary factors" such as cheap labor to competition based on innovation and the last stage - competition based on wealth. According to Porter (2005), "the more developed the competition in the country and the higher the demands of buyers, this the more likely the country's enterprises to succeed in the international market, on the contrary, the weakening of the competition in the national market, as a rule, leads to the weakening of the competitive advantage" (Sh. Nazarov, 2005).

Yu Rubin (2004) considers the theory of enterprise competitiveness as a "systematic unit of business". He developed the theoretical foundations of the competitive factor, nature, advantage in business. According to him, "competition emerges as the main force of business management" and explains that "like a natural biological process, it is in constant development." In his theoretical views, it was confirmed that competition is the tool that ensures the development of market relations.

Considering the described approaches to the description of competition and competitiveness, it is appropriate to dwell on a number of opinions given by republican economists in this regard. While M. Boltabaev's research recognizes that "competitiveness is the ability to withstand competition with similar goods in certain market conditions", Sh. Nazarov (2016) "competition is the level of development, according to which the region is effective from its natural and economic potential, competitive advantages and institutional opportunities at the expense of its use, it will ensure the stable



growth of the population's standard of living and its quality", he said. Based on the above, identification of the main determinants and systematization of the factors that shape the competitive environment in the textile industry serve as the main scientific approach to developing strategies for the development of this industry.

2. The Purpose of the Study

The main purpose of the study is to systematize the factors based on the identification of the main determinants that form the competitive environment in the market of textile products. The results of the implementation of this goal create an opportunity to determine strategic directions for ensuring competitiveness in the market of textile products.

3. Scientific Essence

Determining modern strategic directions based on the determination of the main factors forming the competitive environment in the market of textile products is the scientific and methodological basis of this research.

4. Research Methods

In scientific sources, it is recognized that the competitiveness of the enterprise depends on the competitive environment in the area where they are located and the factors that shape it, both in the domestic market and in the foreign market. The main determinants that increase competitiveness are the following (Figure 1):

- Conditions of production factors.
- Demand status.
- Enterprise strategy and internal competition.
- Supporting networks and infrastructure.
- Additional factors: Random factors or opportunities and State.

Determinants determining the competitiveness of the country, region or industry show the general level of competitiveness of enterprises in this particular

market and do not allow to determine them for individual enterprises (Ergashkhodjaeva, 2018). In the article, based on Porter (2005) model, the main determinants of competition in the textile industry are determined based on the method of comparative and selective research, and the factors affecting the competitive environment are systematized. Additional grouping methods are used to determine the impact of these factors on the enterprise and to determine appropriate strategies.

5. Analysis and Results

The concept of competitive environment is a set of economic, legal, organizational and political conditions that provide equal opportunities for market participants in business. The competitive environment is understood as the provision of equal rights of participation of market subjects in the market, the existence of economic freedom, the fact that the intervention of various administrative state agencies in their market activities has a unilateral action, and accordingly, the laws and regulatory documents are created and the circumstances in which they are implemented.

The issues of studying the competitive environment between industries, determining the place of enterprises in the development of market activity, the influence of competition on the market, researching the levels of perfection of conditions based on the characteristics of each industry, as well as the principles of ensuring competitiveness based on mutual relations are still not sufficiently researched by the scientists of the republic. not done. Therefore, taking into account the specific characteristics of the textile industry of Uzbekistan, it is important to determine the nature of the theories of competition based on mutual relations. Although the nature, level of influence, character of the competitive factors in the textile market are different compared to other industries, their complex influence on the performance indicators in the market is manifested. Therefore, in researching the mechanisms of influence of factors, first of all, it requires their systematic classification.



According to the results of scientific research studies devoted to the study of the theoretical basis of ensuring the competitiveness of textile enterprises, it is appropriate to determine the factors that shape competition among enterprises operating in this field

according to the "main driving force of the change of competitiveness and character" proposed by M. Porter (Djasurovna *et al.*, 2020). Consequently, they appear as the main factors shaping the competitive environment in the textile industry (Table - 1).

