



CONCEPTUAL MODEL OF MARKETING MANAGEMENT FOR A SMALL INDUSTRIAL ENTERPRISE

Vakhabov Asadullo Ubaydullo ogli

Assistant, Department of Marketing

Tashkent State University of Economics

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Received: 24 th July 2025	The article examines the conceptual model of marketing management in small industrial enterprises as a strategic tool for enhancing competitiveness and ensuring sustainable development. The proposed model integrates key components such as strategic planning, market analysis, innovation management, and customer relationship management within the context of limited resources typical for small businesses. Particular attention is paid to the role of digital technologies and modern marketing instruments in optimizing business processes and adapting to dynamic market conditions. The study highlights the importance of systematic marketing management in strengthening the competitive position of small industrial enterprises in both domestic and international markets.
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INTRODUCTION

To ensure the competitiveness of small business enterprises, in addition to state support, it is essential to strengthen their internal potential, respond promptly to market changes, and meet consumer needs more fully and effectively. In this regard, the development of marketing competencies, the optimal selection of elements of the marketing mix, and the establishment of sustainable relationships with business customers become particularly relevant. Such competencies enable the enterprise to maintain expanded reproduction of demand for its products and services. Relationship marketing ensures close interaction with the customer and involves the customer in the process of value creation. Despite the diversity of scientific perspectives on the definition of relationship marketing, what unites them is a value-oriented approach. Through such interactions, small industrial enterprises gain access to new knowledge and create shared value. This conclusion highlights the importance of developing marketing management models aimed at increasing customer satisfaction and the need to design tools that implement customer value within the marketing management system.

The absence of an organizational center for marketing management, due to the limited number of managerial personnel in small enterprises, aggravates the problem of low efficiency in marketing decision-making. Therefore, it is necessary to link the marketing function to the organizational structure of the small enterprise. At the national level, the ability of companies to integrate and coordinate joint actions to reduce

uncertainty becomes a critical factor in competitiveness. In this process, the ability of small industrial firms to build and sustain marketing competencies plays an important role in strengthening their market positions. Research indicates that only 20% of small and medium-sized enterprises employ relationship marketing tools, while in the B2B market the establishment of long-term customer relationships is of particular importance. In this regard, as the foundation for marketing management in small industrial enterprises, the focus is shifted from the traditional "4P" framework to E. Ettenberg's "4R" model, which is oriented toward the result desired by the customer and thus aligns with the concept of relationship marketing. Scholars have advanced research on the application of relationship marketing for effective management of marketing activities in the industrial market.

The purpose of this article is to substantiate a conceptual model of marketing management for small industrial enterprises. To achieve this goal, the study examines theoretical approaches to marketing management in relation to small industrial enterprises, identifies the advantages of building a marketing management system based on the concept of relationship marketing, clarifies the relationship marketing mix using Ettenberg's 4R model, and tests the proposed conceptual model in practice.

LITERATURE REVIEW

The importance of marketing management is widely recognized in the literature, with most authors



examining it in the context of successful market performance and enhancing company competitiveness. R. R. Sidorchuk classifies small business entities based on their growth prospects and distinguishes between "satellite" companies, which are directly dependent on partnerships with larger enterprises; "local" companies; and enterprises of "free development." In the present study, the focus is on small industrial enterprises as independent market participants that require marketing to strengthen their positions [1].

I. I. Pichurin points out that the experience of independent small enterprises in industrial markets has not provided a sufficient number of successful examples of marketing practices, and therefore, marketing should be primarily aimed at creating and retaining customers. Definitions of marketing management provided by such authors as P. Doyle, F. Kotler, and G. L. Bagiev emphasize the need to identify, analyze, and account for customer needs in order to achieve enterprise profitability, strengthen strategic market positions, increase sales volumes, and expand market share. The managerial focus of marketing evolves as new grounds emerge for improving the interaction between production and consumption [2].

Consequently, marketing should be integrated into the overall enterprise management system. This integration, as highlighted in the research of O. U. Yuldasheva and E. V. Pisareva, requires the modeling of marketing activities, including the development of mechanisms for implementing strategy and defining the role of marketing within the company [3].

A systems approach to marketing management views marketing activities as an open and complex system composed of interdependent elements that are oriented toward the market and external environment, and directed at achieving the organization's strategic goals. G. A. Vasiliev, N. D. Eriashvili, and N. A. Nagapetyants include performance evaluation as the final stage of marketing management, enabling the adjustment of managerial decisions [4]. Similarly, D. M. Hanssens and K. H. Pauwels conclude that evaluating marketing performance and applying marketing analytics can improve decision-making at various organizational levels [5].

