



ANALYSIS OF COMPETITIVE STRATEGIES IN OLIGOPOLY MARKETS: A CASE STUDY OF UZBEKISTAN'S RETAIL SECTOR

Sevinch Norova

Gulnoza Qurbonova

4th-year Students,

Department of Geography, Navoi State University

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ABSTRACT

This article analyzes the formation of equilibrium in oligopoly markets and the specific aspects of competitive strategies. It is shown that in the oligopolistic market structure, companies form market equilibrium through interdependent decision-making, price setting, and coordination of production volumes. Additionally, the factors of differentiation among companies in monopolistically competitive market conditions, product quality, and the impact of marketing and advertising tools on equilibrium are studied.

Introduction. Competitive strategy is a long-term plan developed by a company to achieve a sustainable advantage over its competitors in the market, make its products or services attractive to customers, and thereby achieve its main objectives (such as increasing revenue, expanding market share).

The main objective of competitive strategy: The primary goal is to attract and retain customers. For this, the company must clearly define how it differs from its competitors (i.e., why customers should specifically choose it).

Main types of competitive strategies (Michael Porter model): The most famous and widely used classification in economic theory is Michael Porter's 3 main competitive strategies. Companies typically choose one of these strategies or a combination of them.

1. **Cost Leadership** A company adopting this strategy aims to achieve the lowest production costs in its industry. This allows it to sell products at lower prices than competitors or generate more profit at the same price, and is implemented as follows:

- Automation of production processes
- Large-scale production
- Purchasing raw materials and materials at low prices
- Using low-cost marketing channels

2. **Differentiation** In this strategy, the company tries to make its product or service completely different from competitors. This difference can be in product quality, design, technology, brand, or the level of service provided to customers. In this approach, price is of secondary importance and is implemented as follows:

- Using high-quality materials and components
- Creating innovative and unique design

- Building a strong and recognizable brand
- Providing excellent service to customers

3. **Focus** This strategy involves the company directing its strengths and resources to a narrow segment of the market (a relatively small group), for example, a specific geographic area, or a group of customers segmented by age or income level. This strategy itself is divided into two:

The research results show the importance of correctly managing competitive equilibrium in increasing market efficiency. Competitive strategy is a compass that guides a company to win the "race". It helps the company to clearly define its position among competitors and why customers specifically choose it. Without a strategy, a company is more likely to make mistakes and disappear from the market.

Competitive Strategies of Two Major Players in Uzbekistan's Retail Market: "Korzinka" and "Yangi Hayot"

Although they compete in different directions, both have achieved successful results in their respective fields. We will analyze this comparison based on Michael Porter's strategies.

- **"Korzinka"**: Mainly focused on a Differentiation strategy, especially convenience and shopping experience. They offer the "everything in one place" concept.

- **"Yangi Hayot"**: Applies a differentiation strategy based on quality and freshness, but also includes elements of cost control by keeping prices competitive. This is considered a mixed strategy.

COMPARISON OF STRATEGIES

Criterion	"Korzinka" Strategy	"Yangi Hayot" Strategy
Main strategy	Differentiation in convenience and assortment. Offering customers a wide selection and the opportunity for "one-stop shopping".	Differentiation in quality and freshness. Special attention to the high quality of fresh vegetables, fruits, and meat products.
Product assortment	Very wide (Hypermarket format). In addition to food, household appliances, clothing, children's products and other non-food products are available in a wide assortment.	Focused on food (Supermarket format). Main attention is paid to food products, especially fresh and prepared goods.

Criterion	"Korzinka" Strategy	"Yangi Hayot" Strategy
Pricing policy	Average high. However, they make prices attractive through regular promotions, discounts and the "Korzinka Plus" loyalty program.	Competitive. Often the prices of basic food products, especially vegetables and fruits, are slightly lower than "Korzinka".
Target (Customers)	Families in city centers, young people with active lifestyles, customers whose time is valuable. They prefer convenience and time savings.	Families in residential areas, especially housewives. They pay attention to food quality, product freshness, and family budget.
Store location	Often located inside large shopping centers or in central, busy areas of the city. Modern and with large spaces.	Also widespread outside city centers, in residential areas. Store sizes vary.
Marketing and Brand	Focused on "Modern lifestyle". Often reminiscent of global hypermarkets. Marketing promotes innovation, technology, and family values.	Focused on "Trust and tradition". Product quality, naturalness, healthy eating and family warmth dominate in marketing.
Strength	Wide assortment and "one-stop service". The customer can satisfy different types of needs in one place.	Product quality, especially fresh products. Has a reputation for "quality product at an affordable price".

"Korzinka": Convenience and Experience

"Korzinka" doesn't just sell products to the customer, it sells the shopping process. What's important to them:

- **Time saving:** The customer can buy food, toys for children, new clothes and household chemicals from one place. This is especially convenient for busy families.

- **Wide opportunities:** Cafes, food courts, playgrounds for children and other additional services make "Korzinka" more of a "family recreation center" than an ordinary supermarket.

- **Modernity:** The design, layout and service level of the stores meet modern requirements. This strengthens the brand image.

Its strategy is "We offer you the most convenient and multifunctional shopping environment."

"Yangi Hayot": Quality and Trust. "Yangi Hayot" has focused its strategy on satisfying daily needs, that is, the quality of every family's table.

- **Attention to quality:** They attach great importance to controlling the quality of fresh vegetables, fruits, meat and dairy products. This is their main competitive advantage. Many customers go to "Yangi Hayot" specifically for these products.

- **Competitive price:** Offering quality products at an affordable price is their second strength. This makes them popular among the general public. They have managed to find a balance between quality and price.

- **Availability:** The location of stores in residential areas allows them to be close to many customers. This makes them the first choice for daily, small-volume purchases.

Its strategy is "We reliably provide your family with the highest quality and freshest products."

The competition between "Korzinka" and "Yangi Hayot" is a direct struggle between two strong companies that have chosen different strategic directions. If you want to save time, have a wide selection and a modern shopping environment, your choice is "Korzinka". If you care about the quality and freshness of the products on your table, as well as affordable prices, your choice is "Yangi Hayot". Both companies have perfectly implemented their strategies and have occupied a unique and strong position in the Uzbekistan market. This indicates that the market is developing healthily and that the diverse needs of consumers are being met.

Conclusion. In conclusion, oligopoly and monopolistically competitive market types are considered one of the important components of the modern economy. In an oligopoly, the strategic competition between several large companies determines market equilibrium and directly affects prices and product quality for consumers. In a monopolistically competitive market, each company seeks to create its own competitive advantage through product differentiation, brand policy, advertising and marketing tools. The formation of equilibrium in these market types is closely related to the coordination of companies' strategic decisions, maintaining the balance between demand and supply, and increasing economic efficiency. As a result, stabilizing market equilibrium and developing competition in a healthy direction serves the sustainable growth of the country's economy.

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