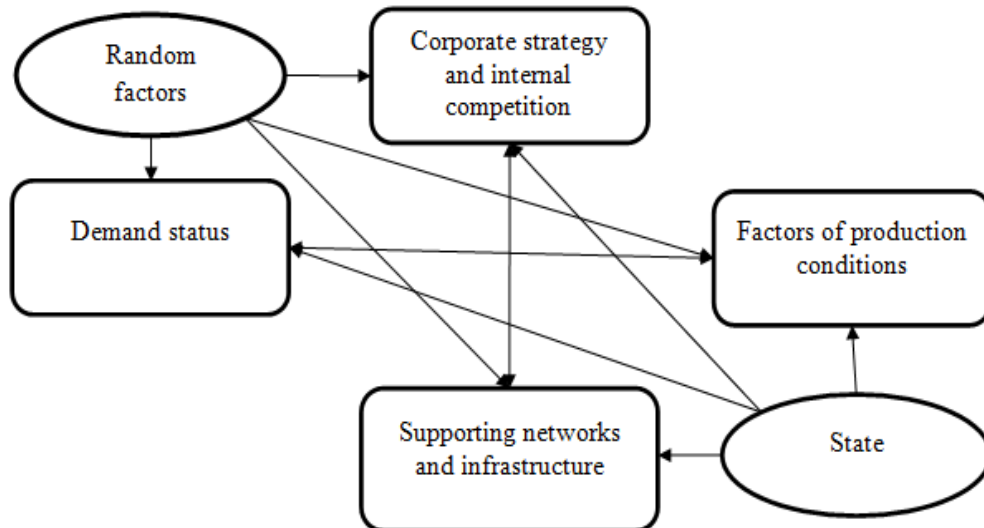


Figure – 1: A group of determinants determining competitiveness in the network, Porter's model

The main determinants forming the competitive environment have a direct impact on the market activity of enterprises and determine the nature of network or local competition (Kirill *et al.*, 2018). The competitiveness of enterprises is within the influence of the above factors, and on this basis, their advantages are determined. Based on the market characteristics of textile enterprises, according to the concept of extended competition, in our opinion, competitive strategies are formed under the influence of the following factors:

- a) Organization of large production facilities at the expense of low investments, ability to operate on the market for a certain period of time.
- b) Even without highly qualified personnel, innovative products, use of all types of production and sales organization.
- c) There are no strict requirements for export and import restrictions and national standards of the states, the lack of high level of importance of raw material transportation features and prices, large number of suppliers.

- d) Demand for textile products and changes in customer behavior are highly dynamic, the assortment is wide, the market is not differentiated, it is highly influenced by fashion trends, age, seasonality, work activity, individuality, etc.;

Factors such as the time of entry of substitute goods are short, the influence of fashion and seasonal characteristics, constant improvement of product quality cannot limit the entry of new competitors. A large number of competitors, a high rate of market growth, few features of exiting the network of enterprises, the availability of opportunities to rapidly increase production capacity, little change in the consumption characteristics of goods, low variability of fixed costs, the ability of enterprises to quickly adopt effective marketing strategies and a wide range of their application develop competition.



Table - 1: Classification of the main factors shaping the competitive environment in the market of textile products

Driving forces of competition Features of being invisible in the textile market	Driving forces of competition Features of being invisible in the textile market
As demand changes	The constant demand for textile products, increasing the production capacity of enterprises and the wide range of opportunities for the start of new enterprises will ensure the continuity of the flow of additional investments, which will form a competitive environment.
According to consumer characteristics	The expansion of the textile market, the stimulation of increased demand, the strengthening of assortment differentiation, the improvement of sales methods, the sharp concentration of consumers, the influence of distribution channels and marketing costs, and the formation of the competitive environment.
Fashion requirements and changes	The fashion demand of consumers, the increase of goods with new designs, the creation and modification of sales channels, and the increase of the assortment form the competitive environment.
Product and marketing innovations	Technological innovations aimed at increasing production capabilities and product quality, and marketing innovations aimed at faster sales of products, effective communication with consumers, and the formation of new demand form a competitive environment.
Changes in efficiency and costs	Technological changes, optimization of costs, introduction of new ways of using raw materials and resources, increase of personnel capacity, adoption of new resources market (B2B) shape the competitive environment.
Diffusion of technological and fashionable advances	The fact that leading countries in the market are moving their production capacities to countries with high production capacity, the development of the technology market, and the rapid adoption of new models of clothing form the competitive environment in the textile products market.
Changes in public policy	The openness of foreign trade of textile products, the legislation on creating a competitive environment, the implementation of production development programs, the anti-monopoly policy, and the state's incentive policy for scientific and technical developments form a competitive environment.
Reduction of risks	Guaranteeing the activities of small business entities operating in the market of textile products, increasing their number, transitioning from simple marketing strategies to complex ones, etc.
Socio-cultural changes	Increasing population incomes, development of culture, sports, tourism, increased attention to fashion, improvement of the eco-environment differentiate textile products and shape the competitive environment.
Development of information flow	As a result of the global spread of information, the formation of public dress culture, the system of mutual relations and the expansion of global information networks shape the competitive environment.

Source: Author development.