F. Alford and S. J. Page identify three phases in the implementation of a marketing model for small businesses: developing a clear market orientation toward the customer; attracting and retaining clients based on an understanding of their values; and testing marketing results followed by refinement of objectives. These researchers note that most small businesses fail to use management systems for evaluating marketing performance, largely due to their inability to measure

the return on investment (ROI) from marketing activities [6].

R. Bocconcelli, M. Sioppi, F. Fortezza, and others, analyzing approaches to marketing management presented in European scientific literature, distinguish within the structure of the marketing management process two key components: informational and strategic activity, as well as basic operational activities related to the instruments of price, product, distribution, and communication [7].

J. Sánchez-Gutiérrez, P. Cabanellas, J. F. Lampon, and T. E. González-Alvarado place relationship management and consumer value at the core of marketing management in small industrial enterprises [7]. The importance of collaboration, value creation, and value enhancement for all parties involved in relationships is emphasized by J. Sheth, A. Parvatiyar, and J. Sinha.

The significance of interfirm relationships in the practical marketing activities of small industrial enterprises, particularly for achieving objectives in the B2B market, is highlighted by P. Ingenbleek and I. van der Lans, V. Lam and M. Harker, T. Flatten et al., and W. Chong et al.. At the same time, these approaches underline the dual importance of interaction outcomes: for business customers, it is the value delivered by the company, while for the company, it is the effectiveness of marketing activities that drives growth in financial performance [8].

In sum, the literature confirms that the competitiveness of small industrial enterprises depends largely on their ability to integrate relationship-based, systemic, and digitally oriented marketing management models. Future research and practical applications should therefore focus on developing conceptual models that enable small enterprises to combine customer orientation, digital transformation, and strategic coordination of marketing activities.

RESULTS

Enterprises and entrepreneurs in a market economy are regarded as the main mechanisms of production exchange and distribution. Enterprises are responsible for implementing the necessary measures for production, while entrepreneurs act as agents who introduce new combinations of production factors by identifying new markets, updating commercial products, and seeking innovative opportunities. In this context, it is important to consider Schumpeter's perspective on innovations that arise from new combinations of production factors and resources [9]. There are several criteria for identifying new combinations introduced by entrepreneurs. First, such combinations operate in harmony with existing ones,



which may remain in place for a certain period of time. Second, they are implemented outside the usual scope of activity, often without predetermined efficiency indicators. Third, entrepreneurial activity is characterized by a new quality: it is based on specific practical skills, requires the willpower of the individual, and reflects the ability to perceive objects from a different perspective [10].

Moreover, in many cases new combinations encounter resistance from existing structures, particularly those shaped by social, legal, and political environments. Consequently, entrepreneurial activity is not simply labor in the traditional sense. Even when it takes the form of labor, it represents a qualitatively different type of work—an independent effort directed toward advancing new ideas and practices [11].

According to Schumpeter, the definition of entrepreneurship as the function of implementing new combinations does not imply the possibility of engaging in entrepreneurial activity on a permanent basis. Once a new combination is introduced into the production process, it immediately loses its novelty, and the individual who implemented it can only be referred to as an entrepreneur during that period [12].

The above ideas substantiate the need for entrepreneurs to constantly overcome inertia associated

with habits and traditions. As a result, one of their main adversaries becomes the resistance of the external environment. The creative capacity of the entrepreneur thus serves as the principal source of dynamism. For instance, in Schumpeter's view, Henry Ford's true entrepreneurial activity did not begin in 1906 when he became the owner of the factory, but rather in 1909 when he launched production of his famous automobile model [13].

Schumpeter considered entrepreneurship to be the principal factor of economic dynamics. All models of economic evolution he analyzed were based on varying degrees of innovation. Profit, in Schumpeter's interpretation of new combinations of production factors, also plays a decisive role. In his analysis of profit, he identified as a central issue the need to locate a source independent of the social system or type of enterprise. He found such a source in innovation. Schumpeter argued that from the innovative function of entrepreneurship arise important economic phenomena such as profit, interest, and the economic cycle.

Based on the above considerations, it may be concluded that, according to Schumpeter, entrepreneurship manifests itself in several forms associated with innovative activity, ownership, and management (see Table 1).

Table 1
Main forms of entrepreneurship according to Schumpeter

Forms of Entrepreneurship	Key Characteristics:	
	Participation in Ownership	Participation in Management
Manufacturer-Seller	Owner of production factors; the firm is "his thing," "his work"	Typically manages the enterprise independently
"Captain of Industry"	Ownership is not obligatory	Exercises significant influence; acts as chairman of the board or in another senior administrative role
"Director"	Serves as an employee with authority over a large share of property	Direct professional management of the enterprise
"Founder"	Specializes in creating and launching enterprises; usually withdraws after securing a certain income from a new firm	

To provide a broader understanding of the essence of entrepreneurship, it is necessary to examine its traditional functions and manifestations as a socio-economic phenomenon. These include:

Macroeconomic function: Entrepreneurship and entrepreneurial organizations act as market entities, and their consistent development ensures economic growth, as well as the expansion of gross domestic product (GDP) and national income.

