

Improving the Efficiency of Management of Integration Processes in Retail Trade Enterprises

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Abstract

The forms of integration of retail trade enterprises are classified in the article. It is recommended to use three main forms of integration of retail trade enterprises operating in Uzbekistan. An expert assessment was carried for selecting forms of integration of retail trade enterprises, the factors ensuring efficiency were systematized for each form.

Keywords: *trade, retail trade, integration, horizontal integration, vertical integration, outsourcing, wholesale trade, expert evaluation method, competence, concordance coefficient.*

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Introduction

In the Address of the President of the Republic of Uzbekistan Shavkat Mirziyoev to the Oliy Majlis, "Private trading companies should be engaged in determining the types of consumer products, finding a market for them and selling them, and for this, it is necessary to develop a set of draft laws that regulate trade activities." that it also belongs to the market[1] was defined as the 4th most important programmatic and targeted tasks that need to be implemented in the economy in 2020 and the following years.

These tasks can be solved on the basis of ensuring the effective integration of retail trade enterprises into the consumer goods market and determining its main role in the regulation of the consumer goods market.

Special attention is being paid to increasing the role of retail trade enterprises in accordance with the developing competition in the consumer goods market, the changes in the structure of local and imported goods, and improving the forms and methods of retail trade management in the context of the digital economy. The competitiveness of retail enterprises is determined by the state of their effective integration into the consumer goods market, and the integration strategy occupies a special place. This is the main factor for ensuring competitive advantages of enterprises in the service sector, for maintaining stability and increasing their position in the market, and for attracting investments. Considering the above,

Literature analysis

As it is known, two types of integration strategy are distinguished in the fields of economy, i.e. vertical integration strategy and horizontal integration strategy[2]. The composition of the implementation of vertical integration in the field of trade is mainly related to the organization of associations based on the integration of wholesale and retail trade enterprises. In addition, the advantage in this form of integration is wholesale trade. The downside of reverse vertical integration is the loss of economic independence by retailers[3].

Progressive growth in the economy creates the basis for the formation of similar trading systems. The formation of large trade networks represented by the concept of trade networks in all countries is a modern practice of integration [4]. These are cross-industry associations of enterprises with complex internal organizational, management and distribution features. They can be reliably included in the constituent elements of the economic system, because they can have a decisive impact on the market, production and consumption, society and the vertical of power. In the theory of strategic management, they received the concept of "holistic structure"[5]. In our opinion, it is appropriate to consider the system of various structures and enterprises that specialize in and provide services to the retail trade business as "integrated trade systems".

An integrated trade system is a multi-sectoral commercial organization that operates mainly in the field of trade and is represented by many technologically integrated trade objects that are interconnected (united) through the distribution of specialization, resources and cash flows into a single economic mechanism[6].

The main transformation trend of trade enterprises was the formation of many trade channels on the basis of horizontal integration at the beginning of the 19th century. The next main evolutionary process is the emergence of the concept of "Retail trade network" and today it has become the main category of the economy. However, since the 50s of the 20th century, the

practice of combining commercial objects, connecting them with technological solutions, and forming a complex system of enterprises is widely used [7].

Horizontal integration implies the creation of a structure implemented in the form of cooperation of retail trade enterprises. It is desirable to organize such associations in order to implement a centralized procurement system, warehouses, and a unified marketing policy. This allows to become economically independent from the wholesaler and other retail enterprises, reduce the cost of distribution channels, create conditions for future growth and ensure synergistic effect.

Synergy in horizontal integration is the result of a strategy that occurs when two or more organizations merge into one structure[8]. In our opinion, choosing a strategy of horizontal integration in the development of a strategy for the development of retail trade enterprises is the most optimal way for the Republic of Uzbekistan.

The use of horizontal integration strategies as a way to increase the efficiency of retail trade management in Uzbekistan should be implemented for one strategic group of competing entities.