The competitive advantage of the enterprise creates flexibility to the influence of the mentioned factors. And the formation of factors allows to create internal competitive advantages for enterprises. The created strong competitive environment allows the enterprise to increase its efficiency, achieve success in other markets and ensure competitive advantage. It is known in international practice that there are strategies that provide advantage in competition that are flexible to the competitive environment formed in industries and sectors and the course of its scope expansion. "Cooperation in

competition" and "building a national brand" can be noted as the most modern strategic directions.

As a result of their joint actions, the interaction between the enterprise and consumers can reveal the negative factors of the external environment, including the pressure of competition. Intensification of competition in the domestic market has a positive effect on enterprises and society, and serves as the main support for the development of innovation. It should be noted that in the market of textile products, the innovative development of competition based on relations is considered the



main one, and it is appropriate to consider the other functions as secondary. Based on the above, the formation of effective competitive strategies in the market of textile products should be built on the basis of mutual relations.

The effect of relational competition varies depending on the common goals of the enterprises (Figure - 2).

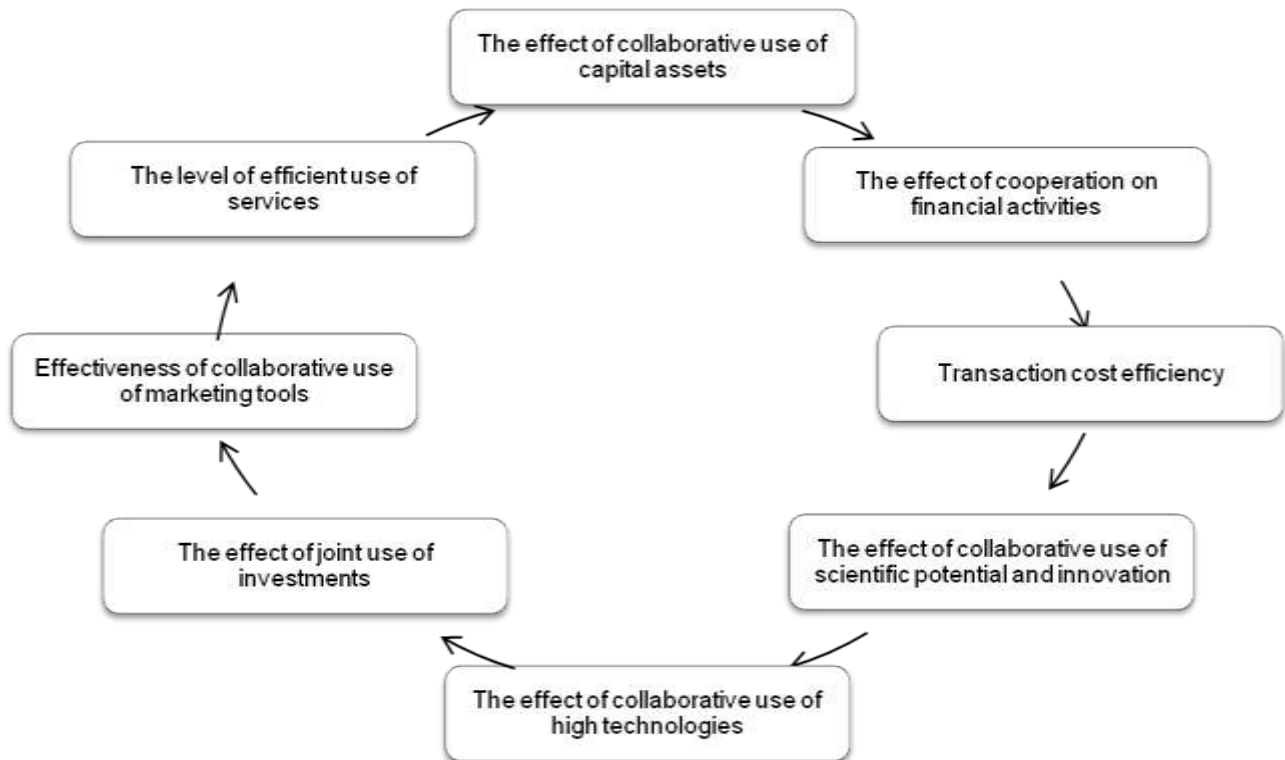


Figure – 2: Effect of cluster-based interactions

Inter-enterprise cooperation serves to save resources for its participants and increase the level of meeting the needs of consumers. Each of the classified factors is interrelated, and together they create the advantages of achieving the competitiveness of enterprises, determine the need to form a perfect system based on mutual relations.