Resource function: Entrepreneurship promotes the efficient utilization of scarce and renewable resources.

Creative and innovative function: Entrepreneurial activity is inherently linked with the application of new ideas and the development of new tools and methods for achieving defined goals.

Social function: Entrepreneurship provides opportunities for individuals to demonstrate and realize their abilities, while simultaneously creating new jobs and contributing to budget revenues at various levels.

Organizational function: Entrepreneurs establish and structure their businesses, diversify activities, introduce corporate entrepreneurship, and adapt the strategic trajectory of the firm.



Based on theoretical insights from scientific literature and empirical studies, the key functions of entrepreneurship can be summarized as follows:

- organizing production and management processes;
- assuming responsibility and risk for material outcomes;
- making economic decisions that secure market dominance.

Decision-making and the acceptance of responsibility directly connect entrepreneurial functions with managerial activities. As one of the classical management studies states: "All entrepreneurs are actively involved in shaping enterprise goals or must bear responsibility for mistakes, material risks, and the consequences of any economic decision."

This perspective is reinforced by Steinhoff and Burgess, who emphasize that entrepreneurship is the driving force that ensures business success. When an individual establishes a new enterprise, introduces innovative approaches to outdated models, or leverages existing resources under conditions of uncertainty and risk, the entrepreneur finds their unique niche in the market. Thus, the success of small business is inseparably linked with the essence and practice of entrepreneurship.

CONCLUSION

The analysis and generalization of the theoretical insights presented above allow us to formulate several conclusions regarding the definition and role of entrepreneurship.

In a broad sense, entrepreneurship is interpreted as the overall activity of managing a business, whereby all individuals engaged in business management can be referred to as entrepreneurs.

In a narrower sense, entrepreneurship is understood as a specific form of business activity oriented toward innovation, profit generation from change, and adaptive movement within the market. In this regard, entrepreneurship may also be defined as a particular style of thinking.

Our study sought to scientifically analyze and reveal the essential meaning of entrepreneurship. Based on the chosen research topic and the internal logic of the work, we focused on examining entrepreneurship in the context of small business.

Research findings and statistical data indicate that the initial stage of entrepreneurship formation is closely associated with small business. Moreover, small business contributes significantly to shaping key macroeconomic indicators. For example, in the European Union, the share of small and medium-sized enterprises (SMEs) in employment reaches 66.3%,

while in certain member states it exceeds 75%: Estonia (78.2%), Italy (78.7%), and Latvia (79.4%). The high share of SMEs in employment is directly linked with their substantial contribution to gross domestic product (GDP). In countries such as Denmark, France, and Portugal, SMEs account for more than half of GDP. In recent years, the share of small enterprises in exports has also demonstrated noticeable growth.

Despite its importance for national economic development, small business still lacks a universally accepted definition, as business activities vary across different sectors. Nevertheless, quantitative and qualitative criteria are widely applied in practice to classify entrepreneurial activity as "small business." The results of our study confirm that small business possesses specific features distinguishing it from general business activities, including its organizational structure, management mechanisms, economic indicators, and use of capital and labor. Accordingly, in the subsequent sections of our research, the term small enterprise is used interchangeably with small business. Historically, small business in Uzbekistan emerged during the early years of independence, when most large enterprises had ceased operations due to economic crisis. At the initial stage of market reforms, all forms of business activity began to operate; however, large and medium-sized enterprises could not develop successfully. Unlike small enterprises, they faced difficulties in acquiring modern technologies, which required substantial foreign investments. Given the limited investment capacity of the country, such challenges became more acute. Consequently, by Presidential decree, since January 1, 2005, the concept of "medium-sized business" has been eliminated from official classification, leaving only "small business."

According to the State Committee of Statistics of the Republic of Uzbekistan, as of January 1, 2022, a total of 488,936 small business entities were operating across various sectors of the economy, accounting for 74.4% of total employment. Recent initiatives of the President of Uzbekistan have further facilitated the development of new forms of small business, particularly in agriculture, where innovative entrepreneurial models have emerged.

The state support of small business, aligned with broader socio-economic objectives and the long-term stages of Uzbekistan's development, serves as an essential mechanism for organizing its management within the market system. In fact, the primary aim of ongoing economic reforms is to achieve sustainable economic growth, ensure high living standards for the population, and strengthen Uzbekistan's participation in the global economy. While the current national context



offers optimistic prospects for achieving these goals, small business support also serves independent objectives derived from its unique nature and role in society.

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