Based on the above, it can be concluded that integrated trade structures within one strategic group should have the goal of creating a favorable environment for the successful development of retail enterprises.

Based on the above directions, the following organizational forms of the integrated structure are proposed:

Figure 1. Form of voluntary integration of retail trade enterprises into wholesale trade enterprises:

Figure 2. The form of horizontal integration within single supplier enterprises of retail enterprises;

Figure 2. Integration of retail enterprises on the basis of outsourcing.

In order to improve management efficiency in retail enterprises, 3 proposed integrated structures are determined based on the expert assessment of their effectiveness on a total of 9 factors. The 9 factors selected for management effectiveness are: supply system, assortment, pricing, logistics, marketing, information system, management, control system, financing system.

Methodology

In order to determine the effectiveness of the proposed forms of integration in terms of retail trade management, it is recommended to use the expert evaluation method. Each proposed form of integration is assessed on the basis of a 5-point system based on factors: supply system, assortment, incompatibility of product quality with regional consumers, pricing, logistics, marketing, information system, management, control system, financing system, participation of retail trade in management, cooperation of retail enterprises. The importance of factors is assessed by experts according to the following criteria:

- 1 - not important at all;
- 2 - partially important;
- 3 - important;
- 4 - more important;
- 5 - the most important.

Experts are required to be managers of retail enterprises and specialists in the field of commercial activity. In the assessment of the effectiveness of the application of a specific form of integration based on the expert method, the importance is mainly focused on the selection of experts and the assessment of their level of competence, and the assessment of the degree of consensus of experts. It is desirable that the group of experts should be implemented by managers operating in wholesale and retail trade enterprises. In scientific research, it is considered appropriate to have a group of experts from 7 to 20[9]. Based on this, 10 experts are used in the research.

In order to effectively perform expert assessment, it is advisable to use the SPSS Statistics 22 package program "NPAR TESTS" command. This software package is useful for determining the results of expert evaluation and checking the reliability of the results.

Analysis and results

Voluntary integration of retail enterprises within the wholesale enterprise stores, to create a favorable external environment for the development of supermarkets, implies the integration of permanent communication with wholesale enterprises on the basis of contractual relations. The proposed organizational structure will have a contractual system that unites economic entities in an integrated grouping, not individually, and regulates economic activities.

Each trading company has large transaction costs, because it is forced to make economic relations with several wholesale enterprises, each of which mainly sells certain groups of goods, which affects the cost of transporting goods and, accordingly, price increases.

The integrated association is organized by the initiative of wholesale trade enterprises and provides certain benefits to retail trade enterprises based on the proposed strategic program, which allows to increase competitiveness.

Integrated grouping can perform the following functions: supply of information, maximum use of assortment, provision of logistics services, warehousing and settlement of accounts, etc.

Synergy of integration: reduction of transaction costs, application of new technologies in the process of buying and selling and distribution of new experience, reduction of costs of distribution of goods, opportunity to expand trade markets and lower prices for goods.

To the form of horizontal integration in the structure of single supplier enterprises of retail enterprises will have a form of management, the purpose of which is to optimize supply and logistics services, whose contractual relations are based on the principles of voluntariness.

For retail sound enterprises that are considered as integration participants, delivery is centralized, and profits are distributed among them in proportion to the volume of purchases.

Purchases may be made available to non-integrated but non-eligible retailers. In this strategy, the relationship between retailers is management aimed at creating a competitive advantage aimed at achieving mutual benefits. At the heart of this management strategy is the policy of providing retail enterprises with a competitive advantage based on mutual relationships. The main problem in management is coordinating the activities of participants.

In the integration of retail enterprises on the basis of outsourcing, outsourcing is the transfer of a certain function from one company to another under a contract to professionally support the continuous operation of the enterprise. Economic efficiency is the ability to release a part of economic resources, which allows them to be directed to another enterprise specializing in these

functions in order to improve trading activities and reduce distribution costs.