6. Conclusions and Suggestions

In the market of textile products, the nature, level of influence, nature of competition factors are different compared to other sectors, and its market activity has a complex effect on performance indicators. When researching the mechanisms of influence of factors, first of all, it is necessary to systematically arrange them. According to the developed approaches to the classification of competitiveness factors and sources, there is a system of positive and negative factors affecting the competitiveness of the enterprise in terms of complex internal and

external influence. In economic practice, there are various forms of cooperation between economic entities: cluster, franchise, outsourcing, subcontracting, etc. Based on the results of the analysis of modern strategies of enterprise competitiveness, the main condition for the competitiveness of textile enterprises is the effective creation and management of textile clusters.

The results of the formation of relevant factors to ensure regional competitiveness of textile enterprises ultimately lead to the effective formation of clusters. Since 2017, serious attention has been paid to the formation of industrial clusters as a new system of innovative development of the industry, as a strategy to ensure competitive advantage. This direction is an innovative direction of creating added value based on modernization and diversification of production, effective processing of raw materials. During the short period (2017-2021),



working in the cluster method has shown its positive aspects, including the introduction of resource-saving techniques and technologies in the textile industry, the establishment of new and modern enterprises and the creation of new jobs, the development of the production of finished products with high added value. Since the cluster strategy is considered a long-term strategy, it will not achieve economic results in a short period of time. The main problem is the need for methodological approaches that ensure not only legal but also beneficial relations between cluster participants.

The study of the theories of competitive strategies formed within the framework of the development of the industrial market of the world countries and the competitive environment in it shows that the main condition for the competitiveness of textile enterprises in the conditions of Uzbekistan is the formation of an innovative marketing strategy and thereby ensuring active entry into the world markets.

7. References

- 1) Abdirahmonovich A. T. Evaluation of Competitiveness of Brands of Local Sewing and Knitting Enterprises. *Revista geintec-gestao inovacao e tecnologias*. 2021. - T. 11(2): 716 - 739.
- 2) Akhmadovich K. Z. Synergy effect textile clusters of Uzbekistan. *Asian Journal of Technology & Management Research*. - 2019. - T. 9. – no.1.
- 3) Boltabaev M.R. Marketing strategy in the development of textile industry export opportunities in the Republic of Uzbekistan. Doctoral thesis. - T.: TDIU, 2005. -102 p.
- 4) Djasurovna E. S., Ahmadovich H. Z., Nishonovich S. A. The ways of improving competitiveness of textile industry enterprises based on marketing strategies. *European Journal of Molecular and Clinical Medicine*. 2020. 7(7) – S. 2020.
- 5) Ergashkhodjaeva S. J. et al. Evaluation of textile and clothing industry clustering capabilities in Uzbekistan: based on model of M. Porter. *Int J Econ Manag Sci*. - 2018. - T. 7. – no. 439. - S. 2.
- 6) Kirill K., Bobir T., Ziedulla H. Estimation methodology of efficiency of production capacity management at textile enterprises. *Bulletin of Science and Practice*. - 2018. - T. 4. – no. 1. – S. 228 - 241.
- 7) Market Analysis and Research, International Trade Center (ITC). List of exporters for the selected product Product: 59, 60, 61, 62, 63. 2017.
- 8) National encyclopedia of Uzbekistan. National encyclopedia of Uzbekistan. 2006, Vol. 8 - 265 p.
- 9) Nazarov Sh. Improving the methodological basis of increasing the competitiveness of the regions of Uzbekistan. Doctoral dissertation autoref. - T.: TDIU, 2016. -14 p.
- 10) Porter M. Konkurentnaya strategiya: Metodika analiza otrasley i konkurentov/ Per. English — M.: Alpina Biznes books, 2005. – 454 p.
- 11) Porter M. Konkurentnaya strategiya: Metodika analiza otrasley i konkurentov/ Per. English. Alpina Business Books, 2005. – 454 p.
- 12) Rubin Yu.B. Theory and practice of predprinimatelskoy konkurensii. Textbook. 4 e izd. - M., O.O. Market DS. 2004. – 782 p.
- 13) Smith A. Issledovanie o prirode i prichinax richatka narodov (book I-III). Per. engl, vvodnaya statya i kommentarii E.M. Mayburda. — M.: Nauka, 1993. - 572 p.



Access this Article in Online

Quick Response Code



Website www.jpsscientificpublications.com

DOI Number [DOI: 10.22192/iajmr.2022.8.6.5](https://doi.org/10.22192/iajmr.2022.8.6.5)

Thomson Reuters Researcher ID [K-4194-2016](#)

ISI Impact Factor [3.652](#)

How to Cite this Article:

Ziyodulla Akhmadovich Hakimov. (2022). Competition in the Textile Products Market: Factor Analysis. *Indo - Asian Journal of Multidisciplinary Research*, 8(6): 2726 – 2733.

[DOI: 10.22192/iajmr.2022.8.6.5](https://doi.org/10.22192/iajmr.2022.8.6.5)