Members of the association create structures that deal with various problems. For this purpose, it is recommended to establish an outsourcing center as a limited liability company providing outsourcing services. The main goal of integration is to minimize the cost of providing goods to retailers.

Retail trade enterprises are recommended to solve the following tasks in the center: accounting and statistical accounting, introduction of goods, forwarding services, innovative technologies, information and legal services to the members of the association, etc.

The implementation of the above functions helps to solve many problems, mainly related to personnel, in particular, attracting highly qualified specialists who can solve the specific problems of retail enterprises is a constant problem. The association can create joint funds that can partially solve financial problems and be presented as a consolidated structure, which increases the efficiency of the system of working with financial institutions. In addition to the above, the integrated structure reduces the costs of organizing sales and technological processes in the retail network, improves the quality of management functions, and reduces risks in the delivery and sale of goods.

Analysis of experts on the integration forms of retail trade enterprises. The fashion of each factor according to the results of evaluation by a total of 10 experts on the basis of a 5-point system is presented in Table 1.

Table 1. Classification of factors selected for analysis by experts on forms of integration of retail enterprises

Indicators	X	Figure 1					Figure 2					Figure 3				
		1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
Supply system	1					*					*		*			
Assortment	2	*							*							*
Pricing	3	*							*				*			
Logistics	4					*			*				*			
Marketing	5					*		*								*
Information system	6				*		*									*
Management	7					*		*				*				
Control system	8		*							*						*
Funding system	9					*	*									*

*fashion according to results obtained from experts

The results obtained by 10 selected experts for expert analysis were obtained based on the SPSS Statistics 22 package program "NPAR TESTS" command. In it, according to the factors determined for each of the integrated forms, the results of importance were calculated separately for each form, and the data of Table 2 were obtained.

Table 2. Expert evaluation results

Factors	Color according to form 1	Color according to form 2	Color according to figure 3
Supply system	7.25	8.55	2.65
Assortment	2.85	6.05	6.40

Pricing	2.05	5.40	4.25
Logistics	7.20	5.10	2.40
Marketing	4.85	4.45	6.50
Information system	4.95	2.40	2.70
Management	5.60	2.90	6.20
Control system	2.80	7.60	7.25
Funding system	7.45	2.55	6.65
Expert evaluation results test for each form			
N	10	10	10
Chi-square	51,861	54,736	46,944
st.	8	8	8
Asymptotic significance	0.000	0.000	0.000
Kendall - W	0.648	0.684	0.587

According to Table 1, the competence level of experts is accepted based on the results of the Friedman test (Chi-square) according to the SPSS Statistics 22 package program. The Friedman test is based on repeated measures two-way analysis of variance and ranks expert ratings on each observed factor based on values greater than 1.

In the method of expert survey, the "consensus of experts' opinion" is very important. If the level of consensus among experts is high, then the results of the expert survey will be high. The "coefficient of concordance" is used to assess the level of agreement of experts' opinions. The level of agreement between experts' Kendall (W) value varies between 0 and 1. The closer the value of the concordance coefficient is to one, the higher the agreement of the experts' opinion. From the data of Table 1, it is known that the level of agreement of the experts' opinion is moderate and indicates that the obtained results can be accepted.

Summary.

The results of the expert assessment allow to distinguish the most important factors in determining the integrated structures of retail enterprises. It is known from the results that the voluntary integration of retail enterprises in the structure of the wholesale trade enterprise (in form 1) will have high advantages in terms of the formation of an effective supply system, logistics, and financing system for the retail trade networks.

As a result of the horizontal integration of retail enterprises into the activities of single supply enterprises (Figure 2), the supply system will expand the possibilities of providing synergy in terms of assortment, control system and logistics.

In our opinion, the integration of retail trade enterprises on the basis of outsourcing should be considered as the most targeted strategy. Integration in this form allows for efficient establishment of the Assortment, Marketing, Management, Control and Financing system, which provides high competitive advantages for retail enterprises.